Triveni
ENGINEERING & INDUSTRIES LTD.

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REF:TEIL:SE:

Date: 26th September, 2017

The Deputy General Manager Department of Corporate Services, BSE Limited 1st Floor, New Trading Ring, Rotunda Building, P.J. Tower, Dalal Street, Fort, MUMBAI - 400 001	The Asst. Vice President, Listing Department National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), MUMBAI - 400 051
STOCK CODE: 532356	**STOCK CODE: TRIVENI**
Sub: Submission of Annual Report for the FY 2016-17 ended on March 31, 2017	

Dear Sirs,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), we submit herewith the Annual Report of the Company for the financial year 2016-17 ended on March 31, 2017 duly approved and adopted by the members of the Company at their 81st Annual General Meeting held on September 22, 2017, inter-alia containing the following:-

- Audited financial statements i.e. balance sheet, profit and loss account;
- Audited Consolidated financial statements;
- Cash flow statement;
- Auditors Report;
- Directors Report;
- Management discussion and analysis report

You are requested to please take the above on record.

Thanking you,

Yours faithfully,
For Triveni Engineering & Industries Ltd.,

Geeta Bhalla

GEETA BHALLA
Group Vice President &
Company Secretary

Encl: As above

Annual Report
2016-17

Triveni
ENGINEERING & INDUSTRIES LTD.

Perseverance Pays

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Perseverance Pays

Passion and determination coupled with the pursuit of our goals against difficult odds has resulted in success.

We at Triveni, have been working hard with grit and determination, to succeed in our pursuit of excellence and value creation for our stakeholders. In our long history and experience, we have weathered many adverse business cycles while remaining positive and have continued to maintain our momentum. We have been focusing on improving our capabilities through collaboration and teamwork, strengthening stakeholder engagement and exploring new avenues of growth. With our steadfast optimism and business acumen, we remain vigilant to capture growth opportunities at every turn.

We had witnessed a tough macro business environment for the past few years but it made us more determined to innovate and overcome impediments. Our hard work and perseverance has paid off and we have achieved many new milestones of success in FY 17. Bearing the fruits of perseverance, we attained our highest sugarcane crush and have featured amongst the highest sugar producers in the country and in Uttar Pradesh during Sugar Season (SS) 2016-17.

We remain resolute and keep moving forward towards sustainable growth and achieving many more milestones of success going forward.

Creating awareness & strengthening ties with farmers through our cane development programme

Persevere.

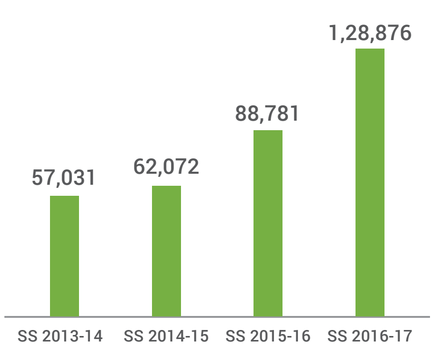
Every Stick of Sugarcane Matters!

Excellence is the sum total of many constituents falling in place simultaneously in a planned manner. We believe that staying focused on granular elements and getting them right is the key to success for individuals and enterprises alike.

At Triveni, our core values drive us into doing what is within our ambit instead of waiting passively for the right set of external factors. Rather than waiting for a favourable operating environment, we have been working hard with decisiveness and clarity. One such initiative within our sphere of control is our strategic Cane Development Program, aimed to benefit the Company as well as the sugarcane growers in our operating geographies with improved yield and variety. The sustained Cane Development Program is being carried out with rigour and fervour, across all our seven sugar manufacturing units. Our efforts of providing high-yielding seeds and inducing better agronomic practices have positively impacted the yields, earning the confidence of more than 250,000 sugarcane growers.

Perseverance in our long-running cane development program bore fruit for the Company in the year gone by in the form of higher sugarcane crush and recovery. Cascading positive effects have also registered in our co-generation and distillery business segments.

Area under Early & Improved Sugarcane Varieties (Hectare)



Value Optimisation is our key strategy

Persevere.
Every Gain Matters!

In the journey of perseverance, aimed at sustainable value creation; every gain matters. It is with this belief that we approach our diversified businesses of integrated sugar, industrial gears and water treatment.

We have been optimising the entire value chain in respective businesses in order to optimise value. Right from sourcing of resources to optimum deployment across manufacturing and distribution, to marketing our products and services; our efforts remain centered for incremental gains that can be attained at every stage of our business cycle.

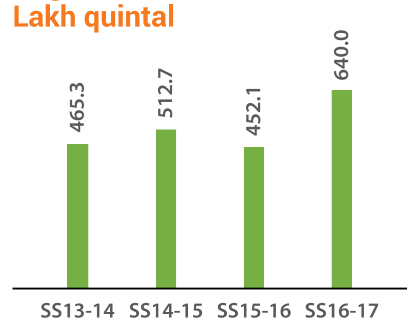
We have recorded a robust 45% increase in sugar production over previous year, as a result of increased sugarcane yields, sugar recovery and optimised operational efficiencies. Stable sugar pricing has resulted in increased gains.

In our co-generation business, we are expecting higher power generation, as a result of increased operational period and better steam efficiencies across our plants. We have been successful in taking approval from the Ministry of Environment, Forest and Climate Change for operating our distillery for ~ 365 days. The approval empowers us to operate up to 20% added capacity.

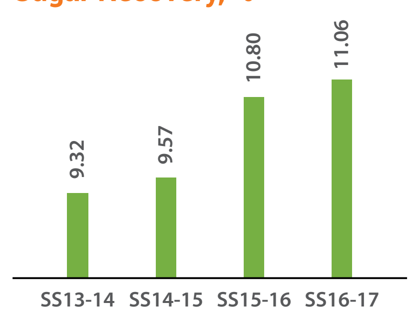
In our Gears business, we have been successful in entering new segments to further strengthen the growth prospects. Entry into the defence segment and renewable energy product segment has helped us in expanding our market horizon.

In our Water business, our focus on extending our portfolio of services into the Management of City Utilities in an integrated manner, has yielded results and opened more such avenues.

Sugarcane crushed, Lakh quintal



Sugar Recovery, %



The supply shortages turned out to be advantageous resulting in strong sugar prices

Persevere.
Every Turn Matters!

While initial fruits of our perseverance are visible in our FY 17 results, the external business environment appears more contributive towards business growth in the future. Sugar, co-generation and distillery businesses are poised to grow further on this year's productivity gains. The business prospects of Water business look encouraging with higher traction in the sector on account of numerous projects being prioritised by the Government. We have been improving our competencies, product as well as service offerings in both our engineering businesses and are ready to exploit the potential opportunities as and when those arise.

The Central Government has intensified its focus on fast-tracking infrastructure sector, which will revitalize long-term investments in the country. This holds great promise for our Engineering businesses.

The Government's focus towards a clean India and with increased environmental vigilance, the overall economic scenario is very conducive for our Water business. Business conditions and outlook indicate exciting time ahead. The key to success is to persevere until you reach your turn, as every turn matters.

Government's increased focus on infrastructure will revitalize long-term investments in the country.

Business Profile

Triveni Sugar

Integrated. Sustainable. Quality Product.

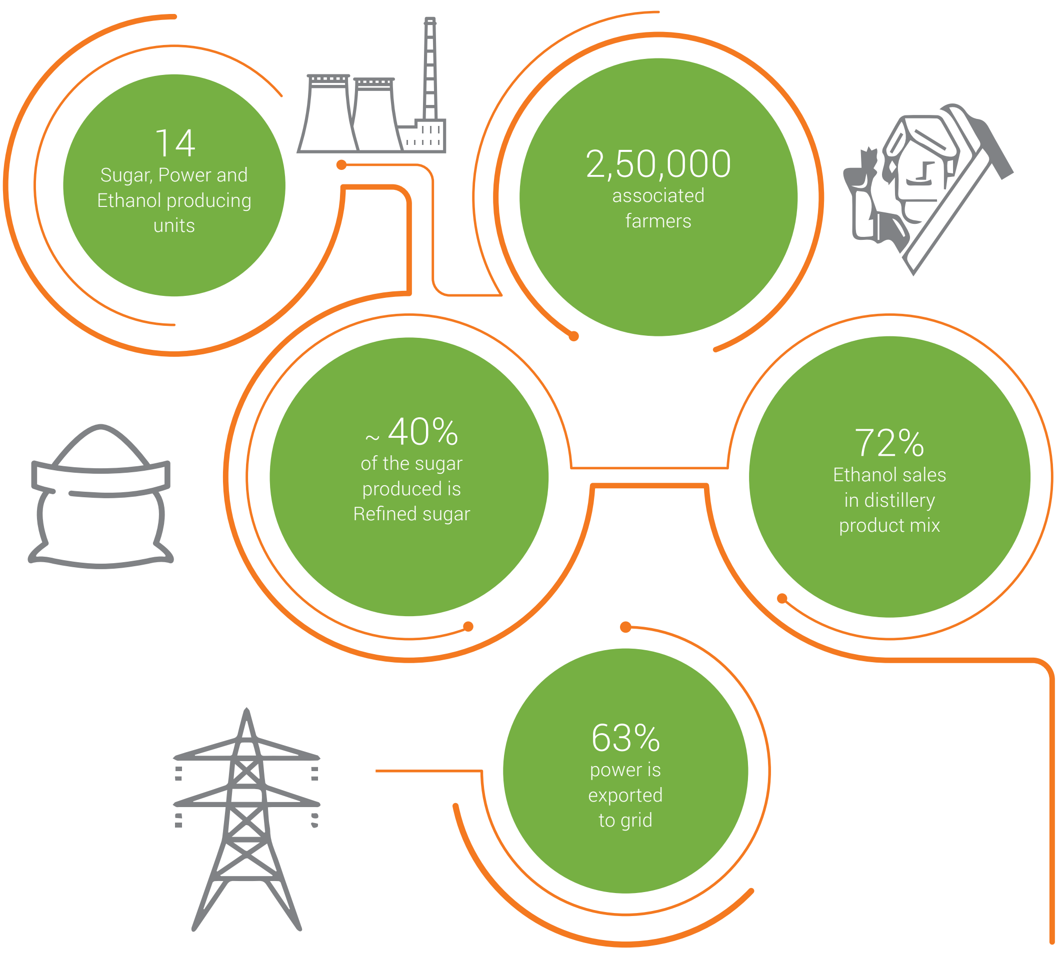
Triveni is one of the largest integrated sugar players in India, with seven sugar mills strategically located across the western, central and eastern parts of the sugarcane rich areas of Uttar Pradesh (U.P.), India's largest sugarcane producing state.

Integrated Operations

Our Khatauli, Deoband and Sabitgarh units are in Western UP, Rani Nangal, Chandanpur and Milak Narayanpur units are in central UP and the Ramkola unit is in Eastern UP. Integrated with co-generation and distillery businesses, our sugar operations are optimised for value addition. Two of our facilities, Khatauli and Sabitgarh produce refined sugar, which accounts for almost 40% of total sugar production while the other five units manufacture white sulphitation sugar.

Triveni presently operates grid connected three co-generation plants and three incidental co-generation plants located across five sugar units which facilitate the export of surplus power to Uttar Pradesh Power Corporation Limited (UPPCL).

We have one of the largest and most efficient single stream molasses based distillery in the country, located at Muzaffarnagar, which operates on captive feedstock from our sugar units.



Quality Products

Sugar:

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

Distillery based products:

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

Power Export:

Triveni currently operates 104.5 MW grid connected co-generation capacity. Its co-generation plants in Deoband and Khatauli (Phase I) are registered as Clean Development Mechanism (CDM) projects with UNFCCC. The Company’s Khatauli, Deoband, Sabitgarh, Chandanpur & Milak Narayanpur units are also registered as Renewable Energy Certificate (REC) project under CERC.

Competitive Edge

Geographic advantage due to natural favourable conditions -

- 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 sugercane cultivation
- Besides the sugarcane catchment areas, all sugar units of the Company are under canal irrigation, both in western and central UP, leading to reduced dependency on the monsoons

Mills located near major consumption centres –

- The strategic vicinity of the units to the country’s major sugar consuming markets, which ensures better realisations through lower transportation costs and the possibility of greater off-take
- Optimal blend of different qualities and sizes of sugar

Cane Development & Research -

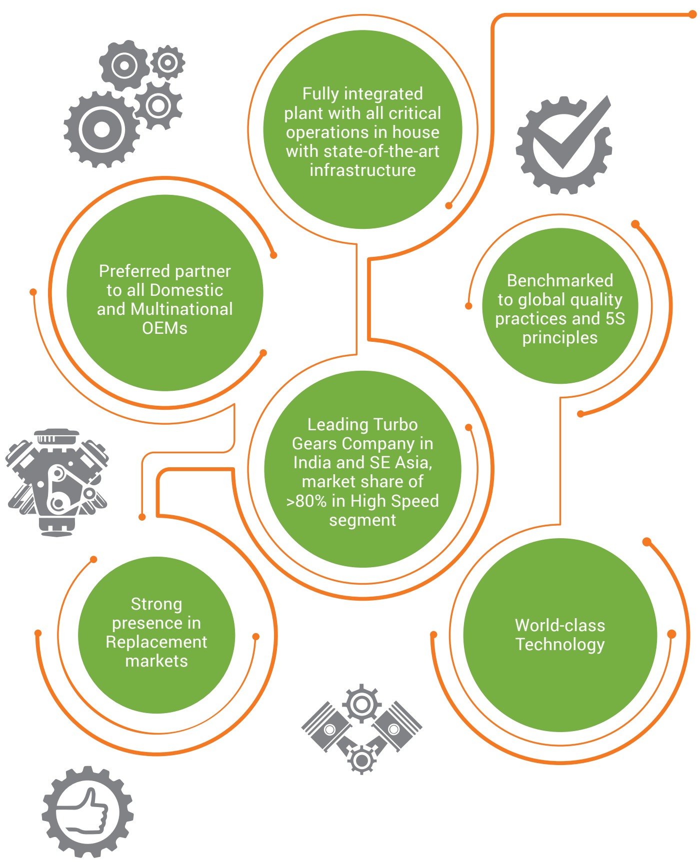
- Continuous focus on increasing the farm level productivity by working with farmers on implementing latest agro-techniques for sustainable farming
- Working with scientists and research institutes for propagation and adoption of the new high sugared and high yielding varieties of sugarcane

Triveni Gears

Excellence. Expertise. Technology

Driven by quality, innovation and flexibility, Triveni Gears has been delivering customised solutions for industrial gearboxes for the past four decades.

Started in 1976, with the objective of fulfilling the Company's captive demand for high-speed gears, the business has become a dominant supplier to all major OEMs in the country. We remain the market leader in high speed Gears and Gearboxes up to 70 MW capacity and speed of 70,000 rpm.



Robust and Reliable Product Portfolio

Triveni delivers robust and reliable Gears solutions which cover a range of applications and industries to meet the ever-changing operating conditions and customers' requirements. The major product portfolio includes steam turbines, gas turbines, and compressor gearboxes under the High Power High Speed segment. In the Low Speed segment, the Company focuses on the gearboxes used in applications such as reciprocating pumps and compressors, hydel turbines, mill and extruder drives for metal, sugar, rubber and plastic industries, marine applications, etc.

All the products are designed, manufactured and commissioned in accordance with international quality norms such as DIN/ AGMA/ API/ ISO standards and as a result, Triveni gearboxes are synonymous with delivering maximum performance with minimum downtime.

Engineering Excellence

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

Infrastructure -

- Fully integrated facility with in-house core processes up to 2 meter Dia and in-house heat treatment facility
- Latest profile grinding, hobbing, horizontal and vertical grinding, horizontal boring machines, plano-milling machines and vertical machining centers
- In-house Metallurgical Lab
- Testing and assembly bay with multiple workstations and three test benches
- Adhering to highest quality standards - ISO 9001 –2015, ISO 14001 – 2004, OHSAS 18001:2007, CE Certified
- Multi-modal bay for flexible manufacturing

Low Cost Supply Chain

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

Aftermarket Solutions

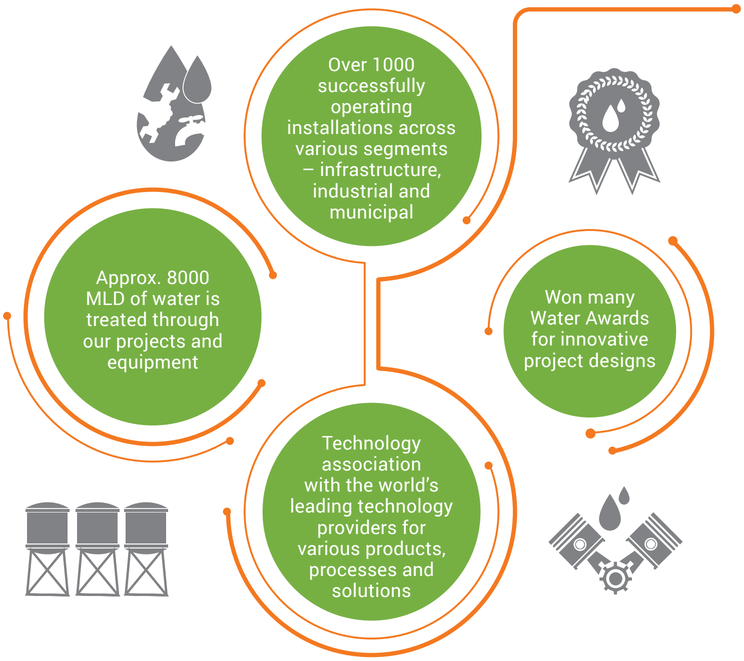
Our robust and reliable products are backed by 360 degree service solutions which minimise the downtime for our customers. We provide health monitoring services for all types of critical gearboxes, high speed and low speed, as well as maintain an inventory of dimension ready sites for immediate solution.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

Triveni Water

Efficient, Sustainable and Complete Water treatment solutions

For over three decades, we have served our customers to overcome complex challenges related to water scarcity and quality. Triveni Water is one of the leading solutions providers for water treatment, wastewater treatment and the recycle of water. Advanced Solutions offered for total water management:

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



Water Treatment

Reducing water availability, deteriorating water quality and growing environmental concerns are constantly challenging the economics of water treatment processes. In order to ensure water sustainability for industrial consumption, it is essential for companies to invest in technologically advanced water treatment processes.

We provide efficient and cost effective solutions to help our customers meet the growing demand of water across a large cross section of industries and municipalities. We provide such solutions using the latest technologies and processes, with a strong focus on design and engineering.

Wastewater and Sewage Treatment

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

Recycle and Reuse of Wastewater

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

Process Equipment

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

- Screening
- Grit Separation
- Clarification & Thickening
- Aerations systems
- Anaerobic Digestion systems
- Bio Gas Handling systems
- Solid - Liquid Filtration Systems
- Oil – Water Separation systems

Customer Care, Operations and Maintenance

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

- Operations and maintenance
- Annual maintenance contracts
- Product & 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

Message from the Chairman

Dear Shareholders,

At the turn of another year of sustained optimism and steadily improving performance, I am glad to be addressing you through our Annual Report 2016-17. We have persevered our way through the cyclical ups and downs of the business during our long history. Taking each downward cycle as an opportunity to sharpen our capabilities and business focus, we have leveraged the subsequent upcycle as an accelerator for our stakeholder value.

With a robust business model, state-of-the-art manufacturing capacities, leading edge technological and design capabilities and customer trust, your Company continued to pursue operational excellence in a fiscal year that proved to be a mixed bag for its sugar and engineering business portfolios. You would be happy to know that our sugar business delivered a record performance on many notable parameters. Engineering Business too persevered through the prolonged slowdown in the domestic market, undertaking several structural initiatives that would prove beneficial in the years to come.

From an economic standpoint, the country continued to surge ahead on the path of policy reforms, the highlight of the year being the passage of Goods and Services Tax (GST) Bill. The historical move of currency recall, popularly known as demonetisation, has served a solid platform for a more organised business ecosystem that adopts digital money as a way of becoming less cash-dependent. Mass infusion and a relatively higher retention of surplus cash in the banking system augurs well for higher access and lower cost of credit. The Government's thrust on infrastructure development ought to be paired with increasing confidence of the industry and the investor community, in the interest of accelerating capital formation that supports increasing consumption over the medium term.

Coming to our business performance, the Company achieved record growth of 48% in gross revenues at ₹ 2966.9 crore. The operating profit was higher by 257% at ₹ 551.9 crore, over the previous year. Reflecting the overall higher level of efficiency, our net profit stood at ₹ 233.6 crore as compared to loss of ₹ 8.8 crore in FY 16.

Sugar Business

The Indian sugar industry witnessed a steep reduction of about 20% in overall sugar production, estimated to drop to about 20.1 million tonnes for the Sugar Season (SS) 2016-17. Uneven distribution of monsoon rainfall and two consecutive years of deficit rainfall, resulted in near drought situation across sugarcane growing regions in Western and Southern India. Our operating region of Uttar Pradesh (U.P.), thankfully

Your Company is perfectly positioned to leverage the market opportunities with its strong capabilities and agile strategies to ensure a holistic progression.

received adequate share of monsoon rainfall, recorded an all-time high sugar production of 8.75 million tonnes and ended up replacing Maharashtra to become the largest sugar producing state for SS 2016-17. The record production in Uttar Pradesh was aided by higher farm yields, higher cane availability to sugar mills, lower cane diversion to the unorganised sector in the face of demonetisation and improved recoveries.

Owing to the consequent mismatch in demand and supply, sugar prices in the domestic market remained high during FY 17. Firm sugar prices provided the much-needed respite to the industry, in turn helping it post a turnaround. Being one of the largest agro-based industries in the country, with over 50 million farmers dependent on it, directly and indirectly, improvement in the overall viability of the sugar Industry offers collateral benefits to the country's economy as a whole.

Your Company is moving forward steadfastly with its core operating principles of Integrity, Improvisation, and Perseverance. We endeavour to build upon the initial gains of our farmer-centric cane development program with renewed vigour and intensity. Engaging over 250,000 farmers in our catchment areas, we are working with them hand-in-hand in order to ensure higher farm yields through advanced farming techniques. Better varietal balance, in conjunction with various process enhancement measures have resulted in higher recoveries across our plants during the year under review. Integrated sugar operations, which insulated us during tough times of yester years, added to the overall performance of our sugar business in the year gone by.

Engineering Business

Prospects of both constituents of our engineering business, Industrial Gears and Water & Wastewater Treatment are linked with an overall upward movement in the capital goods sector. Sustained structural strengthening of the Country's economic prospects has been progressively increasing the confidence and investment allocation towards new industrial and municipal infrastructure. In our Industrial Gears business, we recorded a marked growth in enquiry book and a healthy 35% growth in the order book. The demand grew from the OEMs whereas growth in aftermarket performance continued to remain low. In order to further enhance our capabilities, we have been putting efforts towards optimisation of our supply chain. Being equipped with advanced technologies, we have been seeking several growth opportunities across the sectors and due to this, we have sustained our position in the Gears market even in last few years of overall sluggish market growth. In order to balance out the dependence on domestic market and to ensure long term steady growth, your Company is simultaneously expanding its reach in overseas markets for both OEMs and Aftermarket solutions.

India is confronted with an uphill task of managing the growth aspirations of 18% of world's population with only 4% of world's accessible freshwater pool. Estimated to be a USD 4 billion industry, the water sector in India is headed towards a sustained double-digit growth, riding on increasingly stringent environmental norms, fast-paced urbanisation, depleting groundwater table and evolving lifestyle. Owing to various factors resulting in the midway slowdown in undergoing projects, the performance of our Water business stood below our expectations. Intensifying its sales and marketing efforts, the business is actively exploring select international markets. The business has recorded good order booking during the year.

Looking Ahead

The forecast for another successive year of normal monsoon in 2017, coupled with increased sugar production estimates for the Country augurs well for our Sugar business. Your Company is also poised to benefit from continued firmness in sugar prices in the light of demand and supply mismatch.
Capital goods sector too is poised to benefit from demand revival. Initiatives like Namami Gange, stringent application of wastewater treatment and discharge norms in Megacities and Urban Rejuvenation program, AMRUT should all trigger growth opportunities for our Water business. The Company is optimistic for exports and also expects orders from Municipal and Industrial markets both in the coming years in Water segment. Development of customised applications and participation in new segments augur well for our Gears business.

Across our business verticals, we are concentrating on segments we believe are essential for consolidating our core competencies and product lines. Your Company is perfectly positioned to leverage the market opportunities with its strong capabilities and agile strategies to ensure a holistic progression.

I would like to take this opportunity to thank all our stakeholders for the continued trust and look forward to your ongoing support.

With best regards,

Dhruv M. Sawhney
Chairman & Managing Director

Q&A with the Vice Chairman & Managing Director

Tarun Sawhney

What are the key highlights of the Company's performance during the year under review?

The year under review has been a year of record performance for the Company in terms of profitability. We have recorded a Profit after Tax of ₹ 233.6 crore as compared to loss of ₹ 8.8 crore last year. Our gross revenue stood at ₹ 2966.9 crore which is 48% higher than that of the previous year. EBITDA increased by 257% to ₹ 551.9 crore. Sugar business has achieved highest sugarcane crush and sugar production levels in the history of the Company. Both Co-generation and Distillery businesses have also performed well.

In the Water business, we have won a breakthrough order for a 210 MLD Water Treatment Plant and upon commissioning, this would be the largest Water treatment Plant for the Company, surpassing our 144 MLD Agra project.

In our Gears business, we have entered into new segments of Marine Gears and renewable energy product segment which is expected to help in further business growth.

How would you describe the performance of Sugar business vis-a-vis market?

FY 17 marks a turnaround for the sugar industry. Almost stable growth in demand and year on year decrease in supply in the domestic market has resulted in favourable prices. The decrease in supply is attributed to the continued drought conditions in sugar producing states – Maharashtra and Karnataka. The sugar prices have risen up and expected to remain firm.

One of the key highlights of this Sugar season has been, Uttar Pradesh emerging as the highest sugar producer in the country with 26% growth in sugarcane crushing as compared to last year. I am happy to report that the Company outperformed the state by achieving increase in sugarcane crushing by 42%, recovery by 26 basis points and higher sugar production by 45% as compared to last season.

This improvement is due to our continuous cane development efforts in propagating high sugared varieties to enhance the yield as well as achieving better recovery and efforts in continually improving our operational efficiencies. We are highly encouraged by the results and will continue putting our efforts in the same direction. This year has been a rewarding one, for all the hard work we had put in earlier years.

What is your strategy for optimising value from Sugar operations?

The first and foremost step is to enhance the productivity of the sugarcane through our cane development program which helps in increasing yields and recoveries. Our cane development team is working closely with farmers and monitor sugarcane crop in our catchment area through regular field visits. The team in association with renowned agriculture scientists propagate latest agronomic practices in integrated pest and disease management so as to enhance the ability of the sugarcane to withstand adverse climatic conditions, including pests and diseases. The Company organises regular farmer meetings, trainings, tour to demonstration field visits etc. to instil confidence in the farmers leading to adoption of techniques to enhance sugarcane productivity. Soil and nutrient management is another key area for the Company to promote sustainable sugarcane cultivation in its command area. A blend of these strategic agronomic and extension practices leads to optimising the sugar production by y-o-y increase in yields, crushing and recoveries.

Our strategy is to maximise power exports while keeping capital cost low. And I would like to mention that this approach of ours has shown results. The export of Incidental co-generation at Chandanpur, Milak Narayanpur and Sabitgarh factories has resulted in revenue of ₹ 16.4 crore in the year under review. Higher crushing, along with higher no. of sugar factory operation days, results in prolonging power generation period leading to higher power generation. Better steam efficiencies across all our plants also aided the growth in our performance.

Regarding our Distillery business, the Ministry of Environment, Forest and Climate Change has approved our request for operating our distillery almost throughout the year. This will help us to operate at 20% added capacity. Our dynamic product mix strategy also leads to higher revenues and profits during the year.

What is your outlook on the Company's Engineering Business in the prevailing market scenario?

In the Water business, the flagship programmes of Central government, Namami Gange under Ministry of Water Resources (MoWR), Municipal schemes under AMRUT present a huge potential for the business in coming years. Wastewater pollution control measures being undertaken in Mega cities like Delhi, Bengaluru etc.is leading to major schemes being announced and bidding process is underway. In view of our current credentials, our Water business is poised to exploit these opportunities in order to improve business growth.

An adverse industrial scenario, which has resulted in a reduced order intake in FY 17 from the conventional segments, has impacted the performance of Triveni Gears. Despite such external constraints, the Company's foray into component manufacturing and engineered products for new segments could help to achieve a growth in the order book.

Sugar business has achieved highest sugarcane crush and sugar production levels in the history of the Company.

In Industrial segment, Fertilizer segment is expected to attract investments with Central government committing funds for revival of closed units through various PSUs. In Oil & Gas sector, new capacity addition is expected in refineries across the country which also offers business opportunities for the Company. With new guideline from the Supreme Court coming into force, set up of Common Effluent Treatment plants in the industrial sector should lead to better opportunities of growth for the business going forward.

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

Management Discussion & Analysis

The Sugar Industry

The Sugar Industry in India is highly regulated due to its close linkages with 50 million sugarcane farmers and fact that the final product sugar is considered an essential commodity. India is the second largest producer of sugar in the world, while it is the largest sugar consumer in the world. India's participation in the global markets is infrequent and as a result the pressures and triumphs of the global market place play only a limited role on the domestic market.

The Sugar Market

Market Analysis

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

The sugar mills have evolved over the past decades into multi product, integrated industrial complexes, which manufacture sugar and utilise the co-products for generating green power and green fuel.

The sugar industry had incurred financial losses in the past few years due to a mismatch between high input cost and low output prices. On account of two consecutive drought years in some leading sugar producing states of India, the sugar production for Sugar Season (SS) 2016-2017 declined significantly, even below the consumption levels, which led to correction of sugar stocks in the country. The resulting strong sugar prices helped the sugar industry witness a remarkable turnaround in the past 18 months.

Sugar production

As per industry estimates, the country's sugar production for the SS 2016-17 is forecast at 20.1 million tonnes, lower by about 20% from the previous sugar season. The decline in sugar production was majorly contributed by the States of Maharashtra and Karnataka. The drought in the country badly affected the sugar planting in Maharashtra and Karnataka. Sugarcane availability for production of sugar in these states was constrained as a part of the sugarcane production was diverted towards sugarcane planting as seed. As per the recent estimates, Maharashtra has produced 4.2 million tonnes of sugar (at an average recovery of 11.24%) which is about 50% lower than the previous sugar season. Similarly, the production in Karnataka is expected to be 49% lower, at about 2.1 million tonnes, with an average recovery rate of approx. 10.22%.

In contrast, in the present Sugar Season, Uttar Pradesh (UP) has been the highest producer of sugarcane and sugar in the country with estimated sugarcane crush of over 82 million tonnes, which has been a year-on-year growth of 28%. The State has produced over 8.75 million tonnes of sugar. Sugarcane availability and sugarcane yields have been substantially better than last year while the sugar recovery remained more or less at same level as last year due to continuous cane development efforts made by UP sugar mills and the rampant adoption of new high sugared and high yield varieties of sugarcane suited to the present sub-tropical climate conditions.

Sugarcane Pricing

The Central government announced the Fair and Remunerative Price (FRP) for sugarcane for SS 2016-17 at ₹ 2300/tonne at 9.5% recovery, which is at same level as the previous year. With every increase in recovery by 0.1% point, the FRP increases by ₹ 24.2/ tonne. However, some of the major sugarcane producing states, such as, UP, Punjab, Uttarakhand and Haryana announced State Advised Prices (SAP) which is much above the FRP. The UP Government announced the SAP for season 2016-2017 at ₹ 3050 per tonne from ₹ 2800 per tonne in the previous season for normal variety delivered at the sugar mill, with premium / discounts for other varieties and for the sugarcane delivered at the cane centres. In view of better sugar economics, the provision of payment of sugarcane price in two tranches, which was permitted in the previous season, was withdrawn and there is now an additional impact of ₹ 95/tonne on account of withdrawal of purchase tax remission and payment of society commission for the Sugar Season 2016-17.

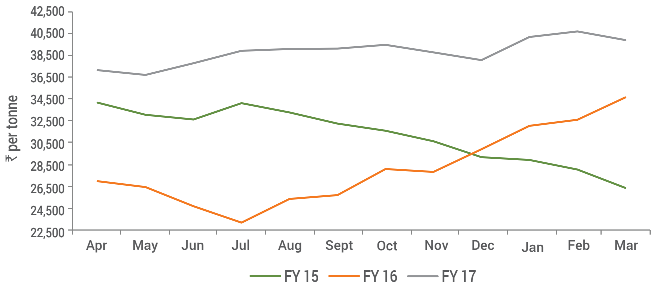
The long standing demand of the Industry for linkage of sugarcane price with sugar price has not yet materialised. For sustainable and long term viability of the industry, the SAP pricing model needs to be changed and give way to FRP, which would then need to be appropriately fixed based on commercial considerations, taking into account revenue sharing with farmers, subject to a floor limit. It will necessitate creation of a sugar Price Stabilisation Fund (PSF), to be funded by a levy to be collected on the sale of sugar, which may be used to support a portion of cane price, considered excessive having regards to prevailing sugar price, directly to the farmers in situations of mismatch between the cane price and sugar price. This sugarcane pricing mechanism would not only provide greater viability to the sugar industry and stable livelihood to farmers, and most importantly, it will help in timely future payment of dues to farmers.

Sugar Prices

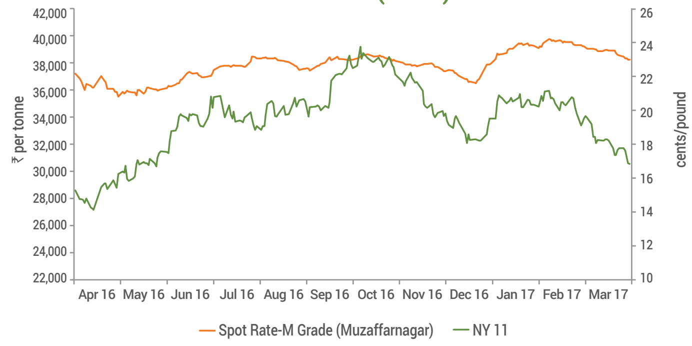
The spot NCDEX sugar price during FY 17 has remained buoyant and range bound between ₹ 3700-3900/quintal. The slight decrease in prices during November- December has been due to the impact of demonetisation. In the last quarter of year under review, the price has remained around ₹ 3900/ quintal as can be observed from the graph.

In the present sugar season, UP has been the highest producer of sugarcane and sugar in the country..

Duty Paid Monthly Average Spot Price - M Grade Muzaffarnagar (NCDEX)



Spot Rate NCDEX, Duty Paid-M Grade Muzaffarnagar Vs NY-11 (FY17)



The expected significant decline in domestic production along with expected global sugar supply deficit in this marketing year supported the firmness in prices. The average duty paid sugar price at Muzaffarnagar for FY 17 has been around ₹ 3779/qunital.

Global sugar prices showed a significant increase during H1 with the monthly average prices moving from 15.2 cent/pound in April 2016 to 23 cent/pound in October 2016 which is a growth of over 50%.The Global sugar prices (ISA price) achieved four-year highs in September 2016, moved downwards to 6-month lows in mid-December 2016 and then recovered in last week of 2016 followed by consolidation in January and the first half of February 2017. The prices have remained at a level between 14 cents/pound and 23.8 cents/pound from April 2016 to March 2017.

The stable global sugar prices coupled with a lower than estimated sugar production for the country during SS 2016-17, will augur well for the Indian Sugar industry and therefore, the domestic sugar prices are expected to remain firm at the current levels.

Demand – Supply scenario

Domestic

Factors like growing retail consumption, especially increasing institutional/bulk demand due to rising population and increasing disposable incomes is triggering the increase in demand for sugar. The estimated Compounded Annual Growth Rate (CAGR) for domestic consumption of sugar is about 3.2% over the past five years, which is estimated to be more than the global average. As per estimates, the share of bulk consumers in the domestic sugar consumption would be around 60% while the rest of the consumption is directly by individual households. The bulk consumption is also estimated to increase due to the increase in consumption in sectors like beverages, processed food, confectionary, bakery products, pharmaceutical etc.

The estimated sugar production for the country during SS 2016-17 is 20.1 million tonnes. This estimate is around 20% down from the last sugar season. The annual sugar consumption is estimated at 24.0 million tonnes taking into consideration lower off-take during November 2016 - March 2017, which could be due to the impact of demonetisation, and anticipated lower demand, by State Governments in view of dispensing subsidy on PDS sugar. The aforesaid factors are likely to result in substantial decline in sugar stocks from 7.75 million tonnes to about 4-4.5 million tonnes, which may be adequate in view of expected early start of Sugar Season 2017-18.

The trend of sugarcane planting in Maharashtra is better than the last year and planting is expected to be significantly higher due to forecasts of better monsoon season. The higher sugarcane availability from Maharashtra, in the next season, may lead to higher sugar production. The initial estimates of sugar production for SS 2017-18 is around 24-25 million tonnes.

Global

The estimates for world sugar deficit indicate to 5.9 million tonnes, lowest level of global sugar stocks since 2010/11. As per the preliminary forecasts, there may be minor surplus in 2017/18. The global sugar production is estimated to increase by 2.7 million tonnes to 168.3 million tonnes and the global consumption in 2016/17 is revised to rise up by 1.62% from the previous season to 174.2 million tonnes. Even if there is a surplus global sugar production in 2017/18, the tight position is expected to continue due to a critically low level of stocks forecast by the beginning of the next October/ September cycle.

In Brazil's centre-south region, sugarcane crushed by mills from April 2016 to March 16, 2017 totalled 599.16 million tonnes, down 0.74% from the previous crop year and sugar production reached 35.36 million tonnes during the same period which is up 14.98% due to increase in diversion of sugarcane for manufacture of sugar. Ethanol production decreased 8.38% to 25.32 billion litres. As per industry estimates, Brazil is expected to produce 38 million tonnes in 2016/17 and 37.8 million tonnes in 2017/18.

In Thailand the sugar production is estimated to fall further in 2016/17 as compared to the production 2015/16. The estimates indicate production at 9.45 million tonnes in 2016/17 as compared to 9.755 million tonnes in 2015/16 due to the worst drought in more than two decades.

The global trade sometime, has an impact on the domestic sugar industry as it can help to regulate sugar inventory in the domestic market through exports or imports, based on the surplus/deficit production statistics. The domestic market is expected to remain range-bound as overall fundamentals remain positive in the remaining time period of 2016-17 and going forward in 2017-18.

Government Policy

During the year, Central Government discontinued the subsidy on sugar sold through the Public Distribution System (PDS) from FY 18 which is likely to impact the consumption and off-take of the sugar in domestic market.

In FY 16, the Central Government introduced a Production Subsidy Policy 'Minimum Indicative Export Quota' (MIEQ) casting an obligation on all sugar mills to export sugar based on some prescribed basis. The objective of the Policy was to liquidate surplus stocks in the country as well as expedite payment of sugarcane dues. However, the Policy had to be suspended when it became clear that the production for SS 2016-17 will be much lower resulting in an anticipation of improved sugar prices. Further, in September, 2016, the Government of India enforced the stock limit for sugar producers in order to have a check on the supplies to the market and thereby regulating the sugar prices in the retail market. The limit prescribed was as under:

- End of September 2016 – 37% of the total sugar available during 2015-16 sugar season
- End of October 2016 – 24% of the total sugar available during 2015-16 sugar season.

In April 2017, the Government decided to allow States to impose and enforce stock limits to check the price rise in sugar and gave approval to bring "sugar" under the purview of imposing stock holding limits on dealers of sugar. The decision will empower State and Central agencies to impose stock limits and regulate supply, distribution, storage and trade of sugar to bring down sugar prices at reasonable level by curbing unscrupulous trading.

The Ethanol Market

The diverse challenges of a growing population, the increasing need for energy and fuel, natural resource degradation and climate change are leading us towards producing larger quantities of alcohol for partial replacement of fossil fuel. The sugar industry has been supplying ethanol to be blended with fuel which helps the country to tackle some of these issues.

The domestic market is expected to remain range-bound as overall fundamentals remain positive in the remaining time period of 2016-17 and going forward in 2017-18

Market Analysis

India is the fourth largest producer of alcohol globally and the leading producer of alcohol in the South-East Asian region with about 65% share. The Central Government has been promoting the production and blending of Fuel Ethanol with petrol and has targeted 10% blending (EBP10). Apart from being environment friendly, it also ensures fuel security for the country, and helps the sugar industry to have another revenue stream and be in a position to meet cyclicality in the industry. In order to fulfil the demand at 10% blending, it is estimated that approximately 266 crore litres of ethanol is required.

Demand Drivers

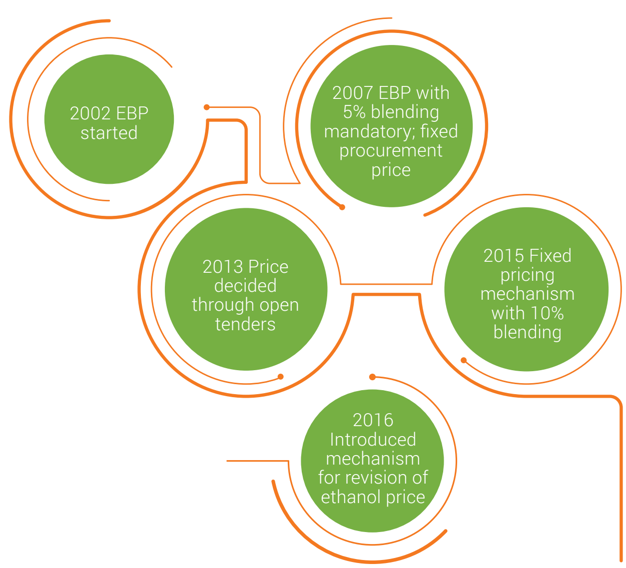
Population growth and increasing urbanisation are pushing the need for mobility. Transportation sector is growing rapidly and the dependence on oil is on the rise. Considering the burgeoning oil import bill and the concern for the environment, there is a need for non-conventional fuels. The blending of ethanol at 5% with petrol helps in reducing the dependence on oil as well as reducing the pollution, while saving ₹ 6000 crore in foreign exchange annually. Ethanol has about 30% oxygen, which in turn, helps balance fossil fuel burn much better within the engine. This extra and efficient burning of the fossil fuel within the engine, due to presence of ethanol, 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.

Demand-Supply Scenario

Currently, out of the 530 sugar mills in the country, only about 130 sugar mills have the capacities to produce fuel ethanol. The total capacity in the country is to produce 224 crore litres of ethanol. In the SS 2015-16, the sugar industry, for the first time, met the 5% blending target. However, in SS 2016-17, it is expected to reach 2.5% blending level due to lower sugarcane production thus leading to lower production of molasses. To meet the 10% blending, distillation capacities need to be increased. It means increasing the existing capacities as well as the establishment of new capacities. Extending the ethanol blending program to cover production from 'B' heavy molasses would also help in meeting the targets and will additionally give flexibility to the sugar industry to decide on product mix based on respective economics of each product.

Government Policy

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



The Government introduced mechanism for revision of ethanol price in 2016. Based on this new mechanism, the administered price of ethanol for the EBP Programme is ₹ 39/- per litre (exclusive of taxes) for ethanol supplied during December 1, 2016 to November 30, 2017. In case of any requirement to increase/reduce the retail sale price of petrol by OMCs, then such increase/reduction would proportionately factor in the requirement of maintaining the fixed cost of purchase of ethanol during the ethanol supply year. The Government, at any time during the ethanol supply period that is from 1st December, 2016 to 30th November, 2017 will review and revise the prices of ethanol depending upon the prevailing economic situation and other relevant factors. The Government also prematurely withdrew the excise duty waiver in August 2016 which was announced in June 2015. To give boost to the plan, it is imperative that a proper ROI and long term viability is ensured as only then the sugar mills will be encouraged to set up new capacities.

The Co-generation Market

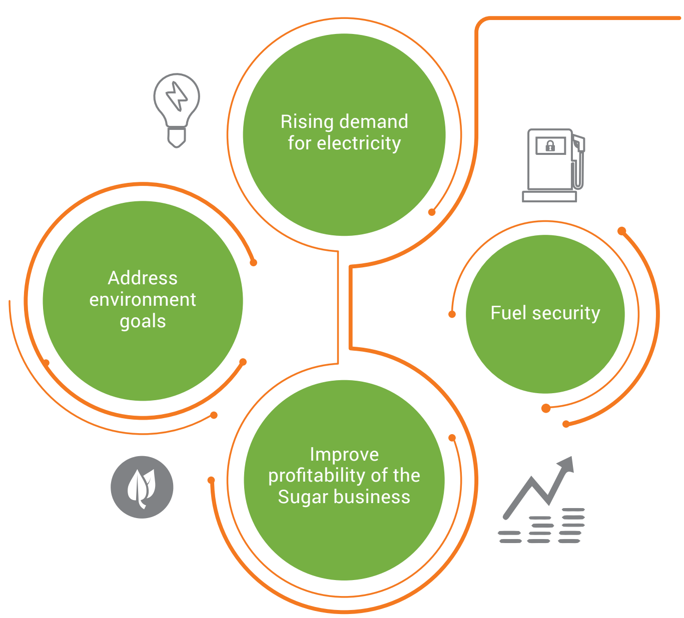
Co-generation is decentralised incremental power addition that has many associated benefits, such as, mitigated risk of loss of power to large areas due to shutdown, reduced T&D losses, local power supply and employment generation. The importance of implementing a high efficiency grid connected co-generation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

Market Analysis

The installed power generation capacity in India is 3,26,848 MW as on March 31, 2017 out of which 57,260 MW is renewable power. Out of India's total installed capacity of 57,260 MW of grid-connected renewable power, a significant share of 56% comes from wind power, while 8% is contributed by small hydro power. The share of biomass and waste to energy segments contributes about 14%, with the balance 21% coming from solar. The all India potential of bagasse based co-generation is estimated at 7000-7500 MW. UP is the leading state in bagasse based power generation with an installed capacity of around 1200 MW. The potential of bagasse co-generation within UP is around 1500 MW, from over 130 sugar mills. The sugar mills work on a Power Purchase Agreement (PPA) model with the Uttar Pradesh Power Corporation Ltd. (UPPCL).

Demand Drivers

There has been a sharp increase in energy consumption associated with 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 targets for 40% installed capacity from non-fossil fuel by 2030. Using bagasse for power generation also leads to significant revenue for sugar mills through the sale of electricity.



Demand-Supply Scenario

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

Government Policy

The Government is providing various incentives and schemes to promote bagasse based co-generation. A subsidy is provided under Central Financial Assistance for private sector projects viz IPP Grid interactive bagasse co-generation in private / joint sector sugar mills, IPP based BOOT/BOLT model projects in cooperative / public sector sugar mills.

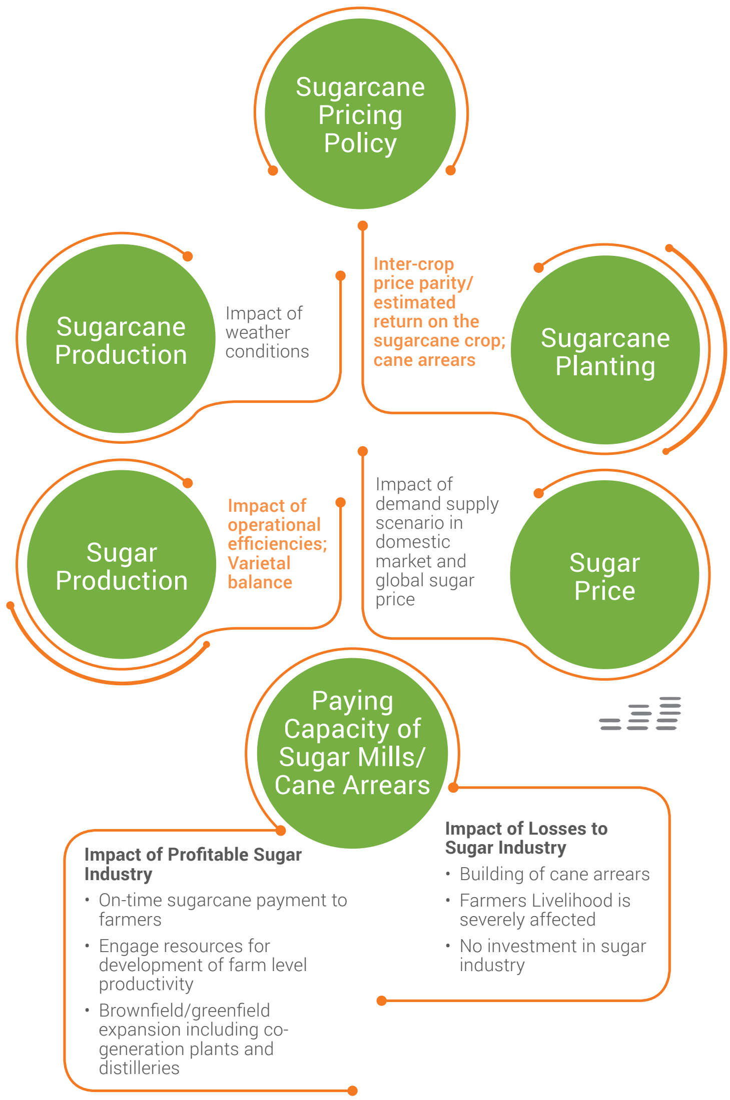
Sugar Industry & Economy

It is estimated that the annual direct and indirect contribution of sugar industry is around ₹ 75000 crore to the exchequer. The sugar industry has the potential to cater to the growing domestic sugar consumption, support the country to reduce the oil import bill through supplying ethanol for fuel blending and emerge as renewable power producer. The need of the hour is to improve the quality of the sugarcane produced, i.e. higher yields and recoveries, along with increasing operating efficiencies at the mills. In order to unleash the full potential of the sector, it is necessary to rationalise the sugarcane pricing mechanism.

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

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

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



Note : Factors that can be controlled are marked in orange

BUSINESS REVIEW

Sugar Business

Triveni operates seven sugar units spread across the State of Uttar Pradesh (UP). Most of its mills are located in the Western and Central UP while one unit is located in Eastern UP. The weightage of sugarcane crushed by the Company in the Sugar Season 2016-17 is 7.75% while sugar output is equivalent to 8.08% in the State.

The Company manufactures refined sugar which forms ~40% of the total sugar production and fetches a premium to normal sulphitation sugar. The refined sugar is also supplied to high grade end users, thereby creating a niche customer profile. Triveni's all seven sugar units are adhering to the best in class manufacturing process & quality and supply sugar to major multinational soft drink companies, leading confectionery manufacturers, breweries, pharmaceutical companies and leading ice cream producers for their requirements.

Performance Overview

The Company has achieved record sugar cane crush and sugar production during the Sugar Season 2016-17. The previous highest crush achieved by all seven units was exactly a decade ago at 610 lakh quintals. The performance of Triveni sugar units have been significantly higher than the UP state average which had a growth of 28.7% in sugarcane crush and sugar production in comparison to the previous season. The sugarcane crushed by the Company during the season has been 42% higher than previous season with an increase in recovery by 26 basis points which resulted in an increased sugar production by about 45%. The refined sugar production from the two units Khatauli and Sabitgarh remained at 39% of the total increased sugar production, which will also help Triveni to achieve better average sugar realisation as a Group.

The average sugar price realisation for the Company has been ₹ 36228/tonne from April 2016 till March 2017 which has led the Company to achieve record profits at ₹ 233.6 crore in FY 17. Apart from the overall improvement in the sugar prices in the country owing to steady growth drivers of the industry during the year under review, the institutional sale has also led to a better price realisation in comparison to bulk sale to traders.

The Company is engaged in implementing a massive cane development programme to improve recoveries and availability of cane. Under its cane development initiatives, the Company has achieved encouraging success in maturity based harvesting which has resulted in significant increase of available sucrose content. The Company has been promoting the plantation of high sugared varieties of sugarcane. The results of these efforts led to a change in the varietal balance leading to significant increase in the recoveries. This change in varietal balance is also beneficial for the farmers as it results in higher sugarcane yield thus better returns for the farmers.

The Company has also been undertaking various cane development projects like educating and persuading growers to minimise rejected varieties, yield improvement programme and plant protection programme from various diseases. Dedicated cane development professionals have engaged with farmers to create awareness and counsel them to adopt various latest scientific techniques like deep ploughing, trench planting, planting through upper half portion of cane, ploy bag planting technique, green manuring, intercropping, wider spacing, etc. The Company believes in working with the farmers to create a mutually rewarding proposition and fostering long-term ties.

Chandanpur, Milak Narayanpur and Sabitgarh units operate incidental co-generation units and exports its surplus power to the grid which resulted in an export revenue of ₹ 16.4 crore in FY 17.

(Million Tonnes)

Unit Name	Sugar Season 2016-17			Sugar Season 2015-16			Variation SS 17 over SS 16		
	Cane Crush	Recovery %	Sugar production	Cane Crush	Recovery %	Sugar production	Cane Crush	Recovery %	Sugar production
Khatauli	1.82	11.01	0.20	1.33	10.70	0.14	36%	0.31	40%
Deoband	1.17	10.70	0.12	0.72	10.21	0.07	62%	0.49	69%
Sabitgarh	0.74	10.39	0.08	0.48	10.20	0.05	55%	0.19	58%
Chandanpur	0.78	11.83	0.09	0.55	11.72	0.06	43%	0.11	44%
Rani Nangal	0.71	11.78	0.08	0.54	11.30	0.06	31%	0.48	37%
Milak Narayanpur	0.50	10.60	0.05	0.38	10.60	0.04	31%	0.00	31%
Ramkola	0.69	11.21	0.08	0.52	11.13	0.06	33%	0.08	34%
TOTAL	**6.40**	**11.06**	**0.71**	**4.52**	**10.80**	**0.49**	**42%**	**0.26**	**45%**

Co-generation Business

Bagasse is a fibrous residue left after crushing of sugarcane and is a key by-product of the sugar industry. Being a renewable fuel, there is no net carbon dioxide addition to atmosphere and thus bagasse is regarded as green fuel.

Triveni currently operates grid connected three large capacity co-generation plants at Khatauli and Deoband sugar units and three smaller capacity bagasse based co-generation capacities – Incidental Co-generation Plants - at its sugar units at Chandanpur, Milak Narayanpur & Sabitgarh. Incidental Co-generation plants are considered as a part of Sugar Business Segment. After meeting sugar factory's captive requirement as well as co-generation plant's auxiliary 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) & temperature (515 degree 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 degree C). These plants are designed to have fully automated operation using latest Distributed Control System (DCS). Highly experienced & skilled manpower operates these plants so as to ensure trouble free efficient operations with high uptime & reliable operations and very high operating efficiencies. The Company puts significant emphasis on maintaining excellent management of the boiler feed water quality parameters to ensure sustained & trouble free operation of the boiler & 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	46 MW (23 MW each)
3.	Sabitgarh	13.5 MW
4.	Chandanpur	10 MW
5.	Milak Narayanpur	13 MW
	Total	**104.5 MW**

The Company undertook extensive and focused cane development programme in command areas of its sugar units, particularly in the previous two years.

Performance Overview

The operation of the co-generation plant depends upon the bagasse availability which is sourced captively from the sugar units of the Company. The availability of bagasse from the sugar factory in turn depends upon cane availability for the crush during the season and efficient operations of the sugar factories. Higher cane availability leads to higher number of sugar operating days, higher bagasse savings and therefore longer operation of the co-generation plants.

The Company undertook extensive and focused cane development programme in command areas of its sugar units, particularly in the previous two years. This has led to propagation of high yielding cane varieties and thereby assuring excellent cane availability to the sugar units. The results are well indicated in the crushing for Sugar Season 2016-17 which has increased by 42% over the previous season. Accordingly, this led to higher number of operation days of the co-generation plants.

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

The Company's smaller capacity plants also performed well and plants at Milak Narayanpur & Sabitgarh units recorded their respective highest power export since inception.

The Company continues to take various measures to enhance energy efficiency of the sugar factories by making investments in various proven technologies/equipments to maximise the savings of bagasse for co-generation and thus increasing their utilisation.

Deoband and Khatauli co-generation plants of the Company are registered as Clean Development Mechanism (CDM) projects with United Nations Framework Convention on Climate Change (UNFCCC).

Triveni's Deoband, Khatauli, Chandanpur, Milak Narayanpur & Sabitgarh co-generation facilities are also registered for Renewable Energy Certificates (RECs) as per CERC REC regulations 2010. The Company has earned over ₹ 24.0 crore revenue through transaction of the already issued RECs from its registered units since its start.

Outlook

The Company's continuous focus on cane development activities in command areas of the sugar units should lead to better cane availability for crushing and thus leading to 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 plant's operations to reduce the process steam consumptions and thereby enabling more savings of bagasse for enhanced operation days of the co-generation plants.

During FY 17, distillery operated at nearly 96% capacity utilisation and produced 397 lakhs litres alcohol.

Distillery Business

The Company operates a 160 Kilo Litre Per Day (KLPD) capacity state-of-the-art 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 its largest sugar units (Khatauli & Deoband), the distillery has an assured access to consistent supply of captive raw material. The unit extracts bio-gas from the effluent and uses it as main fuel in the boiler to meet the process steam & power requirements.

The distillery has a flexible manufacturing process allowing it to produce high quality Extra Neutral Alcohol (ENA), Rectified Spirit (RS), Special Denatured Spirit (SDS) and Ethanol, based on the market dynamics & requirements.

Performance Overview

During the period under review, distillery operated at nearly 96% capacity utilisation and produced 397 lakhs litres alcohol. Distillery unit continued to achieve very high levels of the fermentation & distillation efficiencies.

***Ethanol* –** Also known as fuel alcohol, it is blended with petrol as a green fuel. Apart from adding to fuel self-sufficiency measure with cost advantage, blending of ethanol with petrol helps the country to reduce its carbon footprint along with saving precious foreign exchange on import of crude oil. The Government of India has made 5% ethanol blending mandatory and is already targeting to reach to 10% blending levels in some states. Therefore, the off-take by Oil Marketing Companies (OMCs) has been steadily improving the ethanol blending level. However in SS 2016-17, ethanol blending is expected to reach to a figure of 2.5% which was ~5% in SS 2015-16. The reduction in ethanol production is mainly due to lower sugarcane production in the country leading to lower production of molasses. Triveni has aggressively participated in all tenders issued by the OMCs for the procurement of Ethanol and has secured sizeable quantities. During the current year, approximately 72% sales product mix of the distillery has been of Ethanol, balance 28% consists of ENA (26%) and SDS (2%).

Extra Neutral Alcohol (ENA) - Triveni is a high quality producer of ENA and continues to be a preferred supplier to reputed Indian potable alcohol manufacturers. ENA sales in total product mix has increased over previous year due to better market & pricing. Accordingly, the sale of ENA in product mix has increased to 26% in FY 17.

Industrial alcohol - This product is the residual output of the distillery during the manufacturing of ENA and therefore, fetches a lower realisation. The Company's main endeavour is to minimise its production so as to maximise the overall realisation from the distillery and maintain high margin.

Rectified Spirit - It is a potable grade alcohol which is used for manufacturing of the front line products of Indian Made Foreign Liquor (IMFL).

Recognition

Triveni is the first Company in UP which has obtained certificate from Food Safety and Standard Authority of India (FSSAI) for manufacture of RS (P) and ENA.

Awards

- Distillery unit bagged Green Manufacturing Excellence Aspirant Award from Frost & Sullivan in the year 2013
- Distillery unit won Silver Safety Award Instituted by Green Tech Foundation, New Delhi in year 2013
- Distillery unit has been chosen for National Award for manufacturing competitiveness for the year 2014 Instituted by International Research Institute for Manufacturing Competitiveness
- Distillery unit won Golden Peacock Award in 2017 for Business Excellence in Chemical category

Outlook

The Government of India has taken an ambitious Ethanol Blending Programme under its bio-fuel policy and is keeping a strong focus on enhancing ethanol blending percentage aiming at going to over 20% in near future. However there is continued shortage of indigenous ethanol and thus market exists for higher ethanol from the Indian manufacturers.

During the year under review, based on the plan and capital expenditure incurred to ensure pollution control guidelines, the distillery unit has obtained permission from Ministry of Environment, Forest and Climate Change (MoEFCC) to operate during monsoon period also. It will, subject to necessary approvals, result in increase in operational period which presently was restricted to 270 days annually. Thus, it would lead to increased capacity utilisation and higher molasses processing and alcohol production from the same plant, resulting in cost efficiencies. This would further enhance the value of molasses produced by own sugar factories and maximise revenues through higher Ethanol/ ENA/RS sales.

The Industrial Gears industry

The Gears Industry in India is categorised into Industrial Gears and Auto Gears. The Industrial Gears industry manufactures Gears, Gearboxes, Gear Motors and Gear assemblies. Industrial gearboxes are common type of power transmission devices which are used as a part in various types of machineries and heavy electrical equipment. The majority of the players in the domestic market manufacture standard products i.e. standardised catalogue type, as it requires less technological know-how. There are only a few players in customised gears manufacturing, which require advanced technology, requisite infrastructure and highly skilled manpower.

Demand Drivers

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

Business Opportunities

As a result of policies being pursued by the Government, business sentiments and confidence in better outlook have improved perceptibly and there are some early indications of fresh capital investment in industrial segments like steel, cement, sugar and oil & gas.

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

Similarly, the Company expects new capex in the Oil & Gas refinery segment for upgrading their facilities to meet the prescribed better emission norms which could be a driver of demand for equipment manufactured by Triveni.

Outlook

The thermal power sector continues to be under pressure for new capex because of the surplus electricity generation in many states due to slackened industrial activities. Surplus electricity generation was witnessed in 18 States during FY 17. The cement industry continues to be operating at partial capacity of ~ 40-50% in the southern belt and ~ 70-80% in northern belt. Demonetisation has temporarily reduced cement demand by 40-50% during last five months of FY 17, which the Company believes will be improved in the coming quarters.

Steel sector continues to be in stress on account of demand slowdown coupled with imports from China which pushed many plants to brink of closure. Subsequently, intervention by Government by way of increase in import duty led to some relief for this sector but it was not adequate to resume normal production. Additionally, demonetisation post November had an impact of 5-8%. The last quarter of FY 17 has witnessed a small recovery in this sector but at a much lower pace.

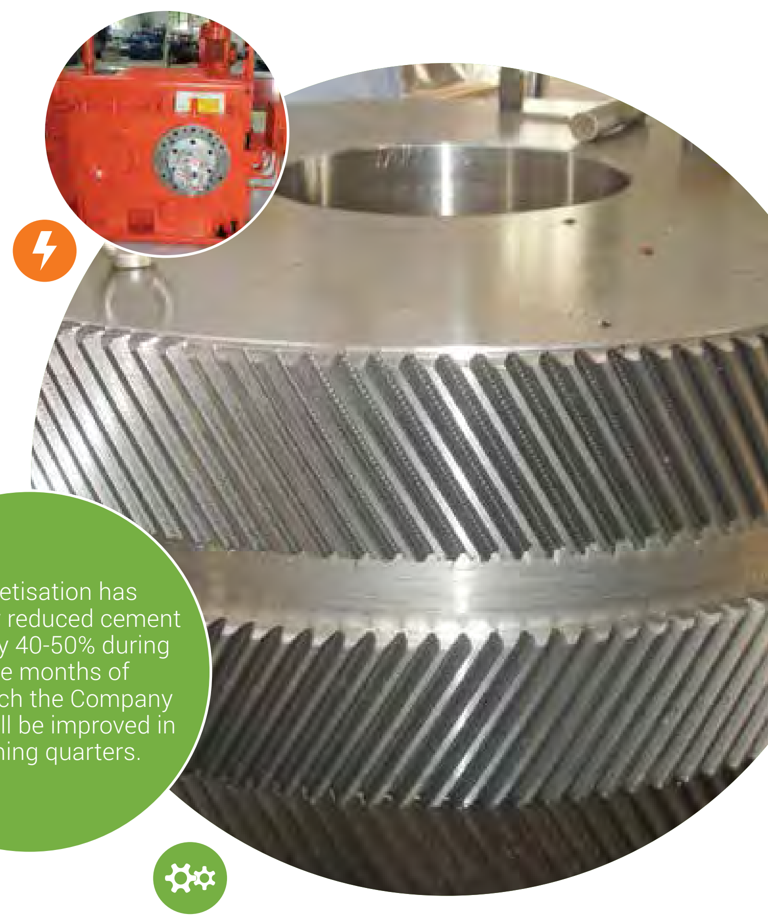
Sugar prices have been buoyant in the past one year which in turn resulted in improved financial condition of the sugar industry. This has resulted in the fresh capital investment and expects the same to continue in the coming year as well. This augurs well for Triveni Gears business.
Agro-chemical and Fertilizer sectors could not witness any growth on account of inadequate monsoon and back to back drought in some areas, but for some energy efficiency enhancement projects. With the expectation of a normal monsoon for the current year, the Company believes that the agriculture production and investment in the segment will go up substantially. This will result in fresh capital investment in agro-based industries, which in turn may be beneficial for the Company.

The growth of the Capital Goods sector in India is expected to be led by increased demand owing to favourable Government policies and the demand drivers for Triveni Gears are expected to be focused on infrastructure development, new investments in power projects, marine and naval vessels, metals, oil and gas, and petrochemicals industries. The Government's focus on projects like 'Make in India' gives further impetus to the overall growth of the capital goods and other manufacturing sectors. In view of domestic slowdown, it would be imperative to explore exports to its full potential.

TRIVENI GEARS – BUSINESS PERFORMANCE

The Company is focused on all high speed and niche low speed products - supply of new equipment as well as providing replacement solutions for power sector, Oil & Gas, sugar, cement, IPPs, steel & metals, paper, chemical/process and mini hydel. In exports, the focus is on new equipment in South East Asia, and for replacement solutions, the key target markets are South and South East Asia, Middle East and Africa.

During FY 17, the domestic market segments in which Triveni Gears business operates have shown a decline due to sluggish demand, project delays and lack of investments in Infrastructure sector. OEMs for High speed Turbo applications such as Steam Turbine, Pumps and Compressors have also shown negative growth in the domestic market and therefore, the Company is focusing on opportunities in overseas markets.



Demonetisation has temporarily reduced cement demand by 40-50% during last five months of FY 17, which the Company believes will be improved in the coming quarters.

Capex and maintenance spend during the year have witnessed reduction on account of partial capacity being utilised, reduced margins, strained cash flows and stringent norms of lending by banks.

In view of subdued industrial activity, the Company is exploring other avenues of growth and utilising current infrastructure for component manufacturing to customer's drawing on a serial production basis. Similarly venturing into marine defence engineered products space is also being explored.

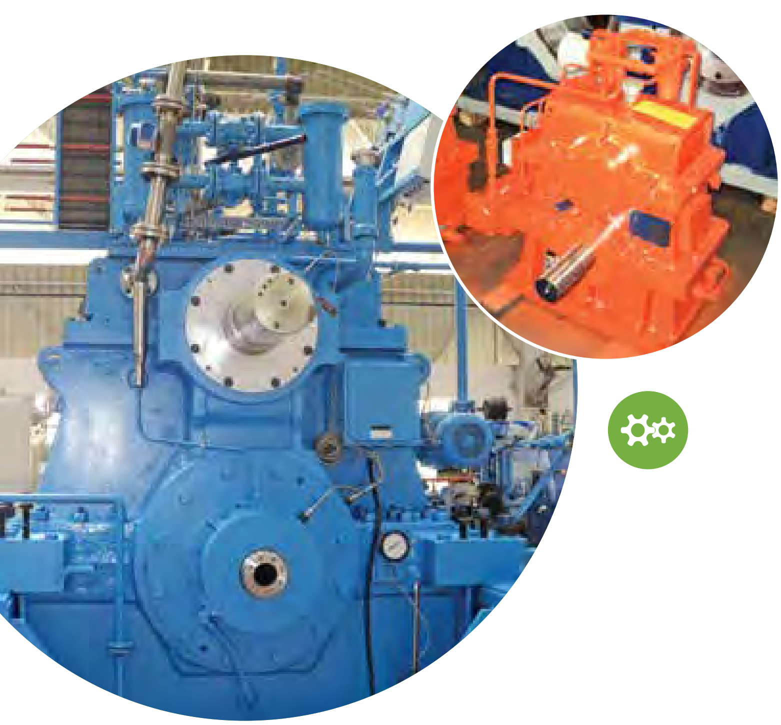
The expected business from the strategic supply agreement with GE Oil and Gas could not materialise due to slackened demand arising from the slowdown in Global Oil and Gas Market, impacting the envisaged growth of Triveni Gears business. However, the company is actively engaged with GE team to improve business potential under this agreement for both OEM and replacement segments apart from new product offerings by both the partners through joint product development.

Market Overview

In the refinery sector, there were no new projects undertaken in FY 17 which limited new equipment sales. Only few thermal plant projects were contracted which resulted in lower orders for Boiler feed pump requirement. Gas turbine based power generation continues to be operating at very low capacity due to high gas price and non-availability. On the hydel segment, due to environmental clearances etc., not many projects were taken up during FY 17. Other infrastructure dependent sectors like Cement, Steel can expect to grow only with infrastructure growth which is expected to increase gradually, being the focus areas of the Government.

Low maintenance spend and curtailed capex spend has affected the Capital goods business both from volumes and margins perspective, for new builds and also for the aftermarket business.

Globally, the Oil and Gas segment is still unattractive for investment and only few large projects are under implementation. The geopolitical issues, declining crude oil prices and increase in shale gas production have resulted in lack of investment in new greenfield projects. In the replacement markets, capacity under-utilisation is resulting in low maintenance spend as the companies are allocating funds on need basis only for emergency breakdowns.



Segments

OEM

Triveni Gears is a dominant player in High speed Gears segment in India It has over 80% of domestic market share across OEMs while it is expanding its market reach and dominance in select South East Asian markets. The Company also supplies gearboxes for hydel application and low speed applications including reciprocating pumps and compressors, mill drives and pump drives.

Replacement, Refurbishing and Spares

This has been a dominant market segment for the Gears business and being an OEM, customers repose confidence in the offerings of the Company. This market is driven by quick response, service capabilities and strong stakeholder relationship. The business caters to the products same as in OEM segment and all other critical products in the low speed segment. The service solutions provided by the Company for proactive health monitoring of all types of critical gearboxes, high speed and low speed and inventory of dimension ready sites create a differentiator vis-à-vis competition in terms of offering a quick solution, should the need arises. The speed and quality of response provided by the service team helps in maintaining the market share of the business. The solutions provided by the Company are technologically at par and cost competitive when compared to international companies. This together with a competitive lead time is expected to lead growth in this business segment.

Loose gearing

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

Exports

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

Performance Overview

The performance of Triveni Gears has been affected due to adverse industrial scenario leading to reduced order intake in FY 17 from the conventional segments. Despite such external constraints, the Company's foray into component manufacturing and engineered products for new segments could help to achieve a growth of 35% in the order book, though some orders have long supply period.

Key Highlights

Domestic:

- Entry into prestigious Defence project for design, development, manufacture and supply of prototype Turbo Extraction Condensate Pump.
- Highest power - 64 MW Gearbox order received from GE Triveni Ltd. for Ghana project
- Multiple orders for replacement of high power gears and gearboxes of European makes from diverse industries

Exports :

- Repeat orders through GE-Lufkin for high power gearboxes
- Gearboxes for global multinational pump manufacturers
- Gas turbine load gearbox orders from a leading Japanese power system company for their export installations
- Multiple orders from global customers for replacements of high speed critical duty applications like integrally geared compressors with hirthtoothing, steam turbine gears replacement across various geographies

Outlook

Domestic Market is expected to improve slowly in the Steam Turbine segment both for domestic and overseas projects in the next financial year for Captive Power plants, Co-generation plants and other renewable power plants. The Government plans to upgrade/revamp refineries and fertilizers which are likely to result in orders for critical equipment like Gas Turbines, Compressors and pumps application. Many new brownfield and greenfield projects including revamp, expansion, upgrades are expected to come up for implementation.

'Make in India' initiative has given Indian industry an impetus to design and develop Defence products under Transfer of Technology with foreign partner. The Company is focusing aggressively on defence products typically which are synergetic to existing product lines such as Marine Gears for Propulsion, turbo pump applications, propulsion system integration, small power Gas Turbine Generators etc.

Triveni Gears is also keenly pursuing incremental business coming from Built to Print projects from Domestic and export market and is currently executing good orders in the wind space. The Company has also been chosen as a partner for many OEMs for supply of loose gears for integrally geared compressor with unique hirthtoothing.

The strategic supplier agreement with GE is expected to provide additional business leveraging Triveni's high quality and cost effective manufacturing. The focus is also on joint development of planetary products to widen portfolio by GE which is an effective growth strategy being deployed by leveraging Triveni manufacturing facilities and capabilities.

With domestic economy on the anvil for growth in infrastructure, the Company expects to see higher utilisation of production capacities of various industries and increase in maintenance spends. It will have positive impact on the products of the Company and business from replacement market.

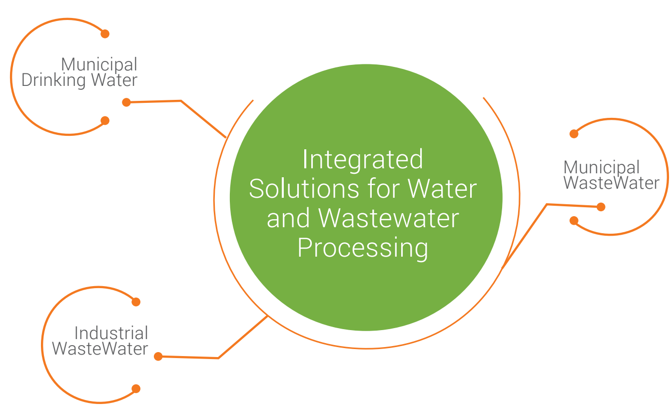
As per the estimation, the water demand will increase from 710 BCM (Billion Cubic Meters) in 2010 to almost 1180 BCM in 2050.

INDIAN WATER INDUSTRY

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

Market Analysis

With more than 18% of the world's population and only 4% of world's renewable water resources, India presents a huge business potential. It has been estimated that the water demand will increase from 710 BCM (Billion Cubic Meters) in 2010 to almost 1180 BCM in 2050. Increasing urbanisation is significantly increasing water demand in India and exerting considerable stress on civic authorities to provide basic requirements, such as safe drinking water, sanitation and infrastructure. Rising industrialisation, to support the rapid urbanisation and increase in demand of energy, is further affecting the demand-supply scenario of water. The domestic and industrial water consumption is expected to increase almost 2.5 times by 2050. The Central Government has been committed to enhance the water availability and quality through various measures over the past two decades. The country is still facing challenges like water deficiency, mismanagement of water resources, regional disparities, groundwater depletion and contamination and inefficiencies in usage. It is estimated that less than 20% of domestic and 60% of industrial wastewater is treated. Metros and large cities are treating only about 29.2% of their wastewater; smaller cities treat only 3.7% of their wastewater. In 2015, the estimated sewage generated in India was 61,948 million litres per day against an available treatment capacity of 23,277 million litres per day. The Industry experts are optimistic that these issues can be resolved by the implementation of innovative solutions for more efficient water management through Demand Side Management, Enhanced Water Use Efficiency and Waste Water Recycling.



Demand Drivers

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

Government Policy Framework

The Central Government has devised various schemes to address the gaps in accessing fresh water. The direct financial assistance for water sector projects at the state level and funding from multilateral and bilateral agencies give further impetus to the growth of this sector. The National Water Mission launched by the Central Government focuses on increasing water use efficiency at least by 20%, attention on overexploited areas and the promotion of basin level integrated water resources management. The Government has also established wastewater discharge standards for all segments including municipal and industrial. The Government's recent initiatives – Clean Ganga Mission, Swachh Bharat Mission and Smart Cities projects augurs well for the sector.

Business Opportunities

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

The Government also allocated about ₹ 9,000 crore for two central schemes -- Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and 'Smart Cities' Mission. The Smart Cities and AMRUT schemes support the creation of world-class urban environments in select cities including the creation of basic infrastructure services in water supply and sanitation such as 24X7 water supply, sanitation, drainage, solid waste management and sewage treatment.

In the industrial segment, water availability is critical for power generation as power plants need a significant volume of water for steam generation and cooling. Thermal power, petroleum and refinery, textiles, pulp and paper and iron and steel are highly water-intensive sectors where water is primarily used in heat transfer. As water availability and quality declines, companies may need to invest in water infrastructure projects to secure supplies, water treatment systems, and/or more advanced cooling systems. Recently, the Supreme Court has also directed industrial units across the country to set up effluent treatment plants in order to curb the release of untreated waste in water bodies. The states have been directed to build common effluent treatment plants within three years and civic bodies in states have been directed to set up zero liquid discharge plants and include real-time monitoring of waste treatment within six months.

Industry Outlook

In the face of future scarcity trends, every country, community and company should seek innovative solutions for efficient water management. The opportunities presented by the domestic water sector are enormous. Synchronised efforts of public and private sector can lead to the development of integrated water solutions to resolve water crisis in the country. Many international companies from Canada, Israel, Germany, Italy, United States, China and Belgium are planning to enter the Indian market.

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

In the face of future scarcity trends, every country, community and company should seek innovative solutions for efficient water management.

TRIVENI WATER - BUSINESS PERFORMANCE

Triveni Water has continued its focus on improvement of their Project Management practices which led to commercial closure of record number of jobs during the year. Simultaneously the business has also focused on ensuring that the plants under its long-term operations & maintenance (O&M) are operated with industry's highest standards, and wherever applicable, in compliance with the directions of National Green Tribunal (NGT), that too with improved life cycle cost in most of the running plants. This consistent performance is a result of assessment of criticality of related issues in early stages of plants' conceptualization and thereafter, continuing focus on strict implementation of these practices.

Triveni Water has continued its efforts in exploring new business opportunities, particularly large sized facilities, after having completed comparable plants eg. 144 MLD Water Treatment Plant (WTP) at Agra and 100 MLD Sewage Treatment Plant (STP) with Biogas based power generation at Gurgaon. This has increased the market horizon for Triveni Water and is expected to make available increased opportunities. During the year, focus has been on such jobs in Mega cities which will open up more opportunities in this segment in coming years. Our impressive range of technology offerings, particularly in Wastewater segment, provides us huge advantage in meeting these challenges.

Performance Overview

The business performance during the year FY 17 was impacted due to slow-down in some of the jobs for a variety of reasons, mainly attributed to customers due to economic environment. Triveni Water was also successful in commercially and financially closing most of major jobs in thermal power segment in private sector even in challenging market conditions. The Company is in the process of completing old jobs and in view of the challenging business conditions, some provisioning has been inevitable.

In Municipal sector, in view of increased availability of funds, with clarity in planning, at Central Government level, the sector saw increased activity and traction. Consequently, the Company had increased bidding in this segment and experienced success in target jobs and strategic positioning in some other jobs which should result in better order booking in the coming years.

As reported last year, the Company initiated its activities in International market with focus on select jobs in Middle East, South East Asia, select countries in Africa, etc. Positive results of these initial efforts are likely to be seen during the subsequent years.

Key Highlights

- Secured a contract for 210 MLD Water Treatment Plant from Greater Noida Development Authority (GNIDA) for supply of Drinking water in various residential sectors of Greater Noida area. This WTP will source raw water from nearby Ganga canal for which extensive Intake facility is a part of the contract, which also includes long-term O&M for the combined package. This is the largest plant for the Company after its success in 144 MLD WTP at Agra.
- Also secured a contract for Sea Water Desalination plant from NTCEL, Chennai (JV between NTPC and TANGEDCO of Tamil Nadu government) for 3 X 500 MW Thermal Power Plant at Vallur, Tamil Nadu. Beside, desalination facility, scope also includes extensive re-mineralization system for full augmented capacity of desalination plant.
- Performance Guarantee (PG) test for one of our major installations for Water Treatment Plant (WTP) for Bharat Petroleum Corporation Ltd (BPCL) at Kochi was successfully completed. WTP is now under O&M for which BPCL appointed the Company as the plant Operator.
- The Company's 100 MLD STP at Gurgaon attained Biogas power generation which will make the plant power self-sufficient – a testimony of its continuing commitment towards customers. .

Outlook

Wastewater pollution control measures in Mega cities like Delhi, Bengaluru and Greater Noida etc. led to major schemes being announced and bidding process is underway. It is estimated that for the first two cities alone, the total order value could be over ₹ 4,000 crore. In view of our current credentials, Triveni Water will participate in this bidding process extensively in partnership with other major players, if required. Similarly, Municipal schemes under AMRUT have been planned with investment over ₹ 50,000 crore over next 5-8 years.

In Industrial segment, Fertilizer is seen as a potential with Central Government committing funds for revival of closed units through various PSUs like NTPC, etc. During the year, large investment has been made in Ramagundam unit and continuance of such policy may provide huge business potential. The Central Government is focused to reduce fertilizer import in a time bound manner. In Oil & Gas sector, in addition to capacity addition in their refineries across the country, new capacities are on anvil which should also offer business opportunities for the Company.

While opportunities in large Desalination plants for Drinking water application were delayed, these will remain in focus for coastal areas and cannot be delayed beyond a point. In addition, increased activity in CETP segment for Industrial clusters is already seeing increased visibility. These should lead to better opportunities of growth going forward.
Export market has enormous potential in the Company's areas of interest as mentioned above for which it has already initiated efforts. The Company expects good order booking in Water sector in Municipal and Industrial markets both in the coming years.

Triveni's 100 MLD STP at Gurugram attained Biogas power generation which will make the plant power self-sufficient – a testimony of its continuing commitment towards customers.

COMMUNITY DEVELOPMENT INITIATIVES

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

Education

The Company runs schools at three of its major sugar units namely Khatauli, Deoband and Ramkola. The Company established Lala Puran Chand Sawhney Memorial Inter College, Deoband as a primary school in the year 1970. Now this school imparts education up to Class 12th to the children of the factory employees as well as to the poorest of poor family's children in the vicinity of the factory at a very nominal fee. The Company has established a basic Prarambhik Pathshala and Rai Bahadur Ishwardas Sawhney Junior High School under the aegis of Rai Bahadur Ishwardas Sawhney Educational Society, Khatauli. The Company also runs Smt. Gopi Devi Girls Junior High School in factory premises of Ramkola unit to facilitate girls' education in the area. Around 1,400 students are enrolled in these schools out of which around 85% students are from the financially weaker section. These schools encourage activity based learning. For inclusive growth of students, the schools organise various activities like painting & drawing competition, essay writing competition, singing and dancing competition, sports activities etc.

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

Healthcare

The Company established dispensaries for the employees and the nearby villagers since the time of commissioning of sugar units at Khatauli, Deoband and Ramkola in 1930s.

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

Environment, community enhancement and sports & recreation

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

FINANCIAL REVIEW

₹ in lakhs

Description	2016-17	2015-16	Change %
Income from operations (Gross)	296687	200105	48%
EBITDA	55194	15480	257%
Depreciation & Amortisation	5721	5884	(3%)
Finance Cost	12655	11497	10%
Profit Before Exceptional/ Non- recurring items & Tax	36818	(1901)	
Exceptional / Non-recurring items (Net)	(8547)	1013	
Tax	4915	(5)	
Profit After Tax	23356	(883)	
Other Comprehensive income	(449)	10	
Total Comprehensive income	22907	(873)	

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies Act, 2013 and other relevant provisions of the Act. The said Accounting Standards became applicable to the Company with effect from April 1, 2016 with the date of transition to Ind AS being April 1, 2015. Based on the revised Accounting Standards, comparative figures of FY 16 have been restated and the Balance Sheet has been compared with the restated position as on 31.03.2016 and 31.03.2015.

The turnaround in the operations of the Company in the current year has primarily arisen from the sugar operations, led by firm sugar prices as a result of favourable demand and supply position, and low cost of production of sugar in view of much improved operational efficiencies. During the Season 2016-17, the sugarcane crushed increased by 42% leading to an increase in sugar production by 45% over the previous season. The sugar recovery increased by 26 basis points, on the back of increase of 123 basis points in the Season 2015-16.

While the allied Sugar operations, comprising Co-generation and Distillery, have also performed well, the profitability of Engineering businesses, though better than the previous year, remained subdued due to macro economic factors and general industrial slowdown in the capital goods and infrastructure sectors to which these businesses relate.
Exceptional item during the current year pertain to write-off of incentive recoverable from the State Government under the UP Sugar Industry Promotion Policy 2004 (Policy) net of

deferred government grant. The Company had challenged the premature termination of the Policy and non-grant of incentives before the Allahabad High Court and the matter is still sub-judice. The prescribed period of 10 years for incentives under the Policy has expired and in view of the continued uncertainty and protracted litigation, the Company, as a prudent measure, has decided to write off such recoverable claims without prejudice to its legal rights to pursue the matter.

Impact of Revised Accounting standards (Ind AS)

The adoption of Ind AS has not materially affected the financial position of the Company, except due to change in accounting of Government grant, as could be observed from Note 52 to the Standalone Financial Statements in which reconciliation of profit and equity between previous GAAP and Ind AS has been provided for the financial year 2015-16. Adoption of Ind AS has affected financial statements in respect of the following major areas:

1. Under the previous GAAP, government grant in the form of capital subsidy receivable under UP Sugar Industry Promotion Policy, 2004 (Policy) was credited to capital reserves, being in the nature of promoter contribution. However, under Ind AS, there is a requirement to treat such Government grants as deferred income to be recognised over the useful life of the assets comprised in the project to which the subsidy relates. Accordingly, subsidy pertaining to the period upto transition date (1.4.2015) has been credited to retained earnings and the balance amount of ₹ 58.12 crore was recognised as deferred Government grant for recognition as income in the subsequent period/s.

2. For sugar industry, the Government had extended various schemes of soft loans and loans with interest subvention to help the industry to tide over challenging financial conditions. The Sugar Development Fund also provides funding at concessional interest rates on certain eligible projects. Under Ind-AS, interest is recognised on the basis of prevailing market rates of interest that would be applicable to such loans, while the benefit of a loan at below market rate of interest or loan with interest subvention is considered as a Government grant, which is recognised as deferred income to be amortised in the profit or loss over the period to match it with the related interest costs. Under the previous GAAP, interest was recognized in the financial statements as per the terms of the loan.

3. Under the previous GAAP, the current investments were valued at lower of cost or market value whereas under Ind AS, these financial assets have been fair valued and the change in fair value has been recognised in profit or loss.

4. Under Ind AS, apart from specific provisioning in major cases, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts.

5. Under Ind AS, spares, patterns and tools etc, having life of more than one year, comply with the definition of property, plant and equipment (PPE) if these are not in the nature of consumables or regular repair items. In accordance with the aforesaid principles, item of spares, patterns and tools, which qualify under the definition of PPE, have been capitalised and depreciated based upon their estimated useful lives. Under previous GAAP, these were classified under inventories and only patterns and tools were amortised over the period of their useful lives.

6. Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty whereas under Ind AS, such revenue is presented inclusive of excise duty and the excise duty paid is presented on the face of the profit or loss as part of expenses.

7. Under the previous GAAP, processing charges/ upfront charges paid initially at the time of sanction/availment of term loan were amortised over the period of the loan along with accrual of the interest as per prescribed interest rate. However, Ind AS requires such upfront charges to be reduced from loan amount and an effective interest rate is required to be worked out that would apply to the loan amount (net of upfront payment) for working out the interest expense for the period. This accounting helps in realistically stating the actual finance cost and the borrowings.

8. Under the previous GAAP, deferred tax accounting was done using income approach whereas Ind AS requires accounting for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Further, as per Ind AS, deferred tax assets will also include unused tax credits (MAT credit entitlement)

9. Under Ind AS, in respect of Defined Benefit Plans, re-measurement 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 (OCI). These are included in retained earnings in the statement of changes in equity and in the Balance sheet. There was no concept of OCI in the previous GAAP and such gains & losses were recognised in the statement of Profit and Loss.

Raw Material and Manufacturing Expenses

₹ in lakhs

Description	2016-17	2015-16	Change %
Raw material	207983	152913	36%
Percentage to sales	70%	76%	
Manufacturing expenses	18220	15009	21%
Percentage to sales	6%	8%	

The increase in raw material cost is attributed to13% increase in cane prices and 23% increase in cane crush. The cane price applicable to the Season 2016-17 is at ₹ 3050/tonne as against ₹ 2800/tonne in the previous season.

Manufacturing expenses have increased due to higher cane crush, and due to higher turnover in Water business group. Both raw material and manufacturing cost in respect of sugar business have direct linkage with the cane crush rather than with sales.

Personnel Cost, Administration Expenses and Depreciation

₹ in lakhs

Description	2016-17	2015-16	Change %
Personnel cost	18771	15870	18%
Percentage to sales	6%	8%	
Administration	7751	7620	2%
Percentage to sales	3%	4%	
Selling expenses	1523	1793	(15%)
Percentage to sales	1%	1%	
Depreciation & Amortisation	5721	5884	(3%)
Percentage to sales	2%	3%	

The increase in personnel cost includes arrears of ₹ 780 lakhs upto 31.3.2016 which was notified during the year by sugar wage board for workers/staff employed in sugar Units and the balance is reflective of annual salary increase,

Despite increased activity level, the administrative expenses have been well controlled and selling expenses have declined by 15% in view of change in Inco terms of sale of sugar in certain sugar units and lower royalty payment in Gears business due to lower turnover.

Finance Cost

₹ in lakhs

Description	2016-17	2015-16	Change %
Interest on term loans	4593	4400	4%
Interest on working capital funds	7615	6801	12%
Others	447	296	51%
Net finance cost	12655	11497	10%

During the year, repayment of term loans was made to the extent of ₹ 155.34 crore (undiscounted principal) and new loan of ₹ 100.00 crore was availed to clear cane price for sugar season 2015-16. The average cost of term loans was 8.58% as against 8.28% in the previous year.

The average working capital utilisation during the year was at ₹ 729 crore which is 18% higher than the previous year in view of higher production and inventories and faster cane payments. The average cost of working capital borrowings was at 10.44%.

Overall cost of borrowed funds was 9.65% as against 9.76% in the previous year. In view of substantial improvement in the financial position, the Company will be taking steps to reduce the cost of funds and is also contemplating prepaying significant term loans over and above the scheduled repayments.

Segment Analysis

₹ in lakhs

Description	Revenue			PBIT*		
	2016-17	2015-16	Change %	2016-17	2015-16	Change %
Business Segments						
-Sugar	296136	199164	49%	48091	9349	414%
-Engineering	27339	25242	8%	1527	703	117%
-Others	5618	4454	26%	31	16	94%
Unallocated/inter unit adjustment	(32406)	(28755)	-	(174)	(472)	-
Total	296687	200105	48%	49475	9596	416%

* Before exceptional items

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

The Company has two major business segments - Sugar business and Engineering business. Sugar business comprises of sugar manufacturing operations across 7 Sugar mills, 3 incidental Co-generation plants at 3 of its Sugar mills and 3 Co-generation plants located at two of its Sugar mills and a standalone Distillery, all located in the State of U.P.

Co-generation plants and Distillery source captive raw material, namely, bagasse and molasses, from the Sugar mills. Engineering business comprises Gears manufacturing at Mysore and Water and Waste Water Treatment business operating from Noida, UP.

Sugar Business Segments

Sugar Operations

₹ in lakhs

Description	2016-17	2015-16	Change %
Turnover	261079	164052	59%
PBIT	36491	(2819)	
PBIT/Turnover (%)	14%	(2%)	
Cane crush (MT)	6005586	4866500	23%
Recovery %	11.01%	10.69%	0.32%
Cane cost (landed) (₹ /MT)	3229	2866	13%
Production of sugar (MT)	661229	520213	27%
Volume of sugar sold (MT)	613755	506692	21%
Average realisation price (₹ /MT)	36228	26657	36%

During the year, the profitability of sugar operations has improved significantly due to higher average realisation prices by 36% and higher quantum of sugar sold by 21%

The operational efficiencies and the productivity of the sugar units in terms of cane crush and recovery have improved considerably during the year. As a result thereof, despite increase in cane cost by 13% in FY 17, the cost of production of sugar has increased by only 7%.

Co-generation Business

₹ in lakhs

Description	2016-17	2015-16	Change %
Turnover	17437	16392	6%
Income from carbon credit/REC	824	669	23%
Total turnover	18261	17061	7%
PBIT	6942	7802	(11%)
PBIT/ Total Turnover (%)	38%	46%	
Power Generation – million units	216	217	(0.4%)
Power export --%	63%	61%	

The profitability in the Co-generation business was lower due to higher transfer price of bagasse.

However, the power generation has been almost at the same level as in the FY 16 with power exports increasing from 61% to 63%.

Distillery Business

₹ in lakhs

Description	2016-17	2015-16	Change %
Turnover	16796	18052	(7%)
PBIT	4657	4366	7%
PBIT/Turnover (%)	28%	24%	
Production (KL)	39721	41005	(3%)
Sales Volume (KL)	38078	39738	(4%)
Avg. realisation price of alcohol ₹ / litre (net of excise duty)	41.38	41.11	1%

Profitability in FY 17 is slightly higher than the last year – the impact of increase in transfer price of molasses by 14% has been offset by reversal of provision of ₹ 8.29 crore, made against unutilised CENVAT Credit in the earlier years, in view of feasibility of its utilisation under GST Act which is expected to come into effect from 01.07.2017.

Engineering Business Segment

Gears Business

₹ in lakhs

Description	2016-17	2015-16	Change %
Turnover	9216	11987	(23%)
PBIT	1802	2916	(38%)
PBIT/Turnover (%)	20%	24%	

The performance of Gears business during the current year was affected due to industrial slowdown in the domestic market which resulted in lower orders and off-take from customers. Further, in view subdued global demand, the anticipated supplies under Strategic Supply Agreement with its Licensor, GE Lufkin could not materialise.

The Company has received a breakthrough development order from Defence services for ₹ 11.85 crore, which will be executed in FY 19. The Company is actively pursuing for more orders and it is believed that with persistence and demonstration of its technical capabilities, there is a good business potential to mature over the next few years.

Water and Waste water treatment Business

₹ in lakhs

Description	2016-17	2015-16	Change % Annualised
Turnover	18123	13255	37%
PBIT	(275)	(2213)	88%
PBIT/Turnover (%)	(2%)	(17%)	

The higher turnover achieved helped the Unit to cut down its losses significantly due to improved operating leverage.
During the year, orders of ₹ 171 crore were booked as against orders of ₹ 364 crore in FY 16. Orders in hand are at ₹ 600 crore (including long term O&M contracts of ₹ 257 crore). With the orders in hand along with expected to be booked in FY 18, the Company expects to achieve much improved turnover in FY 18. There is a good traction in the market and some long outstanding bids may be finalised. The Company expects improved order booking during the year.

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 ₹ 43.83 crore. These mainly include multi effect evaporator system at distillery to achieve Zero Liquid Discharge and CNC machines at Gears Business.

Other Non- current assets

The other non- current assets have reduced from ₹ 176.17 crore as on 31.3.2016 to ₹ 6.44 crore as on 31.3.2017. The major reasons for the reduction are:

- Write off of incentives of ₹ 140.02 crore recoverable from UP Government. Note no. 43 to the Standalone financial statements provides the full details and it has also been discussed above in the explanation for the Exceptional Item.

- CENVAT Credit of ₹ 28.96 crore was classified as non-current assets as the period of utilisation of accumulated credit at the Distillery was uncertain due to inverted duty structure. However, in view of Goods and Service Tax Act (GST) announced to come into effect from July 1, 2017, such credit will be transitioned to GST and will be utilised in the FY 18 only as there would be a flexibility to utilise it against the GST payable on other products manufactured by the Company in the same state. It has accordingly been considered as current asset.

Current Assets

Inventories

Inventories have increased from ₹ 1412.35 crore as on March 31, 2016 to ₹ 1674.82 crore as on March 31, 2017. In quantitative terms, the sugar inventory held as on 31.03.2017 is higher by 11%

Other Current Assets

It has increased from ₹ 116.47 crore as on March 31, 2016 to ₹ 129.80 crore as on March 31, 2017 mainly due to the following reasons:

- Increase in Indirect tax and duties recoverable by ₹ 42.70 crore (including reclassification of unutilised CENVAT Credit at distillery amounting to ₹ 37.26 crore as current assets in view of feasibility of its utilisation under GST Act) .

- Reduction in Government grants receivable by ₹ 33.25 crore comprising:

  (a) Cane production subsidy of ₹ 19.94 crore, recoverable as on 31.03.2016 and the same was received during the year;

  (b) Cane Commission recoverable of ₹ 13.31 crore as on 31.3.2016 pertaining to the Season 2015-16, and the same was expensed off during the year in accordance with the UP Government order dated 28.12.2016 as the State Government declined to extend this benefit in view of the improved sugar fundamentals.

Equity

Share Capital

It has remained unchanged during the year.

Other Equity

During the year, the reserves and surplus increased by ₹ 229.07 crore (44%) to ₹ 751.87 crore due to profit earned during the year

Non- Current Liabilities

Borrowings

Total long term borrowings at the year-end including current maturities of long term borrowings are at ₹ 479.03 crore as against ₹ 516.42 crore as at the end of the previous year. During the year, new loans of ₹ 100 crore were availed for clearing cane payment of the season 2015-16 and repayments were made to the extent of ₹ 137.39 crore (undiscounted principal repaid ₹ 155.34 crore)

Deferred Tax Liability (Net)

The Company had recognised deferred tax assets to the extent of deferred tax liabilities as on 31.03.2016 and accordingly, considerable accumulated losses were not recognised as deferred tax assets. During the year, considerable losses have been used to offset taxable income and further, in view of improved fundamentals in the Sugar business, including its outlook, and increase in the period of carry forward of Minimum Alternate Tax (MAT), earlier written off MAT credit of Rs 35.30 crore has been recognised as deferred tax asset. Accordingly, net deferred tax liability stands at Rs 23.42 crore as on 31.03.2017.

Other Non- Current liabilities

Other non-current liabilities have reduced from ₹ 60.69 crore as on 31.3.2016 to ₹ 2.51 crore as on 31.3.2017 mainly due to write back of deferred revenue of ₹ 54.56 crore relating to government grant in respect of capital subsidy receivable under UP Sugar Promotion Policy 2004, which forms a part of Exceptional Item as discussed above (Note 43 (i) of the Standalone Financial Statements).

Current Liabilities

Borrowings

Short term borrowings are higher at ₹ 1242.10 crore as against ₹ 1161.95 crore as on March 31, 2017. The increase is primarily due to 11% higher sugar inventories held at the year-end and also due to faster and regular payment of cane price.

Trade Payables

Trade payables have declined from ₹ 447.01 crore as on March 31, 2016 to ₹ 256.58 crore as on March 31, 2017. The decline is mainly attributed to reduction in cane dues.

RISK MANAGEMENT AND MITIGATION

The Company follows a well-structured Enterprise Risk Management (ERM) Policy, which requires the organization to identify the risks the businesses are exposed to and to categorize 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.

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

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

With a view to secure a long term sustainable solution, the sugar industry has been vigorously representing to the Government to fix realistic cane prices linked with sugar prices and adopt Dr. Rangarajan Committee report for revenue sharing. With the same political party at the Center and in the two major sugar producing states (Maharashtra and UP), there are high expectations of major reforms in the fixation of cane price, which would be a game changer for the industry.

Sugar Price risk: Sugar prices are not controlled and these are governed by market forces, including domestic demand and supply, international trends, custom duty barrier etc. Excessive stocks in the country are instrumental in lowering the sugar price. Being an essential commodity, the Government has statutory powers to impose stock limits or restrict import / export or vary custom duty to control domestic sugar prices and supplies.

The risk is completely beyond the control of the Company and there are not adequate hedging mechanisms in the country in view of limited breadth of the commodity exchange. However, the Company endeavours to manage the risk through a formulation of a Sales plan with an objective to capture higher realisation prices along with incurring optimum inventory carrying cost. Further, the Company manufactures refined sugar to the extent of 40% of its production and such sugar fetches better pricing over normal sulphitation sugar.

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

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

Other Mitigation Measures

- The Company has been focusing on cane development initiatives in a big way and the results achieved during the season 2016-17 were encouraging. The Company has achieved a recovery of 11.06 % which is 26 basis points higher than the previous year and is also much higher than the average recovery of 10.61% in U.P. The cane development has also helped the company to increase sugarcane yields and thus, has improved capacity utilisation of its plants, The Company feels that there is more potential to improve on the operational efficiencies which will improve the resilience of the Company to withstand cyclicality of the industry.
- The Company has integrated sugar operations with three co-generation plants and a large sized distillery. The operations of such businesses are profitable and stable.
- The Company has set up 03 incidental co-generation plants having aggregate power export capacity of 11 MW at nominal capital expenditure. These projects have quick pay-back period and provide support to the cyclical sugar operations
- The Company has stringent budgetary and cost control systems which help the Company to contain its costs

Engineering Business

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

Risk of economic slow-down: Slow down in the economy results in sluggish demand of the products of the user industries, which in turn has adverse effect on investment spend on capital goods required for capacity creation or modernisation.

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

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

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

Risk Mitigations

Gears Business

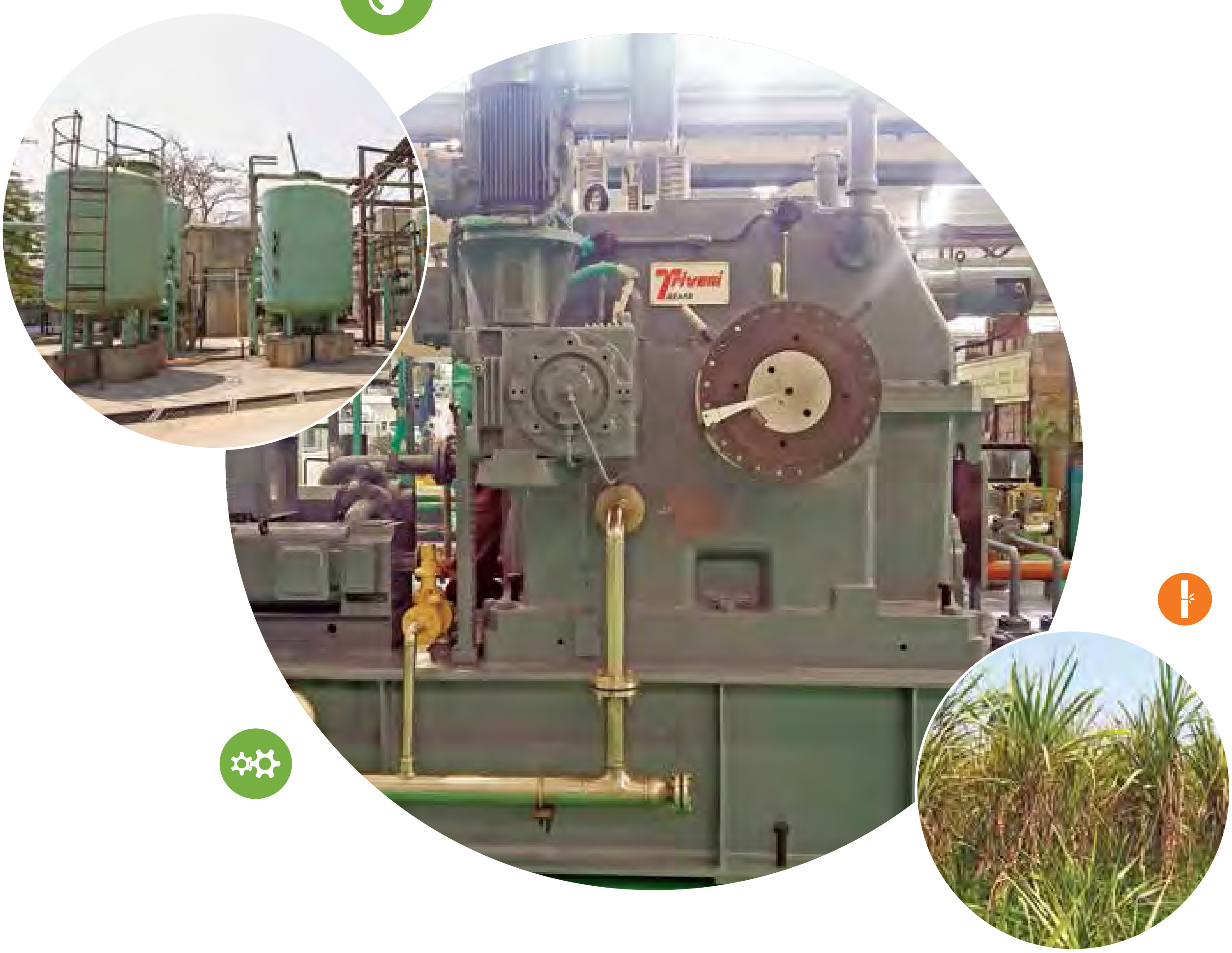
- Despite challenging business conditions in the domestic market, lower turnover and additional cost arising from recently concluded capital expenditure programme, the business has achieved reasonable profitability at operating level. It has been made possible due to product mix of the Company. Apart from supplies to OEMs, the focus of the business on the services, including refurbishments, help in maintaining its margins.
- The Company is trying for business from Defence Services and after obtaining their accreditation, it has received an developmental order. The size of the business may be substantial with consistent efforts.

- Unfortunately, the expected business from GE Lufkin could not fructify due to severe downturn in the global markets. It's believed that upon restoration of normalcy, the Company may be able to secure such business in view of its large potential.
- Being associated with the world premier gear manufacturing companies, best technology is available with the Company. Additionally, it also endeavours to broad base its products and is continually engaged in developing new products for other industrial segments through R&D efforts.

Water Business

- To ensure optimal resource allocation, the Water business accepts product order/projects only beyond a threshold amount and consequently, it has limited number of projects of reasonable size to execute. It ensures focused management attention and efforts.
- Before accepting fresh orders, Water business carries out a detailed credit analysis of the customer and funding arrangements for the proposed project and the orders are accepted only from credible customers.
- In view of financial stress in certain sectors, the Water business is generally not inclined to accept orders from these sectors except in cases with special merit.
- Water Business is also exploring international market to avoid over dependence on the domestic market.

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



DIRECTORS' REPORT

Your Directors have pleasure in presenting the 81st Annual Report and audited financial statements for the Financial Year (FY) ended March 31, 2017.

FINANCIAL RESULTS

(₹ in Lakhs)

	2016-17	2015-16
Revenue from operations (Gross)	296686.61	200105.06
Operating Profit (EBITDA)	55194.78	15480.00
Finance cost	12655.44	11496.98
Depreciation and Amortisation	5720.99	5883.49
Profit before exceptional items & tax	36818.35	(1900.47)
Exceptional Items	(8546.74)	1012.79
Profit before Tax (PBT)	28271.61	(887.68)
Tax Expenses	4915.36	(5.02)
Profit after Tax (PAT)	23356.25	(882.66)
Other comprehensive income (net of tax)	(448.62)	9.49
Total comprehensive income	22907.63	(873.17)
Earning per equity share of ₹1 each (in ₹)	9.06	(0.34)
Retained Earnings brought forward	(27842.07)	(26981.78)
Appropriation:		
-Equity Dividend (including dividend distribution tax)	-	-
-Transfer to/ (withdrawn) from molasses storage fund reserve (net)	20.03	(12.88)
Retained earnings carried forward	(4954.47)	(27842.07)

In view of significant profitability during the current year, the Company has been able to clear majority of deficit in the Retained Earnings which stands at ₹ 49.54 crore as on 31.03.2017.

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

INDIAN ACCOUNTING STANDARDS

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under The Companies (Indian Accounting Standard) Rules, 2015 as applicable to it with effect from April 01, 2016 with the transition date April 01, 2015. Accordingly, the Financial Statements have been prepared in compliance with Ind AS and the comparative information of the previous years have been provided as per the prescribed requirements.

BUSINESS OPERATIONS AND FUTURE PROSPECTS

It has been a satisfying year for the Company as it has returned to profitability after three consecutive years of losses.

The major reason for the turnaround is the upturn in Sugar industry resulting in remunerative sugar prices vis-à-vis the cane price. After decline in sugar production in the country in the season 2015-16 by 11%, the production during the season 2016-17 is expected to further decline by 19%, due to scarcity of water in many parts of Maharashtra and Karnataka,severely impacting the planting and the yields. Consequently, the sugar stocks at the end of the sugar season 2014-15 at 9 million tonnes reduced to 7.75 million tonnes by end of sugar season 2015-16 and are expected to further reduce to 4-4.5 million tonnes by the end of sugar season 2016-17. Apart from favourable demand-supply position, sugar industry in Uttar Pradesh has greatly benefited due to large scale varietal changes, which has resulted in better yield as well as improvement in recoveries.

Sugar Business:

The performance of your Company has been satisfying during the Sugar Season 2016-17, where in it has achieved higher crush by 42% and higher sugar recovery of 26 basis points over the previous year, after having achieved recovery increase of 123 basis points in the previous year. The increase in recovery has been around 150 basis points over the last two sugar seasons. The recovery achieved by the Company in the just concluded season is higher by about 55 basis points as compared to the average recovery in U.P. and the Company is endeavouring to narrow the gap with the top performers in the State. The Company intends to continue with its focus on cane development vigorously as with the improved operating performance only, it will be able weather challenging cyclicalities in the industry and minimise the impact due to external uncontrollable factors.

The performance of Co-generation business has also improved due to better availability of bagasse and having complied with the prescribed pollution norms, our Distillery is poised to operate for 330 days annually as against 270 days presently.

We hope that with the new Government in the State of U.P., much needed reforms in cane pricing would be carried out in the best interests of the industry and the farmers, which may help the industry to operate a viable business and to be able to continually invest in the business.

Engineering Business:

The performance of the Engineering business has been subdued during the year due to macro-economic factors resulting in slowdown in the capital goods and infrastructure sectors. The Gears business has underperformed due to lack of adequate orders and the additional expenses/charges due to recently concluded capital expenditure programme, which resulted in subdued profitability. The fundamentals of the business continue to be strong and the business would return to growth trajectory after normalcy in the economic conditions is restored. Towards the end of the year, the Gears business has received orders of around ₹ 11.85 crore from defence sector/reputed OEMs with dispatches majorly after the FY 18.

Water business has achieved 37% higher turnover and its losses have substantially reduced. After having received order booking of ₹ 171 crore in the FY 17, it is poised to better its performance next year. It is well placed in several bids and there may be an improvement in order booking next year considering that the business is actively pursuing opportunities in the international market as well as in the Namami Gange projects.

DIVIDEND

Owing to losses incurred during the previous years, the directors are constrained not to declare any dividend on equity shares.

SUBSIDIARY AND ASSOCIATE COMPANIES PERFORMANCE

Associate Companies

Triveni Turbine Ltd. (TTL)

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

The Company holds 21.82% stake in the equity shareholding of TTL. TTL has achieved record turnover and profitability in FY 17 on a consolidated basis –the turnover was higher by 3.5% and the profitability by 9.4% over the previous year. The consolidated export turnover has gone up by 52% in FY 17 to ₹ 391 crore and the proportion to the total sales have also gone up from 36% in FY 16 to 53% in FY 17. The order book at the year-end is at ₹ 632 crore.

Aqwise-Wise Water Technologies Ltd. (Aqwise)

The Company holds 25.04% stake in the equity capital of Aqwise. Aqwise continued its strong performance in calendar 2016 with a revenue growth of 8% over the previous year at USD 20 million. The Company achieved a consolidated net profit of USD 1.3 million in the calendar year 2016. The year under review also saw a good growth in order intake at USD 22.5 million, a growth of 18% over the previous year. The order in-take represents a healthy mix of projects and technology sales with main growth in turnkey scope without civil work in most cases. It has been able to make an entry into some large global clients having projects currently running in various geographies and it will help the Company to broad base its presence. With a strong carry forward order book, the company is poised to achieve good growth in future.

Subsidiary Companies

The Company has five wholly owned subsidiaries, namely: Triveni Industries Ltd., Triveni Engineering Ltd., Triveni Entertainment Ltd., Triveni Energy Systems Ltd., and Svastida Projects Ltd. and one subsidiary, Triveni Sugar Ltd, in which the Company holds 99.99% equity stake. These companies are relatively much smaller and there have 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 SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('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.

SCHEME OF ARRANGEMENT

The Company had proposed a Scheme of Arrangement on March 22, 2016 between the Company and its wholly owned subsidiary, Triveni Industries Ltd. to segregate Sugar business and Engineering business of the Company. Considerable progress was achieved in terms of approval of the Scheme by the Stock Exchanges/SEBI, shareholders and creditors. In view of uncertainty in the industry outlook relating to the Engineering businesses of the Company in the near to medium term and in the overall interest of the Company and its stakeholders, it was felt that the proposed Scheme may not realise the perceived benefits. Accordingly, with the approval of the Board of Directors of the Company at their meeting held on February 09, 2017 and the order of the Hon'ble National Company Law Tribunal, the Scheme has been withdrawn.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Section 136 of the Companies Act, 2013 and Regulation 34 of the Listing Regulations read with other applicable provisions, your Directors have attached the Consolidated Financial Statements of the Company for the financial year ended March 31, 2017, prepared in accordance with applicable Ind AS, which form a part of the Annual Report.

The 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, 2017, 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 SEBI 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 minimised 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 impact on the organisation. Such categorisation gives highest weightage to the risks which have the potential to threaten the existence ofthe 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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

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

The term of appointment of Dr. F.C. Kohli, Lt. Gen. K.K. Hazari (Retd.) and Mr Mehendra K. Daga, Independent Directors of the Company was due to expire on March 31, 2017. Dr. Kohli and Gen. Hazari, being eligible and consented to continue in office, have been re-appointed as Independent Directors of the Company not liable to retire by rotation, to hold office with effect from April 01, 2017 till the conclusion of 84th AGM of the Company with the approval of shareholders by Special Resolutions passed through postal ballot on March 31, 2017.

Mr Daga ceased to be the Independent Non-Executive Director of the Company on completion of his existing tenure. The Board places on record its appreciation for the valuable guidance and support extended by Mr Daga during his long association with the Company.

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

As required under the provisions of Section 203 of the Act, the Key Managerial Personnel namely, Vice Chairman & Managing Director, Group 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

As per Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate Auditors on completion of maximum term permitted under the said Section. M/s J.C. Bhalla & Co., Chartered Accountants (JCB), and M/s Virmani and Associates, Chartered Accountants (VA), the existing Statutory Auditors and Branch Auditors respectively of the Company, would be completing their respective term at the conclusion of the ensuing 81st AGM of the Company.

The Audit Committee of the Company has proposed and the Board of Directors of the Company has recommended, appointment of M/s S.S. Kothari Mehta & Co. (SSKM), Chartered Accountants (Firm Registration No.000756N) as Statutory Auditors (including branch audit) of the Company in place of retiring auditors JCB and VA, for a period of five (5) consecutive years, to hold the office from the conclusion of the ensuing 81st AGM until the conclusion of 86th AGM of the Company, for approval of the shareholders of the Company. SSKM are eligible and consented to act as the Statutory Auditors of the Company. The first year of the audit will be Financial Statements for the year ending March 31, 2018.

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 (including co-generation and distillery) and Gears businesses of the Company for the FY 18. M/s R.M. Bansal & Co. and Mr. T.L. Sangameswaran, Cost Accountants have been appointed as Cost Auditors to conduct the cost audit of the Sugar businesses (including co-generation and distillery) and Gears business respectively of the Company for FY 18. The Board recommends the ratification of the remuneration of the Cost Auditors for the FY 18.

COMMENTS ON THE AUDITOR'S REPORT

Statutory Audit

In Para 1(c) of Annexure A to the Auditors Report, the auditor has reported that in 38 cases having book value of ₹ 394.6 lakhs, 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 continue 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 for FY 17. 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 losses incurred during the previous years, no formal CSR activity has been initiated during the period under review and therefore, no annual report on CSR activity is provided with this report. However, the Company continues to remain engaged in meaningful charitable work, primarily around its area of operations.

AUDIT COMMITTEE

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

VIGIL MECHANISM

The Company has established a vigil mechanism through the Whistle Blower Policy and it oversees the genuine concerns expressed by the employees and other directors through the Audit Committee. The vigil mechanism also provides for adequate safeguards against victimisation of employees and directors who may express their concerns pursuant to this policy. It has also provided direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. The policy is uploaded on thewebsite 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. During the period under review, no complaint was received by the Internal Complaint Committee.

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

In the Notes 6 and 48 of the standalone financial statements of the Company contained in the Annual Report, the particulars of the investments made by the Company in the securities of other bodies corporate and loans advanced to the subsidiary and associate companies are provided respectively. The investments mainly comprise strategic investments in the subsidiary and associate companies, whereas the loan advanced to a subsidiary is for meeting its funds requirement till it is engaged in business activities and attains self-sufficiency. The Company has not given any guarantee or provided any security in connection with a loan to any other body corporate or person.

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

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

PARTICULARS OF EMPLOYEES

The information as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 duly amended 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 duly amended 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.

DEPOSITS

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

DEBENTURES

No debentures were issued during the period under review.

EXTRACTS OF ANNUAL RETURN

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

SIGNIFICANT AND MATERIAL ORDERS

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

HUMAN RESOURCES

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board is annexed as **Annexure-I** to this report.

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

Place : Noida (U.P.)
Date : May 20, 2017

Dhruv M. Sawhney
Chairman and Managing Director

ANNEXURE-A

Statement containing salient features of the financial statement of Subsidiaries or Associate companies or Joint ventures

Part A : Subsidiaries

₹ in Lakhs

Name of the subsidiary	Triveni Energy Systems Ltd.	Triveni Engineering Ltd.	Triveni Entertainment Ltd.	Triveni Sugar Ltd.	Svastida Projects Ltd.	Triveni Industries Ltd.
	(TESL)	(TEL)	(TENL)	(TSL)	(SPL)	(TIL)
	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Subsidiary	Wholly Owned Subsidiary	Wholly Owned Subsidiary
Date of becoming subsidiary/acquisition	15.02.2008	27.06.2006	20.03.2014	19.03.2014	19.03.2014	22.07.2015
1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA	NA
3. Share capital	205.00	205.00	287.00	5.00	205.00	0.50
4. Reserves & surplus	-8.42	-22.13	-20.84	-3.16	-7.82	-2.28
5. Total assets	370.88	437.59	449.53	1.98	202.34	0.51
6. Total Liabilities	174.30	254.72	183.38	0.14	5.15	2.29
7. Investments	369.28	435.94	383.37	-	-	-
8. Turnover	-	-	-	-	-	-
9. Profit before taxation	-1.27	-1.27	2.95	-0.84	-1.17	-1.36
10. Provision for taxation	-	-	0.91	0.03	-	-
11. Profit after taxation	-1.27	-1.27	2.04	-0.87	-1.17	-1.36
12. Proposed Dividend	-	-	-	-	-	-
13. Extent of shareholding (in %age)	100.00%	100.00%	100.00%	99.99%	100.00%	100.00%

Note: All the above subsidiaries are relatively much smaller and there have not been any material business activities in these companies.

Part B: Associates and Joint Ventures

Name of Associates or Joint Ventures	Triveni Turbine Ltd.	Aqwise-Wise Water Technologies Ltd.
1. Latest audited Balance Sheet Date	31-Mar-17	31-Dec-16
2. Date on which the Associate or Joint Venture was acquired	01.10.2010	30.07.2012
3. Shares of Associate or Joint Ventures held by the Company on the year end		
- No of shares	72000000	13008
- Amount of Investment in Associates/Joint Venture (₹ Lakhs)	720.07	3006.19
- Extent of Holding %	21.82	25.04
4. Description of how there is a 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)	8803.50	1044.93
7. Profit or Loss for the year (after tax) (₹ lakhs) – as per consolidated financial statements of the associate/joint venture	12355.46	77.67*
i. Considered in Consolidation (₹ lakhs)	2248.31**	19.45**
ii. Not Considered in Consolidation	--	--

* Based on unaudited consolidated results for the period 1.4.2016 to 31.3.2017.

** 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 67% of the Board of Directors.
2. The Board has constituted several Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Executive Sub Committee for more focused attention. The Board is empowered to constitute additional functional Committees from time to time, depending on the business needs.
3. The Company has established a Code of Conduct for Directors and Senior Management of the Company.
4. Whistle Blower Policy wherein the Employees and Directors may have the direct access to the Chairperson of the Audit Committee.
5. Risk Management framework to identify the risk for its businesses, to assess the probability of its occurrence and its mitigation plans. The information about the framework is placed before the Audit Committee and the Board periodically.

BOARD OF DIRECTORS

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

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

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

Meetings of the Board

The Board of Directors met five times during the FY 17 ended on March 31, 2017. The interval between any two successive meetings did not exceed one hundred and twenty days. Board Meetings were held on May 16, 2016, August 19, 2016, August 26, 2016, November 28, 2016 and February 9, 2017.

Independent Directors

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

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 14, 2016	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	2	1	None
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	2
Dr. F.C. Kohli DIN-00102878	Independent Non-Executive Director	5	3	No	1	None	None
Lt. Gen. K.K. Hazari (Retd.) DIN-00090909	Independent Non-Executive Director	5	5	No	3	2	1
Mr. Mahendra K. Daga*4 DIN-00062503	Independent Non-Executive Director	5	3	No	3	None	3
Mr. Shekhar Datta DIN- 00045591	Independent Non-Executive Director	5	4	No	4	2	1
Ms. Homai A. Daruwalla DIN-00365880	Independent Non-Executive Director	5	5	Yes	7	2	3
Dr. Santosh Pande DIN-01070414	Independent Non-Executive Director	5	5	Yes	1	None	1
Mr. Sudipto Sarkar DIN-00048279	Independent Non-Executive Director	5	3	No	4	None	5

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

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

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

*4 Mr. Mahendra K, Daga ceased to be a director due to completion of his tenure, which was upto March 31, 2017.

BOARD FUNCTIONING AND PROCEDURE

BOARD MEETING FREQUENCY AND CIRCULATION OF AGENDA PAPERS

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

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

Presentation by the Management

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

Access to Employees

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

Availability of Information to Board Member includes:

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

Post Meeting follow up Mechanism

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

Re-appointment of Director

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

BOARD COMMITTEES

The Board of Directors have constituted following Committees with adequate delegation of powers to oversee business of the Company and to take decisions within the parameters defined by the Board:

1. Audit Committee
2. Nomination and Remuneration Committee

3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

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

(I) Audit Committee

Composition, Meetings & Attendance

The Committee is headed by an Independent Director and consists of the members as stated below. The Audit Committee met five times during the FY 17 ended on March 31, 2017 i.e. on May 16, 2016, August 19, 2016, August 26, 2016, November 28, 2016 and February 8, 2017. 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	4
Lt. Gen. K.K. Hazari (Retd.)	Independent Non-Executive Director	5	5

The Chairperson of the Audit Committee attended the last AGM held on September 14, 2016 to answer the shareholders' queries.

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

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

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

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

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

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

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

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

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

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

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

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

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

(II) Nomination and Remuneration Committee (NRC)

Composition, Meetings & Attendance

The NRC is headed by an Independent Director and consists of the members as stated below. The NRC met thrice during the FY 17 ended on March 31, 2017 i.e. on May 10, 2016, January 9, 2017 and February 9, 2017. Subsequent to FY 17, the NRC was reconstituted on May 20, 2017 by merging the Compensation Committee with it. The composition and attendance of each NRC 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	3	3
Mr Shekhar Datta	Independent Non-Executive Director	3	3
Mr Nikhil Sawhney	Promoter & Non-Executive Director	3	3
Dr. Santosh Pande*	Independent Non-Executive Director	NA	NA

* Inducted as a Member w.e.f. May 20, 2017

As on March 31, 2017, the Compensation Committee comprised of three directors, viz. Lt. Gen. K.K. Hazari (Retd.) - Chairman, Mr Dhruv M. Sawhney and Mr Mahendra K. Daga. The Committee didn't meet during the FY 17 and subsequently till its merger with the NRC.

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 17 ended on March 31, 2017, 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 17 ended on March 31, 2017 are as under:

₹ in Lakhs

Name of the Executive Director	Mr. Dhruv M. Sawhney	Mr. Tarun Sawhney
	CMD	VCMD
No. of Equity Shares held	38391756	14695375
Service Period	31.03.2015 to 30.03.2020	01.10.2013 to 30.09.2018
Salary (in ₹)	Nil	158.46
Contribution to PF & other funds	Nil	23.25*
Other Perquisites	Nil	22.11
Total	**Nil**	**203.82**

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

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

Remuneration to Non-Executive Directors (NEDs)

The Company pays sitting fee to its NEDs for attending the meetings of the Board and its Committees within the limits prescribed under the provisions of the Companies Act, 2013. In addition to the sitting fees, the NEDs are entitled to profit based commission within the limits approved by the shareholders of the Company. During the FY 17 ended March 31, 2017, the performance of the Company has considerably improved and there has been substantial profits. However, there has not been adequate profits for payment of commission to NEDs after setting off accumulated losses pertaining to earlier years. In view of this, no provision for commission to NEDs has been made.

The details of the remuneration paid during the FY 17 ended on March 31, 2017 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	2.25	Nil	Nil
Lt. Gen. K. K. Hazari (Retd.)	8.45	Nil	Nil
Mr. Mahendra K. Daga	2.25	Nil	16000
Mr. Shekhar Datta	6.50	Nil	10000
Mr. Nikhil Sawhney	5.20	Nil	15277653
Ms. Homai A. Daruwalla	6.25	Nil	Nil
Dr. Santosh Pande	3.75	Nil	Nil
Mr. Sudipto Sarkar	2.25	Nil	Nil

None of the Independent Non-Executive Directors have any pecuniary relationship or transactions with the Company, its promoters and its senior management, its subsidiaries and associate companies except for the payment of remuneration as stated above. Lt. Gen K.K. Hazari (Retd.) and Mr. Shekhar Datta, 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 17 ended on March 31, 2017 i.e. on May 16, 2016, August 26, 2016, November 28, 2016 and February 9, 2017. 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

Function and term of reference

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

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

Details of investor complaints

During the FY 17 ended on March 31, 2017, the Company received complaints from various shareholders / investors directly and/or through SEBI relating to non-receipt of dividend / redemption money, annual report/notice of general meeting etc. All of them were resolved / replied suitably by furnishing the requisite information /documents. Details of investor complaints received and resolved during the FY 17 are as follows:

Opening Balance	Received	Resolved	Pending
Nil	15	15	Nil

Further there were no pending share transfers and requests for dematerialisation as on March 31, 2017.

(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 FY 17 ended on March 31, 2017, the CSR Committee didn't meet as the Company was not required to initiate any CSR activity due to past years' losses.

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

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

Other Committees

Executive Sub-Committee

Apart from the above statutory committees, the Board of Directors have constituted an Executive Sub-Committee comprising of four (4) Directors to oversee routine matters that are in the normal course of the business. The Board of Directors have delegated certain powers to this Committee to facilitate the working of the Company. The Committee met five times during the FY17 ended on March 31, 2017.

GENERAL BODY MEETINGS

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

Year	Date & Day	Location	Time	Special Resolution
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
2014-15	September 23, 2015 Wednesday	Company's Guest House at Deoband Sugar Unit Complex Deoband, District Saharanpur, U.P.	12:00 Noon	None
2012-14	August 6, 2014 Wednesday	Company's Guest House at Deoband Sugar Unit Complex Deoband, District Saharanpur, U.P.	11:30 A.M.	1. Variation in the terms of appointment including continuity of Mr Dhruv M. Sawhney as Chairman and Managing Director of the Company for the remaining period of his tenure, liable to retire by rotation. 2. Contribution and / or donation to any bona-fide charitable and other funds. 3. Alteration of Articles of Association of the Company by insertion /substitution of certain articles.

Court Convened Meeting

In terms of the Order dated July 14, 2016 of the Hon'ble High Court of Judicature at Allahabad, a court convened meeting of the equity shareholders of the Company was held on Saturday, September 3, 2016 at 11.00 a.m. at the Company's Guest House at Sugar Unit Complex, Deoband, District Saharanpur, Uttar Pradesh-247554, for obtaining the requisite approval of the equity shareholders for the proposed Scheme of Arrangement between the Company and its wholly owned subsidiary, Triveni Industries Ltd. and their respective shareholders and creditors under Sections 391-394 of the Companies Act, 1956. The resolution as set out in the notice with some modification proposed at the meeting was passed unanimously by the shareholders.

As stated earlier in this Annual Report, with the approval of the Board of Directors and the Order dated March 23, 2017 of the Hon'ble National Company Law Tribunal, Allahabad Bench, to whom the matter was transferred after the enforcement of relevant provisions of the Companies Act 2013 w.e.f. 15th December, 2016, the aforesaid Scheme of Arrangement stands withdrawn.

POSTAL BALLOT

(a) Details of the Special/Ordinary Resolutions passed by the Company through Postal Ballot:

During the FY 17 ended on March 31, 2017, the Company sought approval from its shareholders for passing of three special resolutions as set out in the Postal Ballot Notice dated February 9, 2017 through the process of Postal Ballot. The details of these special resolutions along with the snap shot of the voting results are as follows:-

Date of Postal Ballot Notice: February 9, 2017	Voting period: March 2, 2017 (9.30 a.m.) to March 31, 2017 (5.30 p.m.)
Date of Result of Postal Ballot: April 4, 2017	Date of approval: March 31, 2017

Sr. No.	Detail of Special Resolution	Number of valid votes polled	Votes cast in favour of the Resolution		Votes cast against the Resolution	
			No.	%	No.	%
1.	Payment of remuneration to Mr Tarun Sawhney, Managing Director (designated as Vice Chairman and Managing Director) of the Company w.e.f. 1st April, 2017 for the remaining period of his existing tenure i.e. upto 30th September, 2018.	198569463	197683743	99.55	885720	0.45
2.	Re-appointment of Dr. F.C. Kohli as an Independent Director of the Company w.e.f. 1st April, 2017 till the conclusion of 84th AGM of the Company.	198569223	197548390	99.49	1020833	0.51
3.	Re-appointment of Lt. Gen. K.K. Hazari (Retd.) as an Independent Director of the Company w.e.f. 1st April, 2017 till the conclusion of 84th AGM of the Company.	198569223	196978321	99.20	1590902	0.80

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

As on date, the Company does not have any proposal to pass any special resolution by way of postal ballot.

(c) Procedure for Postal Ballot:

The Company conducted the postal ballot in accordance with the provisions of Section110 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 along with postal ballot form etc. were sent through e-mail to those shareholders, who had registered their e-mail IDs with the Company/Depositories, and to other shareholders through 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 31, 2017. 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 22, 2017
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 2017-18 (tentative)

Financial Reporting for the quarter ending June 30, 2017	:	By mid of August 2017
Financial Reporting for the quarter / half year ending September 30, 2017	:	By mid of November 2017
Financial Reporting for the quarter / nine months ending December 31, 2017	:	By mid of February 2018
Financial Reporting for the annual audited accounts for the financial year ending March, 31, 2018	:	By the end of May 2018

(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 2017-2018 to both the aforesaid Stock Exchanges.

(d) Market Price Data/Stock Performance: FY 17 ended on March 31, 2017

During the year under report, the trading in Company's equity shares was from April 1, 2016 to March 31, 2017.

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, 2016	56.80	49.35	56.80	49.30
May, 2016	58.45	46.90	58.40	47.05
June, 2016	67.55	46.60	67.50	46.90
July, 2016	68.00	57.25	67.95	57.30
August, 2016	64.20	49.10	64.20	49.05
September, 2016	64.90	48.80	64.95	48.70
October, 2016	62.55	56.70	62.35	56.60
November, 2016	64.70	47.20	65.00	49.05
December, 2016	62.25	53.30	62.25	53.50
January, 2017	75.95	60.80	75.25	60.35
February, 2017	85.40	67.90	85.20	67.70
March, 2017	94.70	69.50	91.80	69.50

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

(f) Registrar & Share Transfer Agent

M/s Karvy Computershare Pvt. Ltd.,

Unit: Triveni Engineering & Industries Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli

Financial District, Nanakramguda,

Hyderabad – 500 032

Tel. :- Board No.: 040 6716 2222

Fax No.: 040 23001153

Email : einward.ris@karvy.com

(g) Share Transfer System

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

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

(h) Distribution of Equity Shareholding as on March 31, 2017

Group of Shares	Number of Shareholders	% to total Shareholders	Number of Shares held	% to total shares
From 1-500	27968	82.79	3863845	1.50
501-1000	2483	7.35	2074869	0.81
1001-2000	1328	3.93	2071855	0.80
2001-3000	508	1.50	1336204	0.52
3001-4000	243	0.72	885376	0.34
4001-5000	243	0.72	1169055	0.45
5001-10000	383	1.13	2937434	1.14
10001& higher	628	1.86	243606472	94.44
Total	**33784**	**100.000**	**257945110**	**100.000**

(i) Shareholding Pattern of Equity Shares as on March 31, 2017

Category	Number of Shareholders	% to total shareholders
Promoters	175957229	68.21
Mutual Funds	13982418	5.42
Banks, Financial Institutions,	383433	0.15
Insurance Cos. FIIs/FPIs	7985443	3.10
Bodies Corporate/NBF	15289545	5.93
Indian Public(*)	42215786	16.37
NRIs / OCBs	1624767	0.63
Other – Clearing Members & Trust	506489	0.19
Total	**257945110**	**100.00**

(*) Includes 27000 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, 2017, 99.90% of total equity share capital of the Company was held in dematerialised form (including 100% of the promoter holding). The ISIN allotted by NSDL / CDSL is INE256C01024. Confirmation in respect of the requests for dematerialisation of shares is sent to NSDL and CDSL within the stipulated period.

(k) Outstanding GDR / ADR or Warrants

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

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

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

(m) Reconciliation of Share Capital Audit

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

(n) Unclaimed Dividend

All unclaimed dividends upto the financial year 2009-10 (interim) 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
2009-2010	Final & Special Dividend	18.02.2011	17.02.2018
2010-2011	Final Dividend	10.02.2012	09.02.2019
2011-2012	Final Dividend	19.02.2013	18.02.2020

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) 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

OTHER DISCLOSURES

- **Related Party Transactions**

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

- **Disclosures of Accounting Treatment**

  In the financial statements for the year ended March 31, 2017, the Company has followed the treatment as prescribed in the applicable Accounting Standards.

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

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

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

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

- **Code for prevention of Insider Trading**

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

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

  The Company has laid down a Code of Conduct for all Board Members and the Senior Executives of the

Company. The Code of conduct is available on the Company's website www.trivenigroup.com. They have affirmed their compliance with the said code of conduct for the financial year ended March 31, 2017. 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, 2017.

Date: May 20, 2017	**Dhruv M. Sawhney**
Place: Noida (U.P.)	Chairman and Managing Director

- **CEO / CFO Certification**

  A prescribed certificate as stipulated in Regulation 17 (8) of the Listing Regulations duly signed by the Chairman and Managing Director and Group CFO was placed before the Board alongwith the financial statements for the FY 17 ended on March 31, 2017. The said certificate is provided elsewhere in this Annual Report.

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

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

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

  Modified opinion(s) in audit report

  The opinion expressed by the Auditor in the audit report on the financial statements for the year ended March 31, 2017 is unmodified.

- **Subsidiary Companies**

  There are six unlisted Indian subsidiary companies viz. Triveni Industries Ltd., Triveni Engineering Ltd., Triveni Energy Systems Ltd., Triveni Entertainment Ltd., Svastida Projects Ltd. and Triveni Sugar Ltd. Out of these, five are wholly owned subsidiaries except Triveni Sugar Ltd., which is a 99.99% subsidiary. None of these subsidiaries is the "Material Non-listed Subsidiary" in terms of Regulation 16(1)(c) of the Listing Regulations. The Company regularly places before the Board, minutes of the unlisted subsidiaries of the Company. The Company has a policy for determining Material Subsidiary which has been uploaded on its website at http://www.trivenigroup.com/investor/corporate-governance/policies.html

AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

The certificate dated May 20, 2017 from Statutory Auditors of the Company (M/s J. C. Bhalla & 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 20, 2017.

ANNEXURE-C

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

Auditors' Certificate on Compliance of regulations of Corporate Governance as stipulated in Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations")

To
The Members of
Triveni Engineering & Industries Limited

We have examined the compliance of conditions of corporate governance by Triveni Engineering & Industries Ltd. for the financial year ended March 31, 2017 as stipulated in Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Regulations of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the Regulations of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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.

For and on behalf of
J. C. Bhalla & Company
Chartered Accountants
FRN No.001111N

(Sudhir Mallick)
Partner
Membership No.80051

Place : Noida (U.P.)
Date : May 20, 2017

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, 2017 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

Place : Noida (U.P.)
Date : May 20, 2017

ANNEXURE-D

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March 2017

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

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

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

We report that-

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

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

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

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2017 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We have also examined compliance with the applicable clauses of the Secretarial Standards on Meetings of the Board of Directors and on 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 and Guidelines, 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. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. 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 of the meetings 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 and guidelines.

We further report that during the audit period, the Company filed a petition before the Hon'ble Allahabad High Court (transferred to Hon’ble National Company Law Tribunal (NCLT), Allahabad Bench after the enforcement of relevant provisions of the Companies Act 2013 w.e.f. 15th December, 2016) in the matter of proposed scheme of arrangement between Triveni Engineering & Industries Ltd. & Triveni Industries Ltd. & their respective shareholders & creditors U/s 391-394 of the Companies Act, 2013 and all other provisions applicable to the matters included in the Scheme (the Scheme of Arrangement”), which was approved by Equity Shareholders, Secured Creditors and Unsecured Creditors in the Court Convened Meeting held on 3rd September, 2016. However the Board of Directors of the Company in its meeting held on 9th February, 2017 had decided to withdraw the said Scheme of Arrangement.

On an application filed by the Company, the Hon’ble NCLT has, vide its Order dated 23rd March, 2017, disposed of the aforesaid petition as withdrawn.

For Suresh Gupta & Associates
Company Secretaries

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

Date : May 20, 2017
Place : Delhi

ANNEXURE-E

A) CONSERVATION OF ENERGY

a) The steps taken or impact on conservation of energy

i) Installed cooling tower at Ramkola sugar unit for cooling of excess hot condensate resulting in reduction of water consumption as well as reduction in power due to lesser usage of bore wells.

ii) Installed a pump at condensate flashing unit to pump hot wash water to 'A' Centrifugal machines to avoid the usage of 7Kg/Cm2 steam at superheated wash water system at Rani Nangal sugar unit resulting in saving of steam.

iii) Installed power capacitors at Rani Nangal and Milak Narayanpur sugar units to maintain high power factor resulting in power saving.

iv) Replacement of flap pumps with 4 nos. progressive cavity pumps resulted in saving of 5 KW at each pump as instead of through gear boxes, pumps are directly coupled at Milak Narayanpur sugar unit.

v) One boiler was put on auto system by virtue of which bagasse consumption is reduced at Ramkola sugar unit.

vi) Replacement of conventional lighting and utilization of energy efficient modern lighting across units at Khatauli, Rani Nangal, Chandanpur, Ramkola & Milak Narayanpur sugar units to save power.

vii) Installed VFD of 37 KW at filter water motor to save the electrical energy at the Distillery.

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

At Ramkola sugar unit, Solar Cells are being utilised at out-centre cane weighbridges for lighting and other uses during the crushing season. Apart from this, in all sugar units of the Company, majority of power is generated through bagasse, which is a renewable source of energy. At Distillery, bio-gas is generated from the effluent and is used as a fuel in the boiler for generation of steam and power.

c) The capital investment on energy conservation equipments

The Company has incurred capital expenditure of ₹ 135.67 lakhs towards energy conservation equipments:

(₹ in Lakhs)

S.No	Particulars	Capital Expenditure
1.	Old 3 no Raw centrifugal m/c (capacity 1 ton each) replaced with energy efficient 2 no AC VFD 1.75 ton each at Khatauli sugar unit	119.86
2.	Installation of VFD of 37 KW on Filter water motor to conserve the Electrical Energy in Distillery. Thus saved 127000 units per annum (around ₹ 3.81 lakhs) at ALCO	0.45
3.	Installation of cooling Tower at Ramkola sugar unit	15.36
	Total	**135.67**

B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption

All our businesses use mostly indigenous technology except for Gears Business, which apart from own technology up to 7.5 MW, obtains technology under License Agreements. Gears business is self-sufficient in the application of the technologies obtained under the License Agreements. The Gears 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 Gears Business has a License Agreement with an overseas party under which limited information by way of drawings is provided to undertake manufacture of the product and as such, the underlying technology is not passed. However, the exposure and interaction with the Licensor helps the Gears Business to increase its learning and use the learning for development of other products.

C) FOREIGN EXCHANGE EARNINGS & OUTGO

Earnings in foreign exchange	₹ 1240.73 lakhs
Foreign exchange outgo	₹ 2131.79 lakhs

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 ratio of remuneration of each Director to the median remuneration of the employees of the Company for the FY 17 and the percentage increase in remuneration of each Director, CFO and CS during the FY 17.

Name of Director/KMP and Designation	Ratio of remuneration to Median Remuneration	% increase of remuneration in FY 17
Mr. Dhruv M. Sawhney *		
Chairman and Managing Director (CMD)	N.A	Nil
Mr. Tarun Sawhney		
Vice Chairman and Managing Director (VCMD)	67	34.68%
Mr. Nikhil Sawhney		
Non-Executive Director	2	NIL
Dr. F.C. Kohli		
Non-Executive Independent Director	1	NIL
Lt. Gen. K.K. Hazari (Retd.)		
Non-Executive Independent Director	3	NIL
Mr. Mahendra K. Daga		
Non-Executive Independent Director	1	NIL
Mr. Shekhar Datta		
Non-Executive Independent Director	2	NIL
Ms. Homai A. Daruwalla		
Non-Executive Independent Director	2	NIL
Dr. Santosh Pande		
Non-Executive Independent Director	1	NIL
Mr. Sudipto Sarkar		
Non-Executive Independent Director	1	NIL
Mr. Suresh Taneja		
Group Chief Financial Officer	59	13.62%
Ms. Geeta Bhalla		
Group Vice President & Company Secretary	20	22.72%

* No salary is being drawn by the CMD

Note: The remuneration of the non-executive & independent directors includes sitting fees only for attending Board or Committee meetings and there was no change in the sitting fee during the year. Further no commission was paid during FY 17 in view of losses incurred during the previous year.

(ii) In the Financial year 2016 – 17, there was an increase of 11.06% in the median remuneration of the employees (The salaries of seasonal employees in sugar units have not been considered herein as they are deployed only for the duration of the Sugar season and not for the entire year)

(iii) There were 4057 permanent employees (805 officers, 3252 workmen including 1737 seasonal employees) on the rolls of the Company as on March 31, 2017

(iv) The average percentile salary increase of employees other than managerial personnel was 10.98% against 23.80% in the managerial remuneration. The increase in remuneration is in line with the improved performance of the company and is reflective of concerted management efforts to enhance operational efficiencies of sugar operations.

(v) It is hereby affirmed that the remuneration paid during the financial ended March 31, 2017 is as per the Nomination and Remuneration policy of the Company.

For and on behalf of the Board of Directors

Place: Noida (U.P)
Date : May 20, 2017

Dhruv M. Sawhney
Chairman and Managing Director

ANNEXURE-H

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017 of Triveni Engineering & Industries Limited

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the Company
1.	MANUFACTURE OF SUGAR	1072	79%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

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

(i) Category-wise Share Holding

Category of shareholder		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Promoter**									
(1)	**Indian**	34511253	0	34511253	13.379	34511253	0	34511253	13.379	0.000
(a)	Individuals/ HUF									
(b)	Central Government									
(c)	State Government(s)									
(d)	Bodies Corporate	82696056	0	82696056	32.060	82696056	0	82696056	32.060	0.000
(e)	Bank /FI									
(f)	Any Other									
	Sub-Total (A)(1)	117207309	0	117207309	45.439	117207309	0	117207309	45.439	0.000
(2)	**Foreign**									
(a)	NRI - Individuals	58749920	0	58749920	22.776	58749920	0	58749920	22.776	0.000
(b)	Other - Individuals									
(c)	Bodies Corporate									
(d)	Bank /FI									
(e)	Any Other									
	Sub-Total (A)(2)	**58749920**	**0**	**58749920**	**22.776**	**58749920**	**0**	**58749920**	**22.776**	**0.000**
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**175957229**	**0**	**175957229**	**68.215**	**175957229**	**0**	**175957229**	**68.215**	**0.000**
(B)	**Public shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds/UTI	6696252	0	6696252	2.596	13982418	0	13982418	5.421	2.825
(b)	Bank / FI	198448	0	198448	0.077	383433	0	383433	0.149	0.072

	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	
(c)	Central Government									
(d)	State Government(s)									
(e)	Venture Capital Funds									
(f)	Insurance Companies									
(g)	FIIs	10252775	0	10252775	3.975	0	0	0	0.000	-3.975
(h)	Foreign Venture Capital Investors									
(i)	Any Other (specify)									
(j)	Foreign Portfolio Investor (Corporate)	733240	0	733240	0.284	7985443	0	7985443	3.096	2.812
	Sub-Total (B)(1)	17880715	0	17880715	6.932	22351294	0	22351294	8.665	1.733
(2)	**Non-institutions**									
(a)	Bodies Corporate									
i)	Indian	13918738	1	13918739	5.396	15289544	1	15289545	5.927	0.531
ii)	Overseas									
(b)	Individuals -									
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.*	23737041	265766	24002807	9.305	22698639	254336	22952975	8.898	-0.407
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	20937543	0	20937543	8.117	16830492	0	16830492	6.525	-1.592
(c)	Any Other (specify)									
	[i] NRI	1656938	0	1656938	0.642	1624767	0	1624767	0.630	-0.012
	[ii] HUF	2667668	0	2667668	1.034	2432319	0	2432319	0.943	-0.091
	[iii] Clearing Member	883471	0	883471	0.343	502689	0	502689	0.195	-0.148
	[iv] Trust	40000	0	40000	0.016	3800	0	3800	0.001	-0.014
	Sub-Total (B)(2)	63841399	265767	64107166	24.853	59382250	254337	59636587	23.120	-1.733
	Total Public Shareholding (B)= (B)(1)+(B)(2)	81722114	265767	81987881	31.785	81733544	254337	81987881	31.785	0.000
(C)	**Shares held by Custodians for GDRs & ADRs**									
	GRAND TOTAL (A)+(B)+(C)	257679343	265767	257945110	100	257690773	254337	257945110	100	0.000

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shares holding at the end of the year			% change in the shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledge / encumbered of total shares	No. of Shares	% of total shares of the Company	% of Shares Pledge / encumbered of total shares	
(a)	**Individual/Hindu Undivided Family / NRI**							
1	Mr. Dhruv M. Sawhney	38391756	14.883	0	38391756	14.883	0	0.000
2	Mrs. Rati Sawhney	20358164	7.892	0	20358164	7.892	0	0.000
3	Mr. Tarun Sawhney	14695375	5.697	17.012	14695375	5.697	17.012	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**	**2.68**	**93261173**	**36.155**	**2.68**	**0.000**
(b)	**Bodies Corporate**							
1	Umananda Trade & Finance Limited	21414339	8.302	0	0	0.000	0	-8.302
2	Tarnik Investments & Trading Limited.	18680527	7.242	0	0	0.000	0	-7.242
3	Subhadra Trade & Finance Limited	16907375	6.555	0	82696056	32.060	0	25.505
4	Kameni Upaskar Limited	10328525	4.004	0	0	0.000	0	-4.004
5	Dhankari Investments Limited	14714901	5.705	0	0	0.000	0	-5.705
6	TOFSL Trading & Investments Ltd.	1639	0.001	0	0	0.000	0	-0.001
7	The Engineering & Technical Services Limited	250	0.000	0	0	0.000	0	0.000
8	Accurate Traders Limited	648500	0.251	0	0	0.000	0	-0.251
	Total (b)	**82696056**	**32.060**	**0**	**82696056**	**32.060**	**0**	**0.000**
	TOTAL(a+b)	**175957229**	**68.215**	**1.42**	**175957229**	**68.215**	**1.42**	**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	Umananda Trade & Finance Limited	21414339	8.302	31-03-2017	-21414339	Scheme of Arrangement	0	0.000
2	Tarnik Investments & Trading Limited.	18680527	7.242	31-03-2017	-18680527	Scheme of Arrangement	0	0.000
3	Subhadra Trade & Finance Limited	16907375	6.555	31-03-2017	65788681	Scheme of Arrangement	82696056	32.060
4	Kameni Upaskar Limited	10328525	4.004	31-03-2017	-10328525	Scheme of Arrangement	0	0.000
5	Dhankari Investments Limited	14714901	5.705	31-03-2017	-14714901	Scheme of Arrangement	0	0.000
6	TOFSL Trading & Investments Ltd.	1639	0.001	31-03-2017	-1639	Scheme of Arrangement	0	0.000
7	The Engineering & Technical Services Limited	250	0.000	31-03-2017	-250	Scheme of Arrangement	0	0.000
8	Accurate Traders Limited	648500	0.251	31-03-2017	-648500	Scheme of Arrangement	0	0.000

(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	GOVERNMENT PENSION FUND GLOBAL	6980000	2.706	08-04-2016	-25000	Transfer	6955000	2.696
				15-04-2016	-55000	Transfer	6900000	2.675
				06-05-2016	-50000	Transfer	6850000	2.656
				13-05-2016	-50000	Transfer	6800000	2.636
				30-06-2016	-150000	Transfer	6650000	2.578
				01-07-2016	-50000	Transfer	6600000	2.559
				08-07-2016	-60000	Transfer	6540000	2.535
				15-07-2016	-40000	Transfer	6500000	2.520
				14-10-2016	-60000	Transfer	6440000	2.497
				18-11-2016	-24500	Transfer	6415500	2.487
				13-01-2017	-115500	Transfer	6300000	2.442

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
				03-02-2017	-200000	Transfer	6100000	2.365
				10-02-2017	-100000	Transfer	6000000	2.326
				24-02-2017	-50000	Transfer	5950000	2.307
				03-03-2017	-50000	Transfer	5900000	2.287
				10-03-2017	-200000	Transfer	5700000	2.210
*2	MORGAN STANLAY ASIA (SINGAPORE) PTE.	3272775	1.269	29-04-2016	-232000	Transfer	3040775	1.179
				29-07-2016	4704	Transfer	3045479	1.181
				02-09-2016	-203868	Transfer	2841611	1.102
				09-09-2016	-128700	Transfer	2712911	1.052
				23-09-2016	-4704	Transfer	2708207	1.050
				30-09-2016	-1283155	Transfer	1425052	0.552
				07-10-2016	-1425052	Transfer	0	0.000
3	L AND T MUTUAL FUND TRUSTEE LTD-L AND T MID CAP FUND	2595510	1.006	27-05-2016	-116687	Transfer	2478823	0.961
				03-06-2016	60000	Transfer	2538823	0.984
				10-06-2016	25912	Transfer	2564735	0.994
				17-06-2016	-519572	Transfer	2045163	0.793
				30-06-2016	-200000	Transfer	1845163	0.715
				07-10-2016	40500	Transfer	1885663	0.731
				20-01-2017	-200000	Transfer	1685663	0.653
				03-02-2017	85258	Transfer	1770921	0.687
				17-02-2017	-393733	Transfer	1377188	0.534
4	L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA SPECIAL SITUATIONS FUND	2263342	0.877	08-04-2016	200000	Transfer	2463342	0.955
				20-05-2016	100000	Transfer	2563342	0.994
				17-06-2016	-497539	Transfer	2065803	0.801
				30-06-2016	-100000	Transfer	1965803	0.762
				05-08-2016	100000	Transfer	2065803	0.801
				02-09-2016	100000	Transfer	2165803	0.840
				23-09-2016	100000	Transfer	2265803	0.878
				30-09-2016	65634	Transfer	2331437	0.904
				14-10-2016	50000	Transfer	2381437	0.923
				25-11-2016	175000	Transfer	2556437	0.991
				16-12-2016	38544	Transfer	2594981	1.006
				23-12-2016	81996	Transfer	2676977	1.038

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
				31-12-2016	200000	Transfer	2876977	1.115
				13-01-2017	100000	Transfer	2976977	1.154
5	PRINCIPAL TRUSTEE CO. PVT LTD. - PRINCIPAL MUTUAL FUND - PRINCIPAL EME	1546800	0.600	22-04-2016	-178800	Transfer	1368000	0.530
				29-04-2016	-18000	Transfer	1350000	0.523
				20-05-2016	-90000	Transfer	1260000	0.488
				27-05-2016	-72000	Transfer	1188000	0.461
				30-06-2016	108000	Transfer	1296000	0.502
				08-07-2016	135000	Transfer	1431000	0.555
				15-07-2016	-81000	Transfer	1350000	0.523
				12-08-2016	64908	Transfer	1414908	0.549
				19-08-2016	45000	Transfer	1459908	0.566
				02-09-2016	-271908	Transfer	1188000	0.461
				14-10-2016	-43200	Transfer	1144800	0.444
				11-11-2016	9000	Transfer	1153800	0.447
				25-11-2016	24000	Transfer	1177800	0.457
				16-12-2016	-27000	Transfer	1150800	0.446
				23-12-2016	-15000	Transfer	1135800	0.440
				31-12-2016	15000	Transfer	1150800	0.446
				20-01-2017	-15000	Transfer	1135800	0.440
				17-02-2017	-150000	Transfer	985800	0.382
				10-03-2017	22200	Transfer	1008000	0.391
6	AJAY SHIVNARAIN UPADHYAYA	1400000	0.543	06-05-2016	75785	Transfer	1475785	0.572
				13-05-2016	24215	Transfer	1500000	0.582
7*	HITESH SATISHCHANDRA DOSHI	1300000	0.504	25-11-2016	-662189	Transfer	637811	0.247
				02-12-2016	-50000	Transfer	587811	0.228
				10-03-2017	-137000	Transfer	450811	0.175
				17-03-2017	-50000	Transfer	400811	0.155
				24-03-2017	-150000	Transfer	250811	0.097
				31-03-2017	-100000	Transfer	150811	0.058
8*	SANJAY DATTA	1250000	0.485	27-05-2016	-450000	Transfer	800000	0.310
9	SHRADHA GUPTA	1015000	0.393				1015000	0.393

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*	POONAM ARORA	870137	0.337	21-10-2016	2000	Transfer	872137	0.338
11**	L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA VALUE FUND	0	0.000	23-09-2016	727905	Transfer	727905	0.282
				30-09-2016	718310	Transfer	1446215	0.561
				07-10-2016	857357	Transfer	2303572	0.893
				28-10-2016	154987	Transfer	2458559	0.953
				25-11-2016	500000	Transfer	2958559	1.147
				30-12-2016	958317	Transfer	3916876	1.518
				06-01-2017	1287524	Transfer	5204400	2.018
				13-01-2017	1285000	Transfer	6489400	2.516
				10-02-2017	1519653	Transfer	8009053	3.105
12**	INDIANIVESH CAPITALS LIMITED	719000	0.279	29-04-2016	100000	Transfer	819000	0.318
				24-06-2016	173000	Transfer	992000	0.385
				30-06-2016	35000	Transfer	1027000	0.398
				08-07-2016	100000	Transfer	1127000	0.437
				19-08-2016	17000	Transfer	1144000	0.444
				02-09-2016	5000	Transfer	1149000	0.445
				23-09-2016	1226776	Transfer	2375776	0.921
				30-09-2016	264110	Transfer	2639886	1.023
				07-10-2016	169999	Transfer	2809885	1.089
				21-10-2016	-607400	Transfer	2202485	0.854
				28-10-2016	886600	Transfer	3089085	1.198
				18-11-2016	5400	Transfer	3094485	1.200
				25-11-2016	-10000	Transfer	3084485	1.196
				02-12-2016	262000	Transfer	3346485	1.297
				09-12-2016	21000	Transfer	3367485	1.306
				30-12-2016	-202001	Transfer	3165484	1.227
				06-01-2017	-9000	Transfer	3156484	1.224
				13-01-2017	2500	Transfer	3158984	1.225
				27-01-2017	-500	Transfer	3158484	1.224
				03-02-2017	54446	Transfer	3212930	1.246
				10-02-2017	200000	Transfer	3412930	1.323
				17-02-2017	100000	Transfer	3512930	1.362
				10-03-2017	482701	Transfer	3995631	1.549

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
				17-03-2017	5000	Transfer	4000631	1.551
				24-03-2017	300000	Transfer	4300631	1.667
13**	FAMOUS DEVELOPERS PRIVATE LIMITED	380000	0.147	15-04-2016	45000	Transfer	425000	0.165
				29-04-2016	45000	Transfer	470000	0.182
				20-05-2016	-30000	Transfer	440000	0.171
				17-06-2016	250000	Transfer	690000	0.267
				30-06-2016	-40000	Transfer	650000	0.252
				29-07-2016	40000	Transfer	690000	0.267
				02-09-2016	-50000	Transfer	640000	0.248
				16-09-2016	-13000	Transfer	627000	0.243
				23-09-2016	-10000	Transfer	617000	0.239
				07-10-2016	-10000	Transfer	607000	0.235
				04-11-2016	10000	Transfer	617000	0.239
				09-12-2016	25000	Transfer	642000	0.249
				16-12-2016	7500	Transfer	649500	0.252
				31-12-2016	260500	Transfer	910000	0.353
				06-01-2017	131000	Transfer	1041000	0.404
				13-01-2017	82000	Transfer	1123000	0.435
				20-01-2017	120000	Transfer	1243000	0.482
				27-01-2017	30000	Transfer	1273000	0.494
				10-02-2017	58000	Transfer	1331000	0.516
				17-02-2017	115000	Transfer	1446000	0.561
				03-03-2017	275000	Transfer	1721000	0.667
				10-03-2017	-20000	Transfer	1701000	0.659
14**	UNIVERSAL CINE TRADES	0	0.000	21-10-2016	120000	Transfer	120000	0.047
				23-12-2016	70000	Transfer	190000	0.074
				30-12-2016	100000	Transfer	290000	0.112
				06-01-2017	318950	Transfer	608950	0.236
				13-01-2017	50	Transfer	609000	0.236

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
				20-01-2017	110000	Transfer	719000	0.279
				27-01-2017	198000	Transfer	917000	0.356
				03-02-2017	252000	Transfer	1169000	0.453
				31-03-2017	-120000	Transfer	1049000	0.407

* Ceased to be in the list of top 10 shareholders as on 31.3.2017. However, the same has been reflected above since the shareholder was one of the top 10 shareholders as on 01.04.2016.

** Not in the list of top 10 shareholders as on 01.04.2016. However, the same has been reflected above since the shareholder was one of the top 10 shareholders as on 31.03.2017

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / Decrease in the shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
A.	**DIRECTORS**							
1	Mr Dhruv M Sawhney	38391756	14.883	-	0		38391756	14.883
2	Mr Tarun Sawhney	14695375	5.697	-	0	-	14695375	5.697
3	Mr Nikhil Sawhney	15277653	5.923	-	0	-	15277653	5.923
4	Dr. F.C. Kohli	0	0	-	0	-	0	0
5	Lt. Gen. K.K. Hazari (Retd.)	0	0	-	0	-	0	0
6	Mr Mahendra K. Daga	9000	0.003	24-02-2017	7000	Purchase	16000	0.006
7	Mr. Shekhar Datta	10000	0.004	-	0	-	10000	0.004
8	Ms. Homai A. Daruwalla	0	0	-	0	-	0	0
9	Dr. Santosh Pande	0	0				0	0
10	Dr. Sudipto Sarkar	0	0				0	0
B.	**KEY MANAGERIAL PERSONNEL**							
10	Mr Suresh Taneja	14000	0.005	-	0	-	14000	0.005
11	Mrs Geeta Bhalla	0	0	-	0	-	0	0

V. INDEBTEDNESS

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

(₹ in Lakhs)

Deposits	Secured Loans excluding Deposits*	Unsecured Loans	Unclaimed Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year				
i) Principal Amount	169876.23	725.53	-	170601.76
ii) Interest due but not paid	-	-	0.79	0.79
iii) Interest accrued but not due	310.00	-	-	310.00
Total (i+ii+iii)	**170186.23**	**725.53**	**0.79**	**170912.55**
Change in Indebtedness during the financial year				
• Addition	17199.71	1666.03	-	18865.74
• Reduction	15625.77	725.53	0.58	16351.88
Net Change	**1573.94**	**940.50**	**-0.58**	**2513.86**
Indebtedness at the end of the year				
i) Principal Amount	171541.60	1666.03	-	173207.63
ii) Interest due but not paid	-	-	0.21	0.21
iii) Interest accrued but not due	218.57	-	-	218.57
Total (i+ii+iii)	**171760.17**	**1666.03**	**0.21**	**173426.41**

* Includes short term borrowings (cash credit) from banks

Note : Term Loan 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	-	158.46	158.46
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	22.11	22.11
	(c) Profits in lieu of salary under17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, please specify	-	-	-
5.	Others (Retiral Benefits)	-	23.25*	23.25*
	Total (A)	-	203.82	203.82
	Ceiling as per the Act	In view of inadequate profits, the above remuneration was paid as 'minimum remuneration' in accordance with the applicable provisions of the Companies Act, 2013.		

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

B. Remuneration to other directors:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Fee for attending board/ committee meetings	Commission	Others, please specify	Total Amount
1.	**Independent Directors**				
	Dr F.C. Kohli	2.25	--	--	2.25
	Lt. Gen. K.K. Hazari (Retd.)	8.45	--	--	8.45
	Mr Mahendra K. Daga	2.25			2.25
	Mr Shekhar Datta	6.50	--	--	6.50
	Ms. Homai A. Daruwalla	6.25	--	--	6.25
	Dr Santosh Pande	3.75			3.75
	Mr Sudipto Sarkar	2.25			2.25
	Total (1)	**31.70**	**--**	**--**	**31.70**
2.	**Other Non-Executive Directors**				
	Mr Nikhil Sawhney	5.20	--	--	5.20
	Total (2)	**5.20**	**--**	**--**	**5.20**
	Total (B) = (1+2)	**36.90**			**36.90**
	Total Managerial Remuneration (A+B)				**240.72**
	Overall ceiling as per the Act	In view of inadequate profits, the above remuneration was paid in accordance with the applicable provisions of the Companies Act, 2013.			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	CS	Total
1	**Gross salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	163.23	57.64	220.87
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	NA	0.71	0.31	1.02
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	Nil	Nil	Nil
2	Stock Option	NA	Nil	Nil	Nil
3	Sweat Equity	NA	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	NA	Nil	Nil	Nil
5	Others (Retiral benefits)*	NA	14.28	2.59	16.87
	Total	**NA**	**178.22**	**60.54**	**238.76**

* 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					

ANNEXURE-I

NOMINATION AND REMUNERATION POLICY

Introduction

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time, this policy on nomination and remuneration of Directors, KMP and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors on August 14, 2014.

Objective and purpose of the Policy

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the complexity and challenges of job, Company's size and financial position and trends and practices on remuneration prevailing in peer companies in the industry or sector wherein the company operates.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Constitution of the Nomination and Remuneration Committee

The 'Nomination and Remuneration Committee' comprises of following Directors:

(i) Lt. Gen. K.K. Hazari (Retd.) – Chairman

(ii) Mr Shekhar Datta

(iii) Mr Nikhil Sawhney

(iv) Dr. Santosh Pande

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

Definitions

- 'Board of Directors' or 'Board' means the collective body of the Directors of the Company.
- 'Directors' means a Director appointed to the Board of the Company.
- 'Committee' means '**Nomination and Remuneration Committee**' of the Company as constituted or reconstituted by the Board from time to time.
- 'Company' means **Triveni Engineering & Industries Limited**.
- 'Independent Director' means a Director referred to in Section 149 (6) of the Companies Act, 2013.
- 'Key Managerial Personnel' means-
    (i) Chairman & Managing Director, or Vice Chairman & Managing Director, or Whole- time Director, if any

    (ii) Chief Financial Officer;

    (iii) Company Secretary; and

    (iv) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- 'Senior Management' means personnel of the Company, who are the members of Core management team and one level below the Executive Director including Corporate Functional Heads and Business Heads of the Company.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability

The Policy is applicable to the Directors, Key Managerial Personnel and other employees of Triveni Engineering & Industries Limited ('Company').

General

This Policy is divided in three parts:

- Part – A covers the matters to be dealt with and recommended by the Committee to the Board;
- Part – B covers the appointment and nomination; and
- Part – C covers remuneration and perquisites etc.

The key features of this Company's policy shall be included in the Board's Report.

Part – A

Matters to be dealt with, perused and recommended to the Board by the Committee

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and the persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director and Senior Management Personnel.

Part – B

Policy for appointment and removal of Directors, Senior Management Personnel

- **Appointment criteria and qualifications**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and at Senior Management level and recommend to the Board his / her appointment. However, the Committee may delegate to the Managing Director, Executive Director the power to identify, appoint and remove the Senior Management Personnel.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall only appoint or continue the employment of any person as Managing Director or Whole-time Director beyond the age of seventy years if the contribution of the concerned individual is invaluable to the Company and his vacancy may be detrimental to the interest of the Company. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **Term / Tenure**

1. **Managing/Whole-time Director**

   The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole-time Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. **Independent Director**

   An Independent Director shall hold office for such term upto a maximum of five consecutive years on the Board of the Company, as may be recommended by the Committee and approved by the Board and Shareholders and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

   No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term up to 5 years only.

At the time of appointment of Independent Director, it should be ensured that number of his directorship is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Evaluation**

  The Committee shall carry out evaluation of performance of every Director at regular intervals based on the indicators provided in the policy. Similarly, the Chairman and Managing Director, Vice Chairman and Managing Director and the Executive Directors shall evaluate the Senior Management Personnel (including KMPs other than the Directors of the Company) considering the competencies/indicators provided in the Policy.

- **Removal of Directors**

  Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement**

  The Whole-time Director, if any and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director/ Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Part – C

Policy relating to the remuneration for the Managing Director/Whole-time Director, KMP, Senior Management Personnel and other employees

The remuneration to be paid to the Directors, KMPs, Senior Management and other employees will be decided taking into consideration the following key factors/attributes:

- Strategic vision for the growth of business and alignment with the Company's goal,
- Competence, experience and performance,
- Leadership and team building qualities,
- Innovative and creative thinking,
- Market compensation levels for similar profile

Remuneration Policy

(a) Executive Directors

The remuneration of the Executive Directors will be recommended by the Nomination and Remuneration Committee to the Board of Directors and after approval by the Board the same will be put up for the shareholders' approval.

The evaluation of the Executive Directors will be made by the NRC based on the following attributes which will in addition to all attributes applicable to non-executive directors as mentioned below:

- Assessment of leadership and direction provided to the Business
- Assessment of performance or functions directly under their responsibility and control
- Assessment of managing business challenges and related risks
- Assessment of policies and efforts in promoting and expanding the business
- People development processes and organizational values

(b) Non-Executive Directors

Non-Executive Directors will be paid commission as approved by the Board within the limits approved by the shareholders of the Company. The amount of such commission taken together for all the Non-Executive Directors, will not exceed 1% of the net profits of the Company in any financial year calculated as per the requirements of Section 198 of the Companies Act 2013.

The said commission shall be decided each year by the Board of Directors of the Company and distributed amongst the Non-Executive Directors, based on their evaluation and the following attributes:

- Attendance in the Board / Committee meetings
- Inputs and contribution made in the meetings

- Creativity and idea generation
- Proactive, positive and strategic thinking
- Understanding of Company's business
- Time spent on operational and strategic matters other than the meetings.

The Company shall reimburse the travelling, hotel and other out of pocket expenses incurred by the Directors for attending the meetings and for other work on behalf of the Company.

(c) Key Managerial Personnel, Senior Management and other employees

The Company's remuneration policy of Key Managerial Personnel (other than Executive Directors covered above), Senior Management and other employees is driven by their success and performance of the Company and other attributes mentioned below. The Company endeavours to attract, retain, develop and motivate high performance workforce. The Company follows a compensation mix of fixed pay, performance based variable pay, benefits and perquisites. The performance of the individuals is measured through performance appraisal process. The Company will ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate all employees to contribute to their potential and in turn run the Company successfully.

The Stock options may be used as an instrument to actively engage senior management to achieve the objectives of the company, to reward them for their performance, to motivateand retain them.

The parameters of the assessment of the senior management will be the same as applicable to the executive directors but in the case of corporate functional heads, JDs may be different based on the uniqueness and domain responsibility of the function. The company has institutionalized a comprehensive PMS which will continue to be applicable to the senior management. The applicable competencies are:

- Driving and Managing Change
- Business acumen
- Capability Building
- Managing Critical Partnership
- Decision Making
- Excellence orientation
- Customer Focus
- Resource Management
- Domain area of responsibility
- Benchmarks of similar positions in similar comparable industries
- Functional expertise
- Commitment and Ownership

INDEPENDENT AUDITOR'S REPORT

To the Members of

Triveni Engineering & Industries Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Triveni Engineering & Industries Limited ('the Company'), which comprise the balance sheet as at March 31, 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books & proper returns adequate for the purpose of our audit have been received from Mysore Unit, Water Business Unit, Noida and Projects Division, Noida of the Company not visited by us;

(c) the report on the accounts of the Mysore Unit, Water Business Unit, Noida and Projects Division, Noida of the company audited under sub-section (8) of section 143 by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report;

(d) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account and with the returns received from the Mysore Unit, Water Business Unit, Noida and Projects Division, Noida of the Company not visited by us;

(e) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

(f) on the basis of the written representations received from the directors, as on March 31, 2017 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) 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"; and

(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 litigation on its financial position in its standalone Ind AS financial statements. Refer Note 46 of the standalone Ind AS financial statements;

ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv) The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

For J.C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

Sudhir Mallick
Partner
Membership No. 80051

Place: Noida (U.P.)
Date : May 20, 2017

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

of even date of the standalone Ind AS financial statements of Triveni Engineering & Industries Limited.

Referred to in paragraph 1 of the Independent Auditors' Report of even date under the heading "Report on Other Legal and Regulatory Requirements" to the members of Triveni Engineering & Industries Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2017.

We report that:

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

   (b) Major items of fixed assets have been physically verified by the management during the year as per information given to us. As explained to us, no material discrepancies were noticed on such verification as compared to the book records. In our opinion the frequency of verification is reasonable having regard to the size of the Company and nature of its activities.

   (c) According to the information and explanation given to us and on the basis of examination of title deeds, other relevant records provided to us evidencing the title, confirmation from the lenders with whom title deeds have been deposited as security for banking facilities and legal opinion obtained by the Company, we report that the title deeds of the immovable properties are held in the name of the Company as at the balance sheet date except for 3 cases having gross book value of Rs. 13.13 lakhs in respect of freehold land as disclosed in Note No. 3 on Property, Plant & Equipment and 35 cases having gross book value of Rs. 381.47 lakhs in respect of freehold land, disclosed in Note No. 4 on "Investment Property", to Standalone Ind AS Financial Statements, where the title deeds are not held in the name of the Company.

2. Inventories have been physically verified by the Management to the extent practicable at reasonable intervals during the year. In our opinion the frequency of verification is reasonable. The discrepancies noticed on physical verification as compared to the book records were not material having regard to the size and nature of the operations of the Company and have been properly adjusted in the books of account.

3. According to information and explanation given to us, the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly clauses 3(iii)(a), 3(iii)(b) & 3(iii)(c) of the Order are not applicable to the Company.

4. According to the information and explanations given to us and in our opinion the Company has not advanced any loan, investment, guarantee or security to any person as specified under sections 185 of the Companies Act, 2013. The company has not advanced any loan, guarantee or security to any person within the meaning of section 186 of the companies Act 2013 during the year. The company has complied with the provisions of section 186 of the company Act 2013 with regards to investment made.

5. According to the information and explanations given to us, the Company has not accepted any deposits from the public under the provisions of Sections 73 to 76 of the Act or other relevant provisions of the Act and rules framed there under during the year.

6. We have broadly reviewed the books of accounts maintained by the Company in respect of the products where pursuant to the rules made by the Central Government the maintenance of cost records has been prescribed under Section 148 (1) of the Companies Act, 2013, and are of the opinion that prima facie the prescribed accounts and records have been maintained.

7. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us, there are no dues of income tax and cess which have not been deposited on account of any dispute. Particulars of dues of sales tax, service tax, customs duty, excise duty and value added tax which have not been deposited on account of matters pending before appropriate authorities are as under:

Sl. No.	Name of Statute	Forum where dispute is pending	Nature of dues	Gross Demand (in lakhs)	Amount Deposited (in lakhs)	Year/Period
1	The Central Excise Act, 1944	High Court	Excise duty	347.67	21.22	1997-98,1998-99,99-00,2003-04,05-06,07-08 to 10-11,
			Penalty	269.30	266.00	
		CESTAT	Excise duty	301.88	35.79	1995-96, 1996-97,03-04,04-05 to 06-07, 08-09 to 2013-14
			Penalty	200.71	0.00	
		Comm.(A)	Excise duty	93.45	6.68	1994-95, 95-96, 2007-08 to 09-10, 2011-12,13-14 to 15-16
			Penalty	85.84	0.00	
2	The Finance Act, 1994 (Service Tax)	High Court	Service Tax	33.37	0.00	2009-10 to 2011-12
			Penalty	21.20	0.00	
		Tribunal	Service Tax	196.55	15.29	2004-05,05-06,2007-08 to 2011-12
			Penalty	124.64	0.00	
		Comm.(A)	Service Tax	84.89	0.00	2012-13, 13-14 to 15-16
			Penalty	3.74	0.00	
3	The Central Sales Tax Act, 1944 & State VAT Act	High Court	Sales Tax	141.90	137.57	1993-94, 1994-95, 1996-97,1999-00, 2006-07, 07-08
			Penalty	0.21	0.00	
		Tribunal	Sales Tax	349.01	37.51	1987-88, 1994-95, 1998-99,99-00, 2007-08
		Addl/ Joint Comm. (A)	Sales Tax	279.35	77.66	1996-97, 2008-09 to 2011-12
			Penalty	52.20	0.00	
			Interest	74.24	0.00	
		Assessing Authority	Sales Tax	194.75	126.36	1991-92, 93-94,94-95, 96-97, 97-98,2000-01, 02-03
4	The Customs Act, 1962	Tribunal	Customs Duty	19.93	6.19	2003-04
5	Prescribed Remissions Under U.P. Trade Tax Act (U.P. Sugar Promotion Policy 2004)	High Court	Entry Tax	625.05	0.00	2009-10 to 2013-14
			VAT	101.14	0.00	

8. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks or government during the year. The company has no outstanding dues in respect of financial institutions or debenture holders.

9. In our opinion and according to information and explanation given by the management, the term loans obtained by the company have been applied for the purpose for which they were raised. According to the information and explanation given to us, there was no money raised by way of initial public offer or further public offer by the Company during the year.

10. During the course of our examination of the books of accounts and records carried out in accordance with the generally accepted auditing practices and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

11. According to the information and explanation given to us, 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.

12. 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.

13. 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 sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. 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.

15. 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.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For J.C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

Sudhir Mallick
Partner
Membership No. 80051

Place: Noida (U.P.)
Date : May 20, 2017

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Triveni Engineering & Industries Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 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 and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. 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 standalone Ind AS 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 J.C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

Sudhir Mallick
Partner
Membership No. 80051

Place: Noida (U.P.)
Date : May 20, 2017

BALANCE SHEET

as at March 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
ASSETS				
Non-current assets				
Property, plant and equipment	3	84,580.20	86,042.11	86,565.38
Capital work-in-progress	3	211.33	933.69	1,842.36
Investment property	4	702.23	702.23	702.23
Intangible assets	5	82.32	152.71	118.62
Investments in subsidiaries and associates	6 (a)	4,620.78	4,620.78	4,610.60
Financial assets				
i. Investments	6 (b)	488.23	242.82	259.05
ii. Trade receivables	7	81.98	1,181.96	599.45
iii. Loans	8	7.12	10.88	5.85
iv. Other financial assets	9	924.84	990.40	762.55
Income tax assets (net)	22	2,919.25	4,670.45	4,465.37
Other non-current assets	10	643.53	17,617.11	18,210.01
Total non-current assets		**95,261.81**	**117,165.14**	**118,141.47**
Current assets				
Inventories	11	167,481.68	141,234.67	123,153.23
Financial assets				
i. Trade receivables	7	27,709.52	25,409.92	25,399.77
ii. Cash and cash equivalents	12 (a)	651.45	279.12	479.77
iii. Bank balances other than cash and cash equivalents	12 (b)	38.26	155.20	122.17
iv. Loans	8	38.69	51.74	105.00
v. Other financial assets	9	908.59	877.04	127.39
Other current assets	10	12,980.06	11,647.05	24,599.49
		209,808.25	**179,654.74**	**173,986.82**
Assets classified as held for sale	13	118.91	118.91	467.89
Total current assets		**209,927.16**	**179,773.65**	**174,454.71**
Total assets		**305,188.97**	**296,938.79**	**292,596.18**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	2,579.47	2,579.47	2,579.47
Other equity	15	75,187.20	52,279.57	53,152.74
Total equity		**77,766.67**	**54,859.04**	**55,732.21**
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
i. Borrowings	16	27,536.23	38,379.09	37,422.00
ii. Other financial liabilities	17	30.62	61.24	91.86
Provisions	18	3,863.01	3,356.70	3,071.91
Deferred tax liabilities (net)	23	2,342.30	-	-
Other non-current liabilities	19	250.84	6,068.87	7,538.12
Total non-current liabilities		**34,023.00**	**47,865.90**	**48,123.89**
Current liabilities				
Financial liabilities				
i. Borrowings	20	124,209.92	116,195.11	95,371.66
ii. Trade payables	21	25,658.22	44,701.44	68,033.59
iii. Other financial liabilities	17	24,745.82	17,212.63	14,537.74
Other current liabilities	19	17,188.19	15,140.80	9,833.77
Provisions	18	1,332.40	963.87	963.32
Income tax liabilities (net)	22	264.75	-	-
Total current liabilities		**193,399.30**	**194,213.85**	**188,740.08**
Total liabilities		**227,422.30**	**242,079.75**	**236,863.97**
Total equity and liabilities		**305,188.97**	**296,938.79**	**292,596.18**

The accompanying notes 1 to 54 form an integral part of these standalone financial statements

As per our report of even date attached

For **J.C.Bhalla & Company**
Chartered Accountants
Firm's registration No. : **001111N**

Sudhir Mallick
Partner
Membership No. : 80051

Place : Noida (U.P.)
Date : May 20, 2017

For and on behalf of 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

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	Year ended 31-Mar-17	Year ended 31-Mar-16
Revenue from operations	24	296,686.61	200,105.06
Other income	25	3,037.45	2,997.75
Total income		**299,724.06**	**203,102.81**
Expenses			
Cost of materials consumed	26	206,446.07	151,509.03
Purchases of stock-in-trade	27	1,536.93	1,404.43
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(23,950.82)	(14,191.21)
Excise duty on sale of products		14,231.95	8,608.79
Employee benefits expense	29	18,771.48	15,869.85
Finance costs	30	12,655.44	11,496.98
Depreciation and amortisation expense	31	5,720.99	5,883.49
Impairment loss on financial assets (including reversals of impairment losses)	32	635.83	1,359.19
Other expenses	33	26,857.84	23,062.73
Total expenses		**262,905.71**	**205,003.28**
Profit/(loss) before exceptional items and tax		**36,818.35**	**(1,900.47)**
Exceptional items	34	(8,546.74)	1,012.79
Profit/(loss) before tax		**28,271.61**	**(887.68)**
Tax expense:			
- Current tax	35	2,335.63	-
- Deferred tax	35	2,579.73	(5.02)
Total tax expense		**4,915.36**	**(5.02)**
Profit/(loss) for the year		**23,356.25**	**(882.66)**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans	38	(686.05)	14.51
		(686.05)	**14.51**
A (ii) Income tax relating to items that will not be reclassified to profit or loss	35	(237.43)	5.02
		(448.62)	**9.49**
B (i) Items that may be reclassified to profit or loss		-	-
B (ii) Income tax relating to items that may be reclassified to profit or loss	35	-	-
Other comprehensive income for the year, net of tax		**(448.62)**	**9.49**
Total comprehensive income for the year		**22,907.63**	**(873.17)**
Earnings/(loss) per equity share (face value ₹1 each)			
Basic	36	9.06	(0.34)
Diluted	36	9.06	(0.34)

The accompanying notes 1 to 54 form an integral part of these standalone financial statements

As per our report of even date attached

For **J.C.Bhalla & Company**
Chartered Accountants
Firm's registration No. : **001111N**

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

Sudhir Mallick
Partner
Membership No. : 80051

Dhruv M. Sawhney
Chairman & Managing Director

Homai A. Daruwalla
Director & Chairperson Audit Committee

Place : Noida (U.P.)
Date : May 20, 2017

Suresh Taneja
Group CFO

Geeta Bhalla
Group Vice President & Company Secretary

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 1 each issued, subscribed and fully paid up (including forfeited shares)

As at 1 April 2015	2,579.47
Changes during the year	-
As at 31 March 2016	**2,579.47**
Changes during the year	-
As at 31 March 2017	**2,579.47**

B. OTHER EQUITY

Particulars	Reserves and surplus							Total other equity
	Capital redemption reserve	Capital reserve	Securities premium	Amalgamation reserve	General reserve	Molasses storage fund reserve	Retained earnings	
Balance as at 1 April 2015	397.40	2,855.85	26,546.93	926.34	49,212.72	195.28	(26,981.78)	53,152.74
Profit/(loss) for the year	-	-	-	-	-	-	(882.66)	(882.66)
Other comprehensive income, net of income tax	-	-	-	-	-	-	9.49	9.49
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(873.17)**	**(873.17)**
Transferred to molasses storage fund reserve	-	-	-	-	-	26.71	(26.71)	-
Withdrawal from molasses storage fund reserve	-	-	-	-	-	(39.60)	39.60	-
Balance as at 31 March 2016	**397.40**	**2,855.85**	**26,546.93**	**926.34**	**49,212.72**	**182.39**	**(27,842.06)**	**52,279.57**
Profit/(loss) for the year	-	-	-	-	-	-	23,356.25	23,356.25
Other comprehensive income, net of income tax	-	-	-	-	-	-	(448.62)	(448.62)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**22,907.63**	**22,907.63**
Transferred to molasses storage fund reserve	-	-	-	-	-	20.03	(20.03)	-
Withdrawal from molasses storage fund reserve	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	**397.40**	**2,855.85**	**26,546.93**	**926.34**	**49,212.72**	**202.42**	**(4,954.46)**	**75,187.20**

The accompanying notes 1 to 54 form an integral part of these standalone financial statements

As per our report of even date attached

For **J.C.Bhalla & Company**
Chartered Accountants
Firm's registration No. : **001111N**

Sudhir Mallick
Partner
Membership No. : 80051

Place : Noida (U.P.)
Date : May 20, 2017

For and on behalf of 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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Cash flows from operating activities		
Profit / (loss) before tax	28,271.61	(887.68)
Adjustments for		
Depreciation/amortisation	5,720.99	5,883.49
Loss on sale/write off/impairment of property, plant and equipment	82.15	87.67
Exceptional items	8,546.74	(1,012.79)
Provision for diminution in value of investments in subsidiary company written back	-	(9.68)
Net loss on sale/redemption of investments	0.65	-
Net fair value gains / (losses) on investments	(97.44)	16.23
Amortisation of government grants	-	(355.90)
Interest income	(655.71)	(96.77)
Finance costs	12,655.44	11,496.98
Unrealised losses / (gains) from changes in foreign exchange rates	(40.35)	38.12
Mark-to-market losses / (gains) on derivatives	84.88	(0.38)
Dividend income	(326.94)	(1,226.75)
Working capital adjustments :		
Change in trade receivables	(1,191.02)	(590.99)
Change in inventories	(26,247.01)	(18,082.18)
Change in trade payables	(19,041.79)	(23,371.38)
Change in other financial assets	222.09	(330.47)
Change in other current assets	1,528.68	13,251.63
Change in provisions	188.80	299.85
Change in other financial liabilities	1,149.06	320.56
Change in other current liabilities	3,358.10	5,488.94
Cash generated from operations	**14,208.93**	**(9,081.50)**
Income tax paid (refund)-net	214.94	(205.07)
Net cash inflow from operating activities	**14,423.87**	**(9,286.57)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,196.99)	(4,280.77)
Proceeds from sale of property, plant and equipment	110.12	148.95
Purchase of investments		
Subsidiary	-	(0.50)
Others	(198.70)	-
Proceeds from sale of investments		
Subsidiary	-	0.00
Others	50.08	-
Interest received	66.54	51.21
Dividend received	326.94	1,226.75
Net cash outflow from investing activities	**(3,842.01)**	**(2,854.36)**
Cash flows from financing activities		
Proceeds from long term borrowings	9,990.75	14,749.83
Repayment of long term borrowings	(15,534.34)	(12,225.90)
Increase in current borrowings	8,044.98	20,822.90
Interest paid	(12,616.43)	(11,398.93)
Payment of unclaimed dividend	(4.27)	(3.65)
Redemption of unclaimed preference shares	(90.22)	(0.24)
Payment of unclaimed matured deposits	-	(3.73)
Net cash inflow / (outflow) from financing activities	**(10,209.53)**	**11,940.28**
Net increase / (decrease) in cash and cash equivalents	372.33	(200.65)
Cash and cash equivalents at the beginning of the year (refer note 12 (a))	279.12	479.77
Cash and cash equivalents at the end of the year (refer note 12 (a))	**651.45**	**279.12**

The accompanying notes 1 to 54 form an integral part of these standalone financial statements

As per our report of even date attached

For **J.C.Bhalla & Company**
Chartered Accountants
Firm's registration No. : **001111N**

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

Sudhir Mallick
Partner
Membership No. : 80051

Dhruv M. Sawhney
Chairman & Managing Director

Homai A. Daruwalla
Director & Chairperson Audit Committee

Place : Noida (U.P.)
Date : May 20, 2017

Suresh Taneja
Group CFO

Geeta Bhalla
Group Vice President & Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

CORPORATE INFORMATION

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

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation and presentation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1 April 2015.Refer note 52 for the details of first-time adoption exemptions availed by the Company and an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis except for certain assets and liabilities (including derivative instruments) that are measured at fair values at the end of each reporting period, as explained in the respective accounting policies described in subsequent paragraphs.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36Impairment of Assets.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.Refer note 37 for segment information presented.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, other similar allowances, value added taxes, service tax and amounts collected on behalf of third parties, if any.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

Recognising revenue from major business activities

(i) Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

associated with ownership nor effective control over the goods sold;

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(ii) Rendering of services

Revenue from a contract to provide services is recognised when the outcome of a transaction involving the rendering of services can be estimated reliably, by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- erection & commissioning/service revenue is recognised by reference to the stage of completion of the erection & commissioning/service, determined based on technical estimate of completion of physical proportion of the contract work;
- operation & maintenance revenue is recognised by reference to the stage of completion of operations & maintenance work, determined as the proportion of the total period of services contract that has elapsed at the end of the reporting period

(iii) Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue is recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the balance sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the balance sheet under trade receivables.

(iv) Revenue from sale of Certified Emission Reductions (CERs) and Renewable Energy Certificates (RECs)

Income from the sale of CERs and RECs is recognised on the delivery of the CERs/RECs to the customer's account as evidenced by the receipt of confirmation of execution of delivery instructions.

(v) Rental income

The Company's policy for recognition of revenue from operating leases is described in note 1(e) below.

(vi) Dividend income

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

(vii) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. 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.

(d) 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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented either within other income or net of related costs.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a systematic and rational basis over the expected useful lives of the related assets and presented within other income.

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

The benefit of a loan at a below market rate of interest or loan with interest subvention is treated as a government grant, measured as a difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

(e) 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 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(h) 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 in 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. The respective leased assets are included in the balance sheet based on their nature.

(f) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Indian rupee (₹), which is Company's functional and presentation currency unless stated otherwise.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss in the period in which they arise except for foreign exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

(g) 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-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) 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. 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.

(i) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

(iii) Current and deferred tax for the year

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

(j) Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment shall be 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. Cost includes expenditure that is directly attributable to the acquisition of the items. 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,

NOTES TO THE FINANCIAL STATEMENTS

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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 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 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, fixtures 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.

Fixture and fittings and improvements to leasehold buildings not owned by the Company are amortised over the 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.

(k) 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 measured initially at its cost, including related transaction costs and where applicable borrowing costs. 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 properties are depreciated using the straight-line method over their estimated useful lives as stated in Schedule II 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.

(l) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

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 of the intangible assets are as follows:

Assets	Estimated useful life
Computer software	36 months
Technical know-how	72 months

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.

(m) Inventories

(i) Inventories of raw materials, components, stores and spares are valued at lower of cost and net realisable value. 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 and spares is considered on the following basis:

Raw materials & Components

Business Units	Basis
Sugar	First in first out
Gears, Co-generation & Distillery	Weighted Average
Water Business Group	Specific Cost

Stores & Spares

Business Units	Basis
Water Business Group	Specific Cost
Other units	Weighted Average

(ii) 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 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. Excise duty is included in the value of finished goods.

(iii) 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.

(iv) By-products (excluding those used as raw materials) and scrap are valued at estimated net realisable value.

(n) 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. Management must be committed to the sale. They are measured at the lower of their carrying amount and fair value less costs to sell.

(o) Provisions

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(p) **Employee benefits**

(i) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. The liabilities are presented as current benefit obligations in the balance sheet.

(ii) **Other long-term employee benefit obligations**

Other long-term employee benefits include earned leaves and sick leaves. The liabilities for earned leaves and sick leaves are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as provisions in the balance sheet.

(iii) **Post-employment obligations**

The Company operates the following post-employment schemes:

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

Defined benefit plans

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

The liability or asset recognised in the balance sheet in respect of defined benefit plans 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 yields at the end of the reporting period on government bonds that have terms approximating to the terms 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 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 statement of changes in equity and in the balance sheet.

Defined contribution plans

Defined contribution plans are retirement benefit plans under which the Company pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Company has no further payment obligations once the contributions have been paid. The defined contributions plans are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

- **Provident Fund Plan & Employee Pension Scheme**

  The Company makes monthly contributions at prescribed rates towards Employees' Provident Fund/ Employees' Pension Scheme to a Fund administered and managed by the Government of India.

- **Employee State Insurance**

  The Company makes prescribed monthly contributions towards Employees' State Insurance Scheme.

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- **Superannuation Scheme**

  The Company contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policy entered into by such fund with the Life Insurance Corporation of India.

- **National Pension Scheme**

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

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

  The Company makes contribution towards provident fund, in substance a defined contribution plan, which was set-up by the Company and administered through trust for the benefit of certain employees. The interest rate payable by the trust to the beneficiaries is regulated by statutory authorities which requires that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the 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.

(q) 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.

(r) Financial assets

(i) Classification

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

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

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

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

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

(ii) Measurement

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

Debt instruments

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

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

in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value, except for equity investments in subsidiaries and associates where the Company has 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.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 11 Construction Contractsand Ind AS 18 Revenue, the Company applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-months ECL.

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

ECL is determined with reference to historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. Note 41 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(v) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant 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.

(s) 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

(iii) **Derecognition**

Equity instruments

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

Financial liabilities

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

(t) **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.

(u) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(v) **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.

Note 2: Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(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 financial statements:

(i) Accumulated un-utilised cenvat credit

The distillery at Muzaffarnagar utilises molasses as the principal raw material in the manufacture of its finished products. Molasses is subject to specific rate of excise duty whereas the output products are either subject to ad-valorem excise duty or are exempted from the levy of excise duty. Due to the excise duty structure on inputs and outputs, provision prescribed in the excise laws to reverse excise duty on the inputs on the sale of exempted products and cenvat credit availed on the capital goods, the unutilised cenvat credit balances had substantially increased and in view of slow pace of liquidation of such balances, a provision for impairment was considered to the extent of ₹829.36 Lakhs.

With the recent legislation passed by the Parliament on the Goods and Services Tax ("GST"), the Company has been legally advised that under the GST laws, the unuilised cenvat credit accumulated at the distillery, which is registered (inter-alia along with other businesses) in the state of Uttar Pradesh, can be utlised to discharge the GST liability against supply of any goods/ services by the Company under the same registration. Accordingly the entire unutilised cenvat credit of ₹4,127.13 lakhs pertaining to the distillery would, in the opinion of management be utilised within a short period upon GST coming into effect and hence, the impairment loss, earlier recognised by the Company, has been reversed during the year.

(ii) Subsidy recoverable under U.P. Sugar Promotion Policy 2004

The Company had accounted for capital subsidy and reimbursements of certain expenses as prescribed under UP Sugar Industry Promotion Policy, 2004 ("the Policy"), issued by the state government of Uttar Pradesh. The Policy was pre-maturely terminated on 4 June 2007 and no eligible subsidy under the Policy was paid by the UP government to the Company. The Company had challenged such termination of policy and non grant of prescribed subsidy/ incentives to the Company under the Policy before the Lucknow bench of Allahabad High Court. Pending final adjudication in the matter, the High Court vide its interim order dated 9 May 2008 has permitted limited protection of remissions which were being enjoyed on the date when the Policy was revoked.

The matter has been pending before the High Court for a long period and during the year, the prescribed incentive period of ten years under the Policy has also been expired. In the opinion of the management, the time frame for completion of legal proceedings is uncertain and it is expected that the final adjudication in the matter will happen only at the higher court. In view of uncertainties involved and protracted delays in completion of legal proceedings, the management has decided to write-off subsidy amount of ₹ 14,002.46 lakhs appearing as recoverable from UP government as on 31 March 2016 along-with write-back of related deferred government grant of ₹ 5,455.72 lakhs.

(iii) Recognition of unutilised tax credits

The Company, in respect of certain years in the past, had paid taxes on book profits under section 115JB of the Income-tax Act, 1961 (MAT). As per the provisions of Income-tax Act, 1961,such MAT credit prior to Finance Act, 2017 was allowed to be carried forward for ten years for adjustment against normal tax liability of the Company. In view of continuous losses incurred by the Company in the past few years and substantial rebate u/s 80IA of the Income-tax Act, 1961, available to the Company, the utilisation of such MAT credit was considered to be uncertain and accordingly, unexpired amount of ₹3,529.67 lakhs as at 31 March 2017 was considered impaired and written off in earlier years.

During the year, the Company has reviewed the position in light of the following facts, information and other developments as at the reporting date:

- In the Finance Act, 2017, period of carry forward of MAT credit has been

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

increased to fifteen years from ten years earlier, providing additional five years for adjustment of MAT credit.

- Due to change in the business fundamentals in the Sugar business, the operations of the Company have turned around and have become profitable. The Company has achieved significant profitability during the current year. Further, the outlook for future looks promising in view improved fundaments and substantial increase in operational efficiencies of the Company.
- Under Ind AS 12 Income taxes, it is permitted to recognise unutilised tax credits to the extent of available taxable temporary differences against which the unused tax credit can be utilised.

In view of the above position and circumstances, the management is convinced that the MAT credit entitlement of the Company, shall be utilised within the prescribed period available for utilisation. Accordingly, MAT credit of ₹ 5,865.30 lakhs, including unexpired amount of ₹ 3,529.67 lakhs derecognisedin earlier years, has been recognised during the year resulting in lower deferred tax charge for the year by the equivalent amount.

(iv) Lands under finance lease

The office premises and the workshop of water business group of the Company is constructed upon land acquired from the 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 the 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.

(v) Interest on delayed payment of cane price

The State Government had, based on the financial hardships of sugar mills due to mismatch of cane price and sugar price, waived interest on delayed payments of cane price for the seasons 2012-13, 2013-14 and 2014-15 in accordance with the provisions of Section 17(3) of UP Sugar Cane (Regulations of Supply and Purchase Act, 1953. In a Public Interest Litigation, Allahabad High Court has passed an order on 9 March 2017 directing the Cane Commissioner to decide the issue afresh taking into consideration certain factors. No order has yet been passed by the Commissioner and based on discussions with legal experts and industry association, it is felt that the possibility of such liability is remote and hence no provision is considered necessary.

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. When the fair values of these assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques by engaging third party qualified external valuers or internal valuation team to perform the valuation. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 4, 6, 9 and 42 for further disclosures.

(ii) Employee benefit plans

The cost of the defined benefit plans and

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

other long term employee benefits and the present value of the obligation thereon 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 interest rates of 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 on employees leaving the services of the Company. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. See note 38 for further disclosures.

(iii) Impairment of trade receivables

The Company has a stringent policy of ascertaining impairments, if any, as result of detailed scrutiny of major cases and through determining expected credit losses. Despite best estimates and periodic credit appraisals of customers, the Company's receivables are exposed to delinquency risks due to material adverse changes in business, financial or economic conditions that are expected to cause a significant change to the party's ability to meet its obligations. All such parameters relating to impairment or potential impairment are reviewed at each reporting date. See note 41(i) for further disclosures.

(iv) Revenue and cost estimation for construction contracts

The revenue recognition pertaining to construction contracts are determined 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.

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	Property, plant and equipment									Capital work-in- progress
	Freehold Land	Leasehold Land	Buildings & Roads	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total	
Year ended 31 March 2016										
Gross carrying amount										
Deemed cost as at 1 April 2015	3,571.80	635.24	16,917.84	64,337.91	225.80	545.64	203.11	128.04	86,565.38	1,842.36
Additions	-	125.00	2,010.30	3,022.86	13.13	70.43	27.65	81.59	5,350.96	3,898.96
Disposals	(4.06)	-	(1.74)	(36.27)	(0.97)	(17.98)	(5.03)	(1.73)	(67.78)	-
Transfers *	-	-	-	-	-	-	-	-	-	(4,751.32)
Other adjustments	-	-	(7.15)	4.68	1.55	-	16.17	(15.25)	-	-
Closing gross carrying amount	**3,567.74**	**760.24**	**18,919.25**	**67,329.18**	**239.51**	**598.09**	**241.90**	**192.65**	**91,848.56**	**990.00**
Accumulated depreciation and impairment										
Depreciation charge during the year	-	4.64	671.86	4,883.61	50.90	94.09	60.24	46.41	5,811.75	-
Disposals	-	-	(0.09)	(3.64)	(0.23)	(0.54)	(0.75)	(0.05)	(5.30)	-
Impairment loss	-	-	-	-	-	-	-	-	-	56.31
Closing accumulated depreciation and impairment	**-**	**4.64**	**671.77**	**4,879.97**	**50.67**	**93.55**	**59.49**	**46.36**	**5,806.45**	**56.31**
Net carrying amount	**3,567.74**	**755.60**	**18,247.48**	**62,449.21**	**188.84**	**504.54**	**182.41**	**146.29**	**86,042.11**	**933.69**
Year ended 31 March 2017										
Gross carrying amount										
Opening gross carrying amount	3,567.74	760.24	18,919.25	67,329.18	239.51	598.09	241.90	192.65	91,848.56	990.00
Additions	-	-	315.83	3,702.89	31.09	185.37	51.09	96.32	4,382.59	1,885.71
Disposals	-	-	(50.57)	(125.83)	(1.28)	(16.14)	(12.87)	(2.93)	(209.62)	-
Transfers *	-	-	-	-	-	-	-	-	-	(2,608.07)
Other adjustments	-	-	(46.11)	38.53	0.20	-	0.53	1.06	(5.79)	-
Closing gross carrying amount	**3,567.74**	**760.24**	**19,138.40**	**70,944.77**	**269.52**	**767.32**	**280.65**	**287.10**	**96,015.74**	**267.64**
Accumulated depreciation and impairment										
Opening accumulated depreciation and impairment	-	4.64	671.77	4,879.97	50.67	93.55	59.49	46.36	5,806.45	56.31
Depreciation charge during the year	-	4.64	697.86	4,697.50	48.44	102.09	41.30	60.59	5,652.42	-
Disposals	-	-	(1.86)	(8.30)	(0.57)	(2.31)	(8.88)	(0.11)	(22.03)	-
Other adjustments	-	-	(4.49)	3.40	0.20	-	(1.47)	1.06	(1.30)	-
Closing accumulated depreciation and impairment	**-**	**9.28**	**1,363.28**	**9,572.57**	**98.74**	**193.33**	**90.44**	**107.90**	**11,435.54**	**56.31**
Net carrying amount	**3,567.74**	**750.96**	**17,775.12**	**61,372.20**	**170.78**	**573.99**	**190.21**	**179.20**	**84,580.20**	**211.33**

* Represents amount capitalised during the year under property, plant and equipment out of capital work-in-progress.

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FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

Notes:

(i) Leasehold land

The original lease term in respect of a parcel of land acquired under finance lease was ninety years whereas another land at Delhi is for a perpetual lease term. These leases of lands have been classified as finance lease in terms of criteria specified in Ind AS 17 Leases, including the facts that the market value of the land (as on the date of transaction) had been paid to the lessor at the inception of the lease and the Company has transfer rights in respect of such lands.

(ii) Restrictions on Property, plant and equipment

Refer note 16 & 20(i) for information on charges created on property, plant and equipment. Further, freehold land includes land having carrying amount of ₹ 13.13 lakhs for which transfer of titles in the name of the Company is pending.

(iii) Contractual commitments

Refer note 45 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) Capital work-in-progress

Capital work-in-progress mainly comprises workshop expansion pertaining to water/waste-water treatment business of the Company.

(v) Impairment loss

The impairment loss relates to expenditure incurred on construction of residential buildings at certain factories, which were under progress till financial year 2011-12. However, the said project was subsequently discontinued and the entire expenditure incurred was recognised as an impairment loss in the statement of profit & loss considering no possible future economic benefits flowing from the project.

(vi) Deemed cost

The Company has availed exemption provided under Ind AS 101 *First-time Adoption of Indian Accounting Standards* and considered the carrying value of property, plant and equipment measured under previous GAAP as the deemed cost as on 1 April 2015. Accordingly, the cost as on 1 April 2015, net of accumulated depreciation, has been considered as the deemed cost. The information on gross block and accumulated depreciation as on 1 April 2015 is provided here-under:

Particulars	Freehold Land	Leasehold Land	Buildings & Roads	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross block	3,571.80	675.36	24,555.75	132,087.43	762.81	915.60	625.41	1,136.36	164,330.52
Less : Accumulated depreciation	-	40.12	7,637.91	67,749.52	537.01	369.96	422.30	1,008.32	77,765.14
Net block (Deemed cost)	3,571.80	635.24	16,917.84	64,337.91	225.80	545.64	203.11	128.04	86,565.38

NOTE 4: INVESTMENT PROPERTY

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Gross carrying amount			
Opening gross carrying amount / Deemed cost	**702.23**	**702.23**	**702.23**
Additions/deletions	-	-	-
Closing gross carrying amount	**702.23**	**702.23**	**702.23**
Accumulated depreciation and impairment			
Opening accumulated depreciation	-	-	-
Depreciation charge/impairment losses	-	-	-
Closing accumulated depreciation and impairment	-	-	-
Net carrying amount	**702.23**	**702.23**	**702.23**

(i) Description about investment properties

Investment properties consist of:

(a) various parcels of freehold land located, mostly 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Amount recognised in statement of profit & loss

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Rental income from office flat at Mumbai	10.92	15.60
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	9.79	11.17
Profit from investment properties before depreciation	**20.71**	**26.77**
Depreciation	-	-
Profit from investment properties	**20.71**	**26.77**

(iii) Restrictions on realisability and contractual obligations

The Company has no restrictions (other than transfer of titles in the name of the Company pending in respect of freehold land having carrying amount of ₹ 381.47 lakhs) on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iv) Fair value

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Investment properties			
- Land at Digrauli, Distt. Saharanpur (Uttar Pradesh)	*	*	*
- Land at Bhopura, District Baghpat (Uttar Pradesh)	*	*	*
- Land at Dibai, District Bulandshahar (Uttar Pradesh)	*	*	*
- Land at Kharar, District Shamli (Uttar Pradesh)	*	*	*
- Land at Dhanot, District Gandhinagar Gujarat	*	*	*
- Office flat at Mumbai	503.88	498.63	498.63

* 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 are not reflective of the fair value. Further, the fair value cannot be determined realistically in the absence of transactions of similar properties (including size) in the vicinity of the subject properties. The land at Vill. Dhanot Dist. Gandhinagar Gujarat is a small plot of uncultivated land, situated at a remote location and hence there is a difficulty in carrying out realistic fair value thereof.

Estimation of fair value of office flat at Mumbai

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

NOTE 5: INTANGIBLE ASSETS

Particulars	Computer software
Year ended 31 March 2016	
Gross carrying amount	
Deemed cost as at 1 April 2015	118.62
Additions	105.84
Disposals	(0.01)
Closing gross carrying amount	**224.45**
Accumulated amortisation	
Amortisation charge for the year	71.74
Disposals	-
Closing accumulated amortisation	**71.74**
Closing net carrying amount	**152.71**

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FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Computer software
Year ended 31 March 2017	
Gross carrying amount	
Opening gross carrying amount	224.45
Additions	6.79
Disposals	(0.01)
Closing gross carrying amount	**231.23**
Accumulated amortisation	
Opening accumulated amortisation	71.74
Amortisation charge for the year	77.17
Disposals	-
Closing accumulated amortisation	**148.91**
Closing net carrying amount	**82.32**

The Company has availed exemption provided under Ind AS 101 *First-time Adoption of Indian Accounting Standards* and considered the carrying value of computer software measured under previous GAAP as the deemed cost as on 1 April 2015. Accordingly, the cost as on 1 April 2015, net of accumulated amortisation, has been considered as the deemed cost. The gross carrying amount and accumulated amortisation as on 1 April 2015 in respect of above intangible assets were ₹ 1,653.30 lakhs and ₹ 1,534.68 lakhs respectively.

NOTE 6: INVESTMENTS

(a) Investments in subsidiaries and associates

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
At Cost			
Quoted Investments (fully paid-up)			
Investments in Equity Instruments			
- of Associate			
72,000,000 (31 March 2016: 72,000,000; 1 April 2015: 72,000,000) Equity shares of ₹ 1/- each of Triveni Turbine Limited	720.07	720.07	720.07
Total aggregate quoted investments	**720.07**	**720.07**	**720.07**
Unquoted Investments (fully paid-up)			
Investments in Equity Instruments			
- of Subsidiaries			
20,500,000 (31 March 2016: 20,500,000; 1 April 2015: 20,500,000) Equity shares of ₹ 1/-each of Triveni Engineering Ltd.	205.00	205.00	205.00
Less : Provision for impairment loss	-	-	(5.00)
20,500,000 (31 March 2016: 20,500,000; 1 April 2015: 20,500,000) Equity shares of ₹ 1/-each of Triveni Energy Systems Ltd.	205.00	205.00	205.00
Less : Provision for impairment loss	-	-	(4.68)
499,950 (31 March 2016: 499,950; 1 April 2015: 500,000) Equity shares of ₹ 1/-each of Triveni Sugar Limited	5.00	5.00	5.00
20,500,000 (31 March 2016: 20,500,000; 1 April 2015: 20,500,000) Equity shares of ₹ 1/-each of Svastida Projects Limited	205.00	205.00	205.00
2,870,000 (31 March 2016: 2,870,000; 1 April 2015: 2,870,000) Equity shares of ₹ 10/-each of Triveni Entertainment Limited	274.02	274.02	274.02
50,000 (31 March 2016: 50,000; 1 April 2015: Nil) Equity shares of ₹ 1/-each of Triveni Industries Limited	0.50	0.50	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
- of Associate			
13,008 (31 March 2016: 13,008; 1 April 2015: 13,008) Equity shares of New Israeli Shekel 0.10 each of Aqwise-Wise Water Technologies Ltd. (Israel)	3,006.19	3,006.19	3,006.19
Total aggregate unquoted investments	**3,900.71**	**3,900.71**	**3,890.53**
Total investments in subsidiaries and associates	**4,620.78**	**4,620.78**	**4,610.60**
Total investments in subsidiaries and associates	**4,620.78**	**4,620.78**	**4,610.60**
Aggregate amount of quoted investments	720.07	720.07	720.07
Aggregate amount of market value of quoted investment	104,328.00	68,868.00	93,492.00
Aggregate amount of unquoted investments	3,900.71	3,900.71	3,890.53
Aggregate amount of impairment in the value of investments	-	-	9.68

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-17	As at 31-Mar-16	As at 1-Apr-15
Subsidiaries				
Triveni Engineering Limited	India	100%	100%	100%
Triveni Energy Systems Limited	India	100%	100%	100%
Svastida Projects Limited	India	100%	100%	100%
Triveni Entertainment Limited	India	100%	100%	100%
Triveni Industries Limited	India	100%	100%	N.A.
Triveni Sugar Limited	India	99.99%	99.99%	100%
Associates				
Triveni Turbine Limited	India	21.82%	21.82%	21.82%
Aqwise-Wise Water Technologies Ltd.	Israel	25.04%	25.04%	25.04%

(b) Non-current investments

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
At Amortised Cost			
Unquoted Investments			
Investments in Government or trust securities			
National Saving Certificates (kept as security)	0.03	0.11	0.11
Total non-current investments carried at amortised cost [A]	**0.03**	**0.11**	**0.11**
At Fair Value through Profit or Loss (FVTPL) (refer note 42)			
Quoted Investments (fully paid-up)			
Investments in Equity Instruments			
13,500 (31 March 2016: 13,500; 1 April 2015: 13,500) Equity shares of ₹ 2/- each of Housing Development Finance Corporation Ltd	202.78	149.26	177.62
2,500 (31 March 2016: 2,500; 1 April 2015: 2,500) Equity shares of ₹ 2/- each of HDFC Bank Ltd.	36.06	26.78	25.57

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
24,175 (31 March 2016: 24,175; 1 April 2015: 24,175) Equity shares of ₹ 2/- each of Punjab National Bank	36.24	20.48	34.91
76 (31 March 2016: 76; 1 April 2015: 76) Equity shares of ₹ 10/- each of Central Bank of India	0.08	0.05	0.08
1,821 (31 March 2016: 1,821; 1 April 2015: 1,821) Equity shares of ₹ 10/- each of NBI Industrial Finance Co. Ltd.	67.29	*	*
Total aggregate quoted investments	**342.45**	**196.57**	**238.18**
Unquoted Investments (fully paid-up)			
Investments in Equity Instruments			
1,821 (31 March 2016: 1,821; 1 April 2015: 1,821) Equity shares of ₹ 10/- each of NBI Industrial Finance Co. Ltd.	*	46.14	20.76
Investments in Bonds			
2 (31 March 2016: Nil; 1 April 2015: Nil) 11% bonds of ₹ 10.00 lakhs each of Power Finance Finance Corporation Ltd.	21.09	-	-
2 (31 March 2016: Nil; 1 April 2015: Nil) 8.95% bonds of ₹ 10,00 lakhs each of Power Finance Finance Corporation Ltd.	20.36	-	-
1 (31 March 2016: Nil; 1 April 2015: Nil) 9.81% bonds of ₹ 10.00 lakhs each of Power Finance Finance Corporation Ltd.	10.40	-	-
1 (31 March 2016: Nil; 1 April 2015: Nil) 10.60% bonds of ₹ 10.00 lakhs each of Indian Railway Finance Corporation Ltd.	10.02	-	-
1 (31 March 2016: Nil; 1 April 2015: Nil) 8.55% bonds of ₹ 10.00 lakhs each of Indian Railway Finance Corporation Ltd.	9.84	-	-
1 (31 March 2016: Nil; 1 April 2015: Nil) 9.80% bonds of ₹ 10.00 lakhs each of LIC Housing Finance Ltd.	10.11	-	-
1 (31 March 2016: Nil; 1 April 2015: Nil) 10.10% bonds of ₹ 10.00 lakhs each of State Bank of India	8.67	-	-
2 (31 March 2016: Nil; 1 April 2015: Nil) 8.90% bonds of ₹ 10.00 lakhs each of UCO Bank	20.05	-	-
1 (31 March 2016: Nil; 1 April 2015: Nil) 8.57% bonds of ₹ 10.00 lakhs each of Central Bank of India	9.93	-	-
5 (31 March 2016: Nil; 1 April 2015: Nil) 8% bonds of ₹ 1.00 lakh each of IDBI Bank Limited	5.02	-	-
1 (31 March 2016: Nil; 1 April 2015: Nil) 8.95% bonds of ₹ 10.00 lakhs each of IDFC Bank Limited	10.15	-	-
1 (31 March 2016: Nil; 1 April 2015: Nil) 8.43% bonds of ₹ 10.00 lakhs each of IDFC Bank Limited	10.11	-	-
Total aggregate unquoted investments	**145.75**	**46.14**	**20.76**
Total non-current investments carried at FVTPL [B]	**488.20**	**242.71**	**258.94**
Total non-current investments ([A]+[B])	**488.23**	**242.82**	**259.05**
* Equity shares of NBI Industrial Finance Co. Ltd. were listed during the current year.			
Total non-current investments	**488.23**	**242.82**	**259.05**
Aggregate amount of quoted investments	342.45	196.57	238.18
Aggregate amount of market value of quoted investment	342.45	196.57	238.18
Aggregate amount of unquoted investments	145.78	46.25	20.87
Aggregate amount of impairment in the value of investments	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 7: TRADE RECEIVABLES

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Current	Non- current	Current	Non- current	Current	Non- current
Trade receivables (at amortised cost)						
- Unsecured, considered good	27,709.52	81.98	25,409.92	1,181.96	25,399.77	599.45
- Doubtful	476.93	2,191.76	209.00	3,996.73	266.24	4,735.67
Less: Allowance for bad and doubtful debts	(476.93)	(2,191.76)	(209.00)	(3,996.73)	(266.24)	(4,735.67)
Total trade receivables	**27,709.52**	**81.98**	**25,409.92**	**1,181.96**	**25,399.77**	**599.45**

(i) Refer note 41 for credit risk, impairment of trade receivables under expected credit loss model and other related disclosures.

(ii) Current trade receivable include ₹ 2,049.41 lakhs (31 March 2016 : ₹ 2,284.22 lakhs; 1 April 2015 : ₹ 2,577.65 lakhs) expected to be received after twelve months within the operating cycle.

NOTE 8: LOANS

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Current	Non- current	Current	Non- current	Current	Non- current
At Amortised Cost						
Loan to employees						
- Unsecured, considered good	38.16	7.12	43.51	10.88	40.99	5.85
Loan to others						
- Unsecured, considered good	0.53	-	8.23	-	64.01	-
- Doubtful	-	44.53	-	44.53	-	45.46
Less: Allowance for bad and doubtful loans	-	(44.53)	-	(44.53)	-	(45.46)
	0.53	**-**	**8.23**	**-**	**64.01**	**-**
Total loans	**38.69**	**7.12**	**51.74**	**10.88**	**105.00**	**5.85**

NOTE 9: OTHER FINANCIAL ASSETS

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Current	Non- current	Current	Non- current	Current	Non- current
At Amortised Cost						
Advance to related parties (refer note 39 and note 48)						
- Doubtful	-	13.76	-	13.76	-	13.76
Less: Allowance for bad and doubtful debts	-	(13.76)	-	(13.76)	-	(13.76)
	-	**-**	**-**	**-**	**-**	**-**
Security deposits	43.08	401.71	47.87	557.10	31.24	328.32
Less: Allowance for bad and doubtful debts	-	-	-	(0.40)	-	(0.40)
	43.08	**401.71**	**47.87**	**556.70**	**31.24**	**327.92**
Earnest money deposits	150.05	2.00	103.76	5.84	25.93	5.84
Less: Allowance for bad and doubtful debts	-	-	-	(3.84)	(2.87)	(3.84)
	150.05	**2.00**	**103.76**	**2.00**	**23.06**	**2.00**
Bank balances:						
Earmarked balances with banks:						
- Deposit against molasses storage fund (refer note 15(vi))	-	235.63	-	207.67	-	174.27
Balances under lien/margin/kept as security:						
- Post office savings account	-	0.27	-	0.27	-	1.80
- Fixed / margin deposits (original maturity more than one year)	-	211.84	-	168.96	-	212.76
Other balances:						
- Fixed deposits (original maturity more than one year)	-	4.20	-	4.20	-	3.90
	-	**451.94**	**-**	**381.10**	**-**	**392.73**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Current	Non- current	Current	Non- current	Current	Non- current
Interest accrued on bonds and bank deposits	32.46	69.19	25.78	49.15	18.30	38.45
Insurance claim recoverable	62.96	-	15.02	-	16.09	-
Amount recoverable against sale of fixed assets	588.19	-	588.39	-	-	-
Others	31.85	17.94	95.92	57.38	38.78	57.38
Less: Allowance for bad and doubtful debts	-	(17.94)	(0.08)	(55.93)	(0.08)	(55.93)
	31.85	**-**	**95.84**	**1.45**	**38.70**	**1.45**
Total other financial assets at amortised cost [A]	**908.59**	**924.84**	**876.66**	**990.40**	**127.39**	**762.55**
At Fair Value through Profit or Loss						
Derivatives financial instruments carried at fair value						
- Foreign-exchange forward contracts	-	-	0.38	-	-	-
Total other financial assets at FVTPL [B]	**-**	**-**	**0.38**	**-**	**-**	**-**
Total other financial assets ([A]+[B])	**908.59**	**924.84**	**877.04**	**990.40**	**127.39**	**762.55**

NOTE 10: OTHER ASSETS

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Current	Non- current	Current	Non- current	Current	Non- current
Capital advances	-	6.63	-	116.07	-	610.03
Less: Allowance for bad and doubtful debts	-	-	-	-	-	(200.25)
	-	**6.63**	**-**	**116.07**	**-**	**409.78**
Advances to suppliers	470.10	19.89	570.99	50.85	572.43	58.81
Less: Allowance for bad and doubtful debts	(1.56)	(19.89)	(1.56)	(46.93)	(1.27)	(45.64)
	468.54	**-**	**569.43**	**3.92**	**571.16**	**13.17**
Advances to related parties (refer note 39)	34.72	-	122.31	-	216.57	-
Indirect tax and duties recoverable	5,549.25	443.96	1,280.85	4,233.61	1,452.11	4,102.22
Less: Allowance for bad and doubtful debts	(21.78)	(28.02)	(17.34)	(891.96)	(12.08)	(479.60)
	5,527.47	**415.94**	**1,263.51**	**3,341.65**	**1,440.03**	**3,622.62**
Deposit with sales tax authorities	77.62	46.66	27.99	201.97	22.99	201.97
Less: Allowance for bad and doubtful debts	-	(37.00)	-	(141.75)	-	(141.75)
	77.62	**9.66**	**27.99**	**60.22**	**22.99**	**60.22**
Bank guarantee encashments recoverable	-	200.00	-	1,122.74	-	1,122.74
Less: Allowance for bad and doubtful debts	-	(200.00)	-	(1,122.74)	-	(1,122.74)
	-	**-**	**-**	**-**	**-**	**-**
Government grants receivables (refer note 43)	-	-	3,325.22	14,002.46	16,546.07	14,002.46
Export incentives receivable	23.67	-	17.41	-	16.45	-
Advances to employees	15.90	1.45	52.25	-	68.77	0.50
Prepaid expenses	373.70	96.74	349.64	42.45	300.12	33.04
Due from customers under construction contracts [refer (i) below]	6,225.28	-	5,734.31	-	5,266.76	-
Others	233.16	173.37	184.98	124.51	150.57	126.76
Less: Allowance for bad and doubtful debts	-	(60.26)	-	(74.17)	-	(58.54)
	233.16	**113.11**	**184.98**	**50.34**	**150.57**	**68.22**
Total other assets	**12,980.06**	**643.53**	**11,647.05**	**17,617.11**	**24,599.49**	**18,210.01**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

(i) Contract assets

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Contracts in Progress at the end of reporting period			
Construction costs incurred plus profits recognised less losses recognised	84,306.15	88,721.30	84,624.31
Less: Progress Billings	(78,635.38)	(83,386.65)	(79,691.39)
	5,670.77	**5,334.65**	**4,932.92**
Recognised and included in financial statements as amounts due:			
(i) Amounts due from customers under construction contracts	6,225.28	5,734.31	5,266.76
(ii) Amounts due to customers under construction contracts	(554.51)	(399.66)	(333.84)
	5,670.77	**5,334.65**	**4,932.92**
Retentions held by customers	6,666.80	6,551.34	6,573.29
Advances received from customers	2,471.85	2,057.18	1,005.45

NOTE 11: INVENTORIES

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Raw materials & components	3,065.44	2,015.42	2,418.90
Less: Provision for obsolescence/slow moving raw materials and components	(182.78)	(146.29)	(153.49)
Work-in-progress	2,669.25	1,723.95	1,916.22
Finished goods	158,669.55	134,424.77	115,858.33
Stock in trade	18.06	10.38	24.55
Stores and spares [including stock in transit ₹ 0.09 lakhs as at 31 March 2017 (31 March 2016: ₹ Nil; 1 April 2015: ₹ Nil)]	3,202.71	3,080.76	2,958.18
Less: Provision for obsolescence/slow moving stores and spares	(124.33)	(65.52)	(31.49)
Certified emission reductions/renewable energy certificates (refer note 49)	3.16	2.95	0.74
Others - Scrap & low value patterns	160.62	188.25	161.29
Total inventories	**167,481.68**	**141,234.67**	**123,153.23**

(i) The cost of inventories recognised as an expense during the year was ₹ 231,279.71 lakhs (31 March 2016: ₹ 179,345.81 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(m).

(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.

NOTE 12: CASH AND BANK BALANCES

(a) Cash and cash equivalents

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
At Amortised Cost			
Balances with banks	602.20	193.07	259.77
Cheques / drafts on hand	19.99	45.19	188.25
Cash on hand	29.26	40.86	31.75
Total cash and cash equivalents	**651.45**	**279.12**	**479.77**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

(b) Bank balances other than cash and cash equivalents

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
At Amortised Cost			
Earmarked balances with banks:			
- unpaid dividend and preference share redemption accounts	5.00	99.49	103.38
Balances under lien/margin/kept as security:			
- in fixed/margin deposits (original maturity upto one year)	25.89	50.34	10.26
Other balances:			
- in fixed deposits (original maturity exceeding three months but upto one year)	7.37	5.37	8.53
Total bank balances other than cash and cash equivalents	**38.26**	**155.20**	**122.17**

NOTE 13: ASSETS CLASSIFIED AS HELD FOR SALE

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Freehold land	118.91	118.91	467.89
Total assets classified as held for sale	**118.91**	**118.91**	**467.89**

The above represents carrying value of land intended to be disposed of by the Company. The Company had, in earlier years, acquired certain freehold land in the state of Uttar Pradesh for setting up a sugar factory. In view of change in circumstances, the Company has shelved such plans. Pursuant to such decision, it has transferred the major portion of the land to its wholly owned subsidiary companies during financial year 2015-16. The sale of a portion of the land, which was to be transferred to another subsidiary under an agreement to sell, could not be effected on account of certain technical reasons which the Company is in the process of resolving. The asset does not form part of any segment assets. No impairment loss was recognised on reclassification of the Land as held for sale as the contractual sale price of such land is higher than the carrying amount.

NOTE 14: SHARE CAPITAL

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
AUTHORISED						
Equity shares of ₹ 1 each	500,000,000	5,000.00	500,000,000	5,000.00	500,000,000	5,000.00
Preference shares of ₹ 10 each	20,000,000	2,000.00	20,000,000	2,000.00	20,000,000	2,000.00
		7,000.00		**7,000.00**		**7,000.00**
ISSUED						
Equity shares of ₹ 1 each	257,953,110	2,579.53	257,953,110	2,579.53	257,953,110	2,579.53
	257,953,110	**2,579.53**	**257,953,110**	**2,579.53**	**257,953,110**	**2,579.53**
SUBSCRIBED AND PAID UP						
Equity shares of ₹ 1 each	257,945,110	2,579.45	257,945,110	2,579.45	257,945,110	2,579.45
Add: Paid up value of equity shares of ₹ 1 each forfeited	8,000	0.02	8,000	0.02	8,000	0.02
	257,953,110	**2,579.47**	**257,953,110**	**2,579.47**	**257,953,110**	**2,579.47**

(i) Movements in equity share capital

Particulars	Number of shares	Amount
As at 1 April 2015	257,945,110	2,579.45
Movement during the year	-	-
As at 31 March 2016	**257,945,110**	**2,579.45**
Movement during the year	-	-
As at 31 March 2017	**257,945,110**	**2,579.45**

Terms and rights attached to equity shares

The Company has only one class of equity shares with a par value of ₹ 1/- per share. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares are entitled to receive the remaining assets of the Company, after meeting all liabilities and distribution of all preferential amounts, in proportion to their shareholding.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Dhruv M. Sawhney	38,391,756	14.88	38,391,756	14.88	38,391,756	14.88
Nalanda India Fund Limited	-	-	-	-	25,788,000	10.00
Umananda Trade & Finance Limited	-	-	21,414,339	8.30	20,991,589	8.14
Rati Sawhney	20,358,164	7.89	20,358,164	7.89	20,358,164	7.89
Tarnik Investments & Trading Limited	-	-	18,680,527	7.24	18,680,527	7.24
Subhadra Trade & Finance Limited	82,696,056	32.06	16,907,375	6.56	16,907,375	6.56
Nikhil Sawhney	15,277,653	5.92	15,277,653	5.92	15,277,653	5.92
Dhankari Investments Limited	-	-	14,714,901	5.70	14,714,901	5.70
Tarun Sawhney	14,695,375	5.70	14,695,375	5.70	14,695,375	5.70

NOTE 15: OTHER EQUITY

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Capital redemption reserve	397.40	397.40	397.40
Capital reserve	2,855.85	2,855.85	2,855.85
Securities premium	26,546.93	26,546.93	26,546.93
Amalgamation reserve	926.34	926.34	926.34
General reserve	49,212.72	49,212.72	49,212.72
Molasses storage fund reserve	202.42	182.39	195.28
Retained earnings	(4,954.46)	(27,842.06)	(26,981.78)
Total other equity	**75,187.20**	**52,279.57**	**53,152.74**

(i) Capital redemption reserve

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
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

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Opening balance	2,855.85	2,855.85
Movement during the year	-	-
Closing balance	**2,855.85**	**2,855.85**

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

(iii) Securities premium

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Opening balance	26,546.93	26,546.93
Movement during the year	-	-
Closing balance	**26,546.93**	**26,546.93**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

(iv) Amalgamation reserve

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Opening balance	926.34	926.34
Movement during the year	-	-
Closing balance	**926.34**	**926.34**

Amalgamation reserve was created consequent to business combinations in past in accordance with applicable accounting standard as on that date.

(v) General reserve

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Opening balance	49,212.72	49,212.72
Additions during the year	-	-
Closing balance	**49,212.72**	**49,212.72**

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

(vi) Molasses storage fund reserve

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Opening balance	182.39	195.28
Amount transferred from surplus/ (deficit) in the statement of profit and loss	20.03	26.71
Amount transferred to surplus/ (deficit) in the statement of profit and loss	-	(39.60)
Closing balance	**202.42**	**182.39**

Molasses storage fund reserve is created and maintained under the provisions of the Uttar Pradesh Sheera Niyantran Adhiniyam, 1964 (U.P. Act No. XIV of 1974) and is to be utilised for the provision and maintenance of adequate storage facilities for molasses. Fixed deposit of ₹ 235.63 lakhs (31 March 2016: ₹ 207.67 lakhs) is earmarked against molasses storage fund (refer note 9)

(vii) Retained earnings

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Opening balance	(27,842.06)	(26,981.78)
Net profit / (loss) for the year	23,356.25	(882.66)
Other comprehensive income arising from the remeasurement of defined benefit obligation net of income tax	(448.62)	9.49
Withdrawn from molasses storage fund reserve	-	39.60
Transfer to molasses storage fund reserve	(20.03)	(26.71)
Closing balance	**(4,954.46)**	**(27,842.06)**

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

(b) As required under Ind AS compliant Schedule III, the Company has recognised remeasurement defined benefit plans (net of tax) as part of retained earnings.

NOTE 16: NON-CURRENT BORROWINGS

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Current maturities	Non- current	Current maturities	Non- current	Current maturities	Non- current
Secured- At Amortised Cost						
Term loans						
- from banks	20,170.53	27,320.31	13,084.13	37,966.64	10,462.16	36,840.15
- from other parties	196.53	215.92	179.30	412.45	480.00	581.85
	20,367.06	**27,536.23**	**13,263.43**	**38,379.09**	**10,942.16**	**37,422.00**
Less: Amount disclosed under the head "Other financial liabilities- current" (refer note 17)	(20,367.06)	-	(13,263.43)	-	(10,942.16)	-
Total non-current borrowings	**-**	**27,536.23**	**-**	**38,379.09**	**-**	**37,422.00**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 16: NON-CURRENT BORROWINGS (CONTD.)

(i) Details of long term borrowings of the Company

		Amount outstanding as at			Effective interest rate	Coupon rate	Number of instalments			Terms of Repayment	Nature of Security
		31-Mar-17	31-Mar-16	1-Apr-15			31-Mar-17	31-Mar-16	1-Apr-15		
Secured- At Amortised Cost											
Term loans from banks (₹ loans)											
1	Canara Bank	3,273.84	5,145.23	7,018.99	The effective interest rate as on 31.03.2017 range between 10.68% to 12.51% per annum.	At base rates/ MCLR plus applicable spread. The interest rate as on 31.03.2017 range between 10.50% to 12.25% per annum.	7	11	15	Equal quarterly installments upto December 2018.	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.
2	Axis Bank	832.72	2,495.23	4,154.22			2	6	10	Equal quarterly installments upto August 2017.	
3	State Bank of Patiala	-	624.86	3,123.08			Nil	1	5	Equal quarterly installments upto June 2016.	
4	Oriental Bank of Commerce	-	1,245.54	3,746.91			Nil	2	6	Equal quarterly installments upto July 2016.	
5	Yes Bank	2,341.12	4,211.17	6,079.03			5	9	13	Equal quarterly installments upto June 2018.	
6	Ratnakar Bank Limited	2,096.53	3,292.13	3,886.75			7	11	15	Quarterly installments upto December 2018.	
7	Ratnakar Bank Limited	9,934.07	-	-			9	Nil	Nil	Equated quarterly installments commencing June 2017 and ending June 2019.	
8	Central Bank of India	4,439.32	4,993.10	4,990.89			32	36	36	Equated monthly installments commencing January 2017 and ending 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.
9	Punjab National Bank	-	-	205.32			Nil	Nil	1	Equal monthly installment upto April 2015.	Secured by first pari-passu charge on current assets and residual charge on the fixed assets of the Company
10	Oriental Bank of Commerce	2,142.15	2,483.16	2,477.38			31	36	36	Equated monthly installments commencing November 2016 and ending October 2019.	Secured by third charge on fixed assets of Khatauli and Ramkola units and second charge on fixed assets of other units of the Company.
11	Axis Bank	1,816.90	2,017.97	2,011.54			9	12	12	Equal quarterly installments commencing February 2017 and ending 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.
12	Central Bank of India	1,372.63	1,871.06	-			11	15	Nil	Equal quarterly installments commencing March 2016 and ending December 2019.	Secured by first pari-passu charge on the fixed assets of the Company
13	Oriental Bank of Commerce	924.68	1,303.51	-			6	16	Nil	Equal quarterly installments commencing November 2016 and ending September 2018	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(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-17	31-Mar-16	1-Apr-15			31-Mar-17	31-Mar-16	1-Apr-15		
14	Punjab National Bank (Soft Loan)	4,490.46	4,269.20	-	The effective interest rate as on 31.03.2017 range between 10.68% to 12.51% per annum.	At base rates/ MCLR plus applicable spread. The interest rate as on 31.03.2017 range between 11.40% to 12.25% per annum. [see note 43 (ii)(1c)]	12	12	Nil	Equal quarterly installments commencing October 2017 and ending July 2020 with a moratorium of 2 years.	Secured by second charge on all fixed assets of the company except Ramkola unit (where SDF holds second exclusive charge) and third charge on fixed assets of Ramkola unit.
15	Central Bank of India (Soft Loan)	3,896.95	3,707.22	-			12	12	Nil	Equal quarterly installments commencing October 2017 and ending July 2020 with a moratorium of 2 years.	
16	Oriental Bank of Commerce (Soft Loan)	667.80	634.48	-			12	12	Nil	Equal quarterly installments commencing October 2017 and ending July 2020 with a moratorium of 2 years.	
17	Industrial Development Bank of India (Soft Loan)	-	480.71	-			Nil	12	Nil	Equal quarterly installments commencing October 2017 and ending July 2020 with a moratorium of 2 years.	
18	Canara Bank (Soft Loan)	1,861.16	1,766.83	-			12	12	Nil	Equal quarterly installments commencing October 2017 and ending July 2020 with a moratorium of 2 years.	
19	Punjab National Bank (Excise Duty Loan)	5,043.50	7,250.85	6,653.57		Interest free loan [see note 43 (ii) (1a)]	23	35	36	Equated monthly installments commencing March 2016 and ending February 2019.	Secured by second charge on fixed assets of all business units except Khatauli and Ramkola units.
20	Central Bank of India (Excise Duty Loan)	2,193.60	3,110.63	2,763.75			8	12	12	Equal quarterly installments commencing June 2016 and ending March 2019.	Secured by second charge on fixed assets of all business units except Khatauli and Ramkola units.
21	Axis Bank (Vehicle loan)	115.73	116.08	126.08	Ranging from 9.37% to 11% p.a.	At fixed rates ranging from 9.37% to 11% p.a.	4 to 74 months	8 to 47 months	6 to 59 months	Equated monthly installments	Secured by hypothecation of vehicles acquired under the respective vehicle loans.
22	ICICI Bank (Vehicle loan)	14.04	31.81	64.80							
23	PNB Bank (Vehicle loan)	33.64	-	-							
		47,490.84	**51,050.77**	**47,302.31**							
Term loans from other parties (₹ loans)											
1	Daimler Financial Services Pvt. Ltd. (Vehicle loan)	-	-	6.80	9.38% p.a.	At fixed rate of 9.38% p.a.	Nil	Nil	9	Equated monthly installments	Secured by hypothecation of vehicles acquired under the respective vehicle loans.
2	Other Loans - Sugar Development Fund, Govt.of India	412.45	591.75	1,055.05	12.5% p.a.	2% below the Bank Rate at present 4% [see note 43(ii)(1b)]	Yearly - 2 Half yearly - Nil	Yearly - 3 Half yearly - Nil	Yearly - 4 Half yearly - 1	Yearly and half yearly installments upto September 2018	Secured by exclusive second charge created over moveable/ immoveable assets of Ramkola unit.
		412.45	**591.75**	**1,061.85**							
Total loans		**47,903.29**	**51,642.52**	**48,364.16**							

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 17: OTHER FINANCIAL LIABILITIES

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Current	Non- current	Current	Non- current	Current	Non- current
At Amortised Cost						
Current maturities of long-term borrowings (refer note 16)	20,367.06	-	13,263.43	-	10,942.16	-
Interest accrued	187.95	30.62	248.76	61.24	134.74	91.86
Capital creditors	699.24	-	1,347.75	-	1,420.47	-
Employee benefits & other dues payable	3,044.13	-	1,925.95	-	1,579.04	-
Security deposits (see (i) below)	357.35	-	310.52	-	293.94	-
Unclaimed preference shares redemption (see (ii) below)	-	-	90.22	-	90.46	-
Unpaid dividends (see (ii) below)	5.00	-	9.27	-	12.91	-
Unclaimed matured deposits (see (ii) below)	-	-	-	-	3.73	-
Unclaimed interest on deposits (see (ii) below)	0.21	-	0.79	-	1.41	-
Other payables	-	-	15.94	-	4.91	-
Total other financial liabilities at amortised cost [A]	**24,660.94**	**30.62**	**17,212.63**	**61.24**	**14,483.77**	**91.86**
At Fair Value through P&L						
Derivatives financial instruments carried at fair value						
- Foreign-exchange forward contracts	**84.88**	**-**	**-**	**-**	**53.97**	**-**
Total other financial liabilities at FVTPL [B]	84.88	-	-	-	53.97	-
Total other financial liabilities ([A]+[B])	**24,745.82**	**30.62**	**17,212.63**	**61.24**	**14,537.74**	**91.86**

(i) Security deposits as at 31 March 2017 include ₹ 298.00 lakhs (31March 2016 : ₹ 252.00 lakhs, 1 April 2015: ₹ 240.00 lakhs) deposits from sugar selling agent which are interest bearing subject to fullfilment of terms and conditions. These deposits are repayable on cessation of contractual arrangements. Interest payable is normally settled annually.

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

NOTE 18: PROVISIONS

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Current	Non- current	Current	Non- current	Current	Non- current
Provision for employee benefits						
Gratuity (refer note 38)	216.79	3,033.05	130.15	2,306.93	116.10	2,106.91
Compensated absences	325.57	829.96	285.47	1,049.77	299.15	965.00
Other Provisions						
Warranty	491.25	-	253.02	-	236.40	-
Cost to completion	20.00	-	30.00	-	60.00	-
Arbitration/Court case claims	278.79	-	265.23	-	251.67	-
Total provisions	**1,332.40**	**3,863.01**	**963.87**	**3,356.70**	**963.32**	**3,071.91**

(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, prior to commissioning.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

(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:

Particulars	Year ended 31-Mar-17			Year ended 31-Mar-16		
	Warranty	Cost of completion	Arbitration/ Court case claims	Warranty	Cost of completion	Arbitration/ Court case claims
Balance at the beginning of the year	253.02	30.00	265.23	236.40	60.00	251.67
Additional provisions recognised	371.50	20.00	13.56	45.54	30.00	13.56
Amounts used during the year	(79.93)	-	-	(20.15)	-	-
Unused amounts reversed during the year	(53.34)	(30.00)	-	(8.77)	(60.00)	-
Balance at the end of the year	**491.25**	**20.00**	**278.79**	**253.02**	**30.00**	**265.23**

NOTE 19: OTHER LIABILITIES

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Current	Non- current	Current	Non- current	Current	Non- current
Advance from customers	3,812.32	-	2,482.75	-	1,462.25	-
Deferred revenue arising from government grant related to assets (refer note 43)	-	-	349.05	5,106.67	355.90	5,455.72
Deferred revenue arising from government grant related to income (refer note 43)	711.36	250.84	1,673.03	962.20	1,248.08	2,082.40
Amount due to customers under construction contracts (refer note 10)	554.51	-	399.66	-	333.84	-
Advance against assets classified as held for sale	200.00	-	200.00	-	800.00	-
Statutory remittances	11,855.84	-	9,796.51	-	5,467.77	-
Other payables	54.16	-	239.80	-	165.93	-
Total other liabilities	**17,188.19**	**250.84**	**15,140.80**	**6,068.87**	**9,833.77**	**7,538.12**

NOTE 20: CURRENT BORROWINGS

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Secured- At Amortised Cost			
Repayable on demand			
- Cash credits/working capital demand loans from banks (see (i) below)	122,543.89	115,469.58	95,173.08
Unsecured- At Amortised Cost			
Other loans			
- Foreign currency loans (buyers' credits) from banks (see (ii) below)	1,666.03	725.53	198.58
Total current borrowings	**124,209.92**	**116,195.11**	**95,371.66**

(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 includes working capital demand loans of ₹ 15,000.00 lakhs availed during current year with outstanding balance as at 31 March 2017 ₹ 15,000.00 lakhs, 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 applicable at the year end ranges from 10.10% to 12.40%.

(ii) The weighted average effective interest rate on foreign currency loans (buyers' credits) from banks is 2.57% per annum (as at 31 March 2016: 1.86% per annum; as at 1 April 2015: 1.55% per annum).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 21: TRADE PAYABLES

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Trade payables (at amortised cost)			
- Total outstanding dues of micro enterprises and small enterprises (refer note 47)	37.35	46.19	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	25,620.87	44,655.25	68,033.59
Total trade payables	**25,658.22**	**44,701.44**	**68,033.59**

NOTE 22: INCOME TAX BALANCES

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Income tax assets			
Tax refund receivable (net)	2,919.25	4,670.45	4,465.37
	2,919.25	**4,670.45**	**4,465.37**
Income tax liabilities			
Provision for income tax (net)	264.75	-	-
	264.75	**-**	**-**

NOTE 23: DEFERRED TAX BALANCES

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Deferred tax assets	14,144.98	16,539.22	16,633.52
Deferred tax liabilities	(16,487.28)	(16,539.22)	(16,633.52)
Net deferred tax assets/(liabilities)	**(2,342.30)**	**-**	**-**

(i) Movement in deferred tax balances

For the year ended 31 March 2017

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Tax effect of items constituting deferred tax assets/(liabilities)				
Difference in carrying values of property, plant & equipment and intangible assets	(16,539.21)	51.93	-	(16,487.28)
Difference in carrying values of investment property	201.86	14.81	-	216.67
Liabilities and provisions tax deductible only upon payment/actual crystallisation				
- Employee benefits	1,240.25	124.79	237.43	1,602.47
- Statutory taxes and duties	359.19	602.00	-	961.19
- Interest payable to banks/financial institutions	47.62	(15.43)	-	32.19
- Other contractual provisions	188.32	84.59	-	272.91
Impairment provisions of financial assets made in books, but tax deductible only on actual write-off	2,202.69	(1,082.26)	-	1,120.43
Other temporary differences	114.91	(98.82)	-	16.09
Unutilised tax losses	12,184.37	(8,126.64)	-	4,057.73
Unutilised tax credits	-	5,865.30	-	5,865.30
Net deferred tax assets/(liabilities)	**-**	**(2,579.73)**	**237.43**	**(2,342.30)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

For the year ended 31 March 2016

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Tax effect of items constituting deferred tax assets/(liabilities)				
Difference in carrying values of property, plant & equipment and intangible assets	(16,633.52)	94.31	-	(16,539.21)
Difference in carrying values of investment property	182.68	19.18	-	201.86
Liabilities and provisions tax deductible only upon payment/actual crystallisation				
- Employee benefits	1,141.55	103.72	(5.02)	1,240.25
- Statutory taxes and duties	359.19	-	-	359.19
- Interest payable to banks/financial institutions	47.62	-	-	47.62
- Other contractual provisions	175.90	12.42	-	188.32
Impairment provisions of financial assets made in books, but tax deductible only on actual write-off	2,389.08	(186.39)	-	2,202.69
Other temporary differences	104.57	10.34	-	114.91
Unutilised tax losses	12,232.93	(48.56)	-	12,184.37
Net deferred tax assets/(liabilities)	**-**	**5.02**	**(5.02)**	**-**

(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.

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Tax effect on unabsorbed depreciation (will never expire)	-	3,663.64	1,972.03
Tax effect on unused tax losses (long term capital loss) (see table below for expiry)	888.96	888.96	888.96
Unused tax credits (see table below for expiry)	-	3,852.50	3,852.50
Net deferred tax assets/(liabilities)	**888.96**	**8,405.10**	**6,713.49**
Expiry profile of unrecognised unused tax losses and unused tax credits			
Unused tax losses (long term capital loss) shall expire on -			
March 31, 2018	319.46	319.46	319.46
March 31, 2019	557.16	557.16	557.16
March 31, 2020	0.57	0.57	0.57
March 31, 2021	11.77	11.77	11.77
	888.96	**888.96**	**888.96**
Unused tax credits shall expire on-			
March 31, 2017	-	322.83	322.83
March 31, 2018 *	-	570.57	570.57
March 31, 2019 *	-	1,719.54	1,719.54
March 31, 2021 *	-	1,239.56	1,239.56
	-	**3,852.50**	**3,852.50**

* Unused tax credits have been recognised as deferred tax assets during the year ended 31 March 2017. In view of increase in carry forward period of such credits by five years vide Finance Act 2017, these will now expire on 31 March 2023, 31 March 2024 and 31 March 2026 respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 24 : REVENUE FROM OPERATIONS

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Sale of products (including excise duty) [refer note 37(vii)]		
Finished goods	276,238.01	185,455.69
Stock-in-trade	1,488.20	1,390.91
Sale of services		
Erection and commissioning	57.75	53.53
Servicing	288.20	169.52
Operation and maintenance	3,472.07	2,258.75
Construction contract revenue	14,012.33	9,980.58
Other operating revenue		
Income from sale of renewable energy certificates	1,026.93	731.81
Export incentives	23.49	21.11
Sale of scrap	79.63	43.16
Total revenue from operations	**296,686.61**	**200,105.06**

NOTE 25: OTHER INCOME

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Interest income		
Interest income from bank deposits	49.93	47.40
Interest income from customers	20.68	16.36
Interest income from financial assets carried at amortised cost	27.82	27.38
Interest income from investments carried at FVTPL	15.72	-
Interest income from others	541.56	5.63
	655.71	**96.77**
Dividend income		
Dividend income from equity investments	326.94	1,226.75
	326.94	**1,226.75**
Other non-operating income (net of expenses directly attributable to such income)		
Rental income (refer note 4 (ii))	24.89	34.01
Subsidy from U.P. Government [refer note 43(ii)(2a)]	-	355.90
Subsidy from Central Government (refer note 43)	-	270.35
Miscellaneous income	830.73	634.41
	855.62	**1,294.67**
Other gain and losses		
Net fair value gains/(losses) on investments	97.44	(16.23)
Net gains/(losses) on derivatives	(97.28)	(23.56)
Net foreign exchange rate fluctuation gains/(losses)	75.06	38.60
Credit balances written back	154.50	40.66
Net profit/(loss) on sale / redemption of investments	(0.65)	-
Reversal of impairment loss allowance on non financial assets (net of amounts written off ₹ 1,009.60 lakhs 31 March 2016 : ₹ Nil)	918.34	-
Excess provision for cost to completion reversed (net) (refer note 18)	10.00	30.00
Excess provision of expenses reversed	41.77	300.41
Reversal of provision for impairment loss on investment in subsidiary companies	-	9.68
	1,199.18	**379.56**
Total other income	**3,037.45**	**2,997.75**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 26: COST OF MATERIALS CONSUMED

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Stock at the beginning of the year	2,015.42	2,418.90
Add: Purchases	207,518.79	151,114.82
Less: Amount capitalised (included in the cost of property, plant and equipment)	(22.70)	(9.27)
Less: Stock at the end of the year	(3,065.44)	(2,015.42)
Total cost of materials consumed (see note 43 (ii) (2b & 2c) and 43 (iii))	**206,446.07**	**151,509.03**

NOTE 27: PURCHASES OF STOCK-IN-TRADE

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Petroleum goods	1,477.98	1,344.91
Consumer goods	58.95	59.52
Total purchases of stock-in-trade	**1,536.93**	**1,404.43**

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

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Inventories at the beginning of the year:		
Work-in progress	1,723.95	1,916.22
Finished goods	134,424.77	115,858.33
Stock in trade	10.38	24.55
Certified emission reduction	2.95	0.74
Total inventories at the beginning of the year	**136,162.05**	**117,799.84**
Inventories at the end of the year:		
Work-in progress	2,669.25	1,723.95
Finished goods	158,669.55	134,424.77
Stock in trade	18.06	10.38
Certified emission reduction	3.16	2.95
Total inventories at the end of the year	**161,360.02**	**136,162.05**
Add/(Less): Impact of excise duty on finished goods	1,247.15	4,171.00
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**(23,950.82)**	**(14,191.21)**

NOTE 29: EMPLOYEE BENEFIT EXPENSE

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Salaries and wages	16,709.25	14,040.18
Contribution to provident and other funds (refer note 38)	1,640.57	1,476.16
Staff welfare expenses	435.39	361.54
	18,785.21	**15,877.88**
Less : Amount capitalised (included in the cost of property, plant and equipment)	(13.73)	(8.03)
Total employee benefit expense	**18,771.48**	**15,869.85**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 30: FINANCE COSTS

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Interest costs		
- Interest on loans with interest subvention [refer note 43 (ii)(1a)& (1c)]	894.08	139.24
- Interest on loans with below-market rate of interest [refer note 43 (ii)(1b)]	21.72	33.83
- Interest on other borrowings	11,586.37	11,157.79
- Other interest expense	139.36	177.41
Total interest expense on financial liabilities not classified as at FVTPL	**12,641.53**	**11,508.27**
Less : Amount capitalised (included in the cost of property, plant and equipment)	(0.48)	(46.38)
	12,641.05	**11,461.89**
Exchange differences regarded as an adjustment to borrowing costs	1.68	28.49
Other borrowing costs		
- Loan monitoring and administration charges	12.71	6.60
Total finance costs	**12,655.44**	**11,496.98**

NOTE 31: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Depreciation of property, plant and equipment (refer note 3)	5,652.42	5,811.75
Amortisation of intangible assets (refer note 5)	77.17	71.74
	5,729.59	**5,883.49**
Less : Amount capitalised (included in the cost of property, plant and equipment)	(8.60)	-
Total depreciation and amortisation expense	**5,720.99**	**5,883.49**

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

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Bad debts written off - trade receivables and other financial assets carried at amortised cost	2,215.18	2,159.17
Impairment loss allowance on trade receivables (net of reversals) (refer note 7)	(1,537.04)	(796.18)
Impairment loss allowance on other financial assets carried at amortised cost (net of reversals) (refer note 8 & 9)	(42.31)	(3.80)
Total impairment loss on financial assets (including reversals of impairment losses)	**635.83**	**1,359.19**

NOTE 33: OTHER EXPENSES

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Stores and spares consumed	2,256.11	2,141.83
Power and fuel	1,806.55	2,225.94
Design and engineering charges	90.10	64.96
Cane development expenses	326.85	323.09
Machining/fabrication expenses	94.30	82.56
Erection and commissioning expenses	600.71	887.57
Civil construction charges	4,271.28	2,594.23
Packing and stacking expenses	2,836.34	2,054.96
Repairs and maintenance		
- Machinery	3,717.80	2,722.52
- Building	261.02	276.06
- Others	441.58	375.31
Factory/operational expenses	1,517.18	1,260.38
Travelling and conveyance	1,334.77	1,218.88
Rent [refer note 44 (ii)]	593.40	536.65
Rates and taxes	1,080.88	547.52
Insurance	244.87	222.94

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FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Directors' fee	36.90	49.95
Legal and professional expenses	691.69	786.87
Security service expenses	1,062.92	868.60
Net impairment loss allowance of non financial assets (previous year includes amounts written off ₹ 204.96 lakhs)	-	439.54
Warranty expenses [includes provision for warranty (net) ₹ 318.16 lakhs (31 March 2016: ₹ 36.77 lakhs) (refer note 18)]	320.73	37.88
Provision for Arbitration/Court case claims (refer note 18)	13.56	13.56
Payment to Auditors (see (i) below)	122.93	121.05
Provision for non moving / obsolete inventory	95.30	26.83
Loss on sale /write off of inventory	24.39	10.07
Loss on sale / write off / impairment of property, plant and equipment	82.15	87.67
Selling commission	719.26	602.27
Royalty	189.50	338.25
Advertisement and sales promotion	37.30	38.14
Rebate and discount	27.07	1.64
Outward freight and forwarding	488.36	794.26
Other selling expenses	61.54	18.87
Miscellaneous expenses	1,419.53	1,319.82
Less : Amount capitalised (included in the cost of property, plant and equipment)	(9.03)	(27.94)
Total other expenses	**26,857.84**	**23,062.73**

(i) Detail of payment to auditors

Particulars	Statutory Auditors		Branch Auditors		Cost Auditors	
	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16
Audit fee	45.54	43.36	6.92	7.04	3.38	3.42
Tax audit fee	18.89	17.57	3.41	3.10	-	-
Limited review fee	21.03	19.57	2.73	2.48	-	-
Other services (Certification)	9.56	13.69	1.10	2.40	0.68	0.65
Reimbursement of expenses	5.50	4.65	4.10	2.93	0.09	0.19
Total payment to auditors	**100.52**	**98.84**	**18.26**	**17.95**	**4.15**	**4.26**

NOTE 34: EXCEPTIONAL ITEMS

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Write off of incentives recoverable under UP Sugar Promotion Policy 2004 [refer note 43(i)(d)]	(8,546.74)	-
Profit on sale of land (see (i) below)	-	1,012.79
Total exceptional items	**(8,546.74)**	**1,012.79**

(i) Previous year figure includes ₹ 839.20 lakhs towards profit on land transferred to wholly owned subsidiary companies.

NOTE 35: INCOME TAX EXPENSE

(i) Income tax recognised in profit or loss

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Current tax		
In respect of the current year	2,335.63	-
Total current tax expense	**2,335.63**	**-**
Deferred tax		
In respect of current year origination and reversal of temporary differences	2,579.73	(5.02)
Total deferred tax expense	**2,579.73**	**(5.02)**
Total income tax expense recognised in profit or loss	**4,915.36**	**(5.02)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Profit / (loss) before tax	28,271.61	(887.68)
Income tax expense calculated at 34.608% (including surcharge and education cess) (2016: 34.608%)	9,784.24	(307.21)
Effect of income that is exempt from taxation	(693.62)	(789.04)
Effect of expenses that are non-deductible in determining taxable profit	3,018.05	69.22
Effect of current year losses for which no deferred tax asset is recognised	-	1,022.01
Effect of recognition of previously unrecognised tax losses now recognised as deferred tax assets	(3,663.64)	-
Recognition of unutilised tax credits	(3,529.67)	-
Total income tax expense recognised in profit or loss	**4,915.36**	**(5.02)**

(ii) **Income tax recognised in other comprehensive income**

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	(237.43)	5.02
Total income tax expense recognised in other comprehensive income	**(237.43)**	**5.02**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(237.43)	5.02
Items that may be reclassified to profit or loss	-	-
Total income tax expense recognised in other comprehensive income	**(237.43)**	**5.02**

NOTE 36: EARNINGS /(LOSS) PER SHARE

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Profit/(loss) for the year attributable to owners of the Company [A]	23,356.25	(882.66)
Weighted average number of equity shares for the purposes of basic EPS/ diluted EPS [B]	257,945,110	257,945,110
Basic earnings/(loss) per equity share (face value of ₹ 1 per share) [A/B]	9.06	(0.34)
Diluted earnings/(loss) per equity share (face value of ₹ 1 per share) [A/B]	9.06	(0.34)

NOTE 37: SEGMENT INFORMATION

(i) **Description of segments and principal activities**

The operating segments are classified under two major businesses which the Company is engaged in, and are briefly described as under:

Sugar & Allied Business

(a) **Sugar:** The Company is a manufacturer of white crystal sugar, having seven manufacturing plants situated in the states of Uttar Pradesh. The sugar is sold to wholesalers and industrial users. The Company sells the surplus molasses and bagasse, which are produced as by-products in the manufacturing of sugar, after meeting its captive requirements. The Company also sells the surplus power incidentally produced at three of its sugar units.

(b) **Co-generation:** This segment uses captively produced bagasse, generated as a by-product in the manufacture of sugar, as a feed stock and apart from meeting the power and steam requirements of the associated sugar units, also exports power to the state grid. It has installed capacity of 68 MW spread over Khatauli and Deoband sugar mills.

(c) **Distillery:** The 160 kilo-litres per day capacity distillery located at Muzaffarnagar, Uttar Pradesh, uses captive molasses produced in manufacture of sugar as the principal raw material in production of various categories of alcohol.

Engineering Business

(a) **High Speed Gears:** This business segment manufactures high speed gears and gear boxes at the manufacturing facility located at Mysore, Karnataka.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

(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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Segment revenue and segment profit

Particulars	SUGAR								ENGINEERING						OTHERS		Eliminations		Total	
	Sugar		Co-generation		Distillery		Total Sugar		Gears		Water		Total Engineering		Other Operations					
	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16
REVENUE																				
From external customers	240,126.56	145,712.78	6,992.72	6,757.29	16,791.70	18,051.53	263,910.98	170,521.60	9,136.45	11,950.76	18,120.70	13,254.94	27,257.15	25,205.70	5,518.48	4,377.76	-	-	296,686.61	200,105.06
From inter-segments sales	20,951.94	18,338.73	11,268.55	10,303.98	4.28	-	32,224.77	28,642.71	79.49	36.15	2.20	-	81.69	36.15	99.38	75.99	(32,405.84)	(28,754.85)	-	-
Total revenue from operations	261,078.50	164,051.51	18,261.27	17,061.27	16,795.98	18,051.53	296,135.75	199,164.31	9,215.94	11,986.91	18,122.90	13,254.94	27,338.84	25,241.85	5,617.86	4,453.75	(32,405.84)	(28,754.85)	296,686.61	200,105.06
Other income	371.42	512.71	(1.28)	11.06	859.75	11.66	1,229.89	535.43	62.18	93.52	46.21	33.13	108.39	126.65	4.33	2.23			1,342.61	664.31
Total Revenue	261,449.92	164,564.22	18,259.99	17,072.33	17,655.73	18,063.19	297,365.64	199,699.74	9,278.12	12,080.43	18,169.11	13,288.07	27,447.23	25,368.50	5,622.19	4,455.98	(32,405.84)	(28,754.85)	298,029.22	200,769.37
RESULT																				
Segment Profit/(loss)	36,491.16	(2,818.75)	6,942.11	7,801.52	4,657.17	4,366.19	48,090.44	9,348.96	1,801.98	2,915.93	(275.01)	(2,213.44)	1,526.97	702.49	30.55	16.19	202.58	44.21	49,850.54	10,111.85
Unallocated expenses (Net)																			(1,359.40)	(1,838.86)
Operating Profit																			48,491.14	8,272.99
Finance cost																			(12,655.44)	(11,496.98)
Interest income																			655.71	96.77
Dividend income																			326.94	1,226.75
Exceptional items																			(8,546.74)	1,012.79
Profit / (loss) before tax																			28,271.61	(887.68)

- 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. These are then eliminated on consolidation.
- 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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

(iii) Segment assets and liabilities

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Segment Assets			
SUGAR			
Sugar	225,998.97	214,766.12	214,168.31
Cogeneration	17,940.29	19,600.97	19,498.31
Distillery	17,026.67	16,032.59	16,694.13
	260,965.93	**250,399.68**	**250,360.75**
ENGINEERING			
Gears	12,292.06	14,130.40	10,721.68
Water	21,589.52	20,626.31	20,060.96
	33,881.58	**34,756.71**	**30,782.64**
Other operations	2,383.07	2,322.27	2,646.85
Total segment assets	**297,230.58**	**287,478.66**	**283,790.24**
Unallocated assets	7,958.39	9,460.13	8,805.94
Total Assets	**305,188.97**	**296,938.79**	**292,596.18**
Segment Liabilities			
SUGAR			
Sugar	36,133.45	52,465.41	76,304.78
Cogeneration	355.92	286.02	1,315.55
Distillery	979.50	675.12	1,099.79
	37,468.87	**53,426.55**	**78,720.12**
ENGINEERING			
Gears	1,863.94	2,920.77	2,286.11
Water	10,024.69	8,768.03	6,947.90
	11,888.63	**11,688.80**	**9,234.01**
Other operations	1,963.04	2,090.50	2,356.67
Total segment liabilities	**51,320.54**	**67,205.85**	**90,310.80**
Unallocated liabilities	176,101.76	174,873.90	146,553.17
Total liabilities	**227,422.30**	**242,079.75**	**236,863.97**

- 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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

(iv) Other Segment Information

Particulars	SUGAR								ENGINEERING						OTHERS	
	Sugar		Co-generation		Distillery		Total Sugar		Gears		Water		Total Engineering		Other Operations	
	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16
Amount considered in segment profits																
Depreciation	3,418.84	3,626.61	685.25	685.80	557.46	564.39	4,661.55	4,876.80	741.65	700.43	178.92	156.85	920.57	857.28	6.63	6.59
Amortisation	7.41	10.42	0.01	0.01	0.04	1.34	7.46	11.77	47.76	35.70	10.03	10.71	57.79	46.41	-	-
Total Depreciation and Amortisation	3,426.25	3,637.03	685.26	685.81	557.50	565.73	4,669.01	4,888.57	789.41	736.13	188.95	167.56	978.36	903.69	6.63	6.59
Amounts not considered in segment profits																
Interest expense	11,084.17	9,664.62	121.76	217.96	285.36	298.60	11,491.29	10,181.18	305.00	183.79	696.84	773.64	1,001.84	957.43	-	0.66
Interest income	33.78	29.05	3.62	3.96	2.05	1.96	39.45	34.97	9.75	3.41	34.78	35.72	44.53	39.13	-	-
Exceptional expense	6,820.08	-	1,303.96	-	422.70	-	8,546.74	-	-	-	-	-	-	-	-	-
Capital expenditure	1,913.15	465.15	91.29	50.34	456.44	747.15	2,460.88	1,262.64	1,015.50	3,015.56	103.29	130.88	1,118.79	3,146.44	2.05	6.12

In addition to the depreciation and amortisation reported above, impairment losses of ₹ Nil (31 March 2016: ₹ 56.31 lakhs) were recognised in respect of capital work in progress attributable to the Sugar segment.

NOTES TO THE FINANCIAL STATEMENTS

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(All amounts in ₹ lakhs, unless otherwise stated)

(v) Break-up of revenue by geographical area

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
India (country of domicile)	295,314.19	198,770.79
Foreign countries	1,372.42	1,334.27
	296,686.61	**200,105.06**

(vi) Non-current assets by geographical area

All non current assets of the Company are located in India except investment of ₹ 3,006.19 lakhs in an Associate company located in Israel.

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

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
SALE OF PRODUCTS		
Finished goods		
- Sugar	234,514.36	140,608.89
- Molasses	2,103.55	1,896.59
- Bagasse	4,705.76	3,198.63
- Power	7,598.43	7,586.30
- Alcohol	16,587.71	17,825.08
- Mechanical equipment - Water/Waste-water	1,395.13	2,111.18
- Gears/Gear Boxes	7,313.33	10,687.26
- Bought outs and Spares	1,489.25	1,059.97
- Others	530.49	481.79
	276,238.01	**185,455.69**
Stock in trade		
- Diesel/Petrol/Lubricants	1,419.85	1,320.86
- Other consumer goods	68.35	70.05
	1,488.20	**1,390.91**
	277,726.21	**186,846.60**
Sale of services		
- Erection and commissioning	57.75	53.53
- Servicing	288.20	169.52
- Operation and maintenance	3,472.07	2,258.75
	3,818.02	**2,481.80**
Construction contract revenue		
- Water,Waste-water and Sewage treatment	13,138.29	8,801.22
- Power generation and evacuation system	874.04	1,179.36
	14,012.33	**9,980.58**

(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 2017 and 31 March 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 38: EMPLOYEE BENEFIT PLANS

(i) Defined contribution plans

(a) The Company operates defined contribution retirement benefit plans under which the Company pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Company has no further payment obligations once the contributions have been paid. Following are the schemes covered under defined contributions plans of the Company:

Provident Fund Plan & Employee Pension Scheme: The Company makes monthly contributions at prescribed rates towards Employee Provident Fund/ Employee Pension Scheme to fund administered and managed by the Government of India. The Company has also set up provident fund Trust to secure the provident fund dues in respect of certain employees of the Company. The provident fund is administered by the concerned trustees . The rules of the Company's provident fund administered by the Trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund Organisation, Government of India, under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company when determined. Having regard to the assets of the fund and the return on the investments, the Company does not expect any deficiency as at the year end and accordingly, such plan has been considered by the Company in substance to be a defined contribution plan.

Employee State Insurance: The Company makes prescribed monthly contributions towards Employees State Insurance Scheme.

Superannuation Scheme: The Company contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policies entered into by such fund with the Life Insurance Corporation of India.

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

(b) The expense recognised during the period towards defined contribution plans are as follows:

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Employers' Contribution to Employees' Provident Fund	969.89	850.28
Administration and other expenses relating to above	29.10	25.05
Employers' Contribution to Employees State Insurance Scheme	8.85	8.46
Employers' Contribution to Superannuation Scheme	116.95	112.73
Employers' Contribution to National Pension Scheme	14.41	10.42

(ii) Defined benefit plans

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

(b) Risk exposure

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

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

Interest risk: A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's debt instruments.

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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 both 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:

Particulars	Valuation as at		
	31-Mar-17	31-Mar-16	1-Apr-15
Discounting rate	6.81%	8.00%	8.00%
Future salary growth rate	7.00%	7.00%	7.00%
Mortality Table *	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
Attrition rate	- 8.00% for Permanent employees - 3.00% for Seasonal employees	- 8.00% for Permanent employees - 3.00% for Seasonal employees	- 8.00% for Permanent employees - 3.00% for Seasonal employees
Method used	Projected unit credit method	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 statement of profit & loss in respect of the defined benefit plan are as follows:

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Current service cost	275.90	261.16
Net interest expense	145.06	151.71
Components of defined benefit costs recognised in profit or loss	**420.96**	**412.87**
Remeasurement on the net defined benefit liability		
- Return on plan assets (excluding amount included in net interest expense)	(31.06)	(16.23)
- Actuarial gains and loss arising form changes in financial assumptions	482.43	(0.64)
- Actuarial gains and loss arising form experience adjustments	234.68	2.36
Components of defined benefit costs recognised in other comprehensive income	**686.05**	**(14.51)**
Total	**1,107.01**	**398.36**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit & loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

(e) Amounts included in the balance sheet arising from the entity's obligation in respect of the defined benefit plan is as follows:

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Present value of defined benefit obligation as at the end of the year	4,558.14	3,632.88	3,310.17
Fair value of plan assets	1,308.30	1,195.80	1,087.16
Funded status	**(3,249.84)**	**(2,437.08)**	**(2,223.01)**
Net asset/(liability) arising from defined benefit obligation recognised in the balance sheet	**(3,249.84)**	**(2,437.08)**	**(2,223.01)**

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

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Present value of defined benefit obligation at the beginning of the year	3,632.88	3,310.17
Expenses recognised in profit or loss		
- Current Service Cost	275.90	261.16
- Interest Expense (Income)	226.50	244.12
Remeasurement gains / (losses) recognised in other comprehensive income		
- Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	482.43	(0.64)
ii. Experience Adjustments	234.68	2.36
Benefit payments	(294.25)	(184.29)
Present value of defined benefit obligation at the end of the year	**4,558.14**	**3,632.88**

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

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Fair value of plan assets at the beginning of the year	1,195.80	1,087.16
Recognised in profit or loss		
- Expected return on plan assets	81.44	92.41
Remeasurement gains / (losses) recognised in other comprehensive income		
- Actual Return on plan assets in excess of the expected return	31.06	16.23
Contributions by employer	294.25	184.29
Benefit payments	(294.25)	(184.29)
Fair value of plan assets at the end of the year	**1,308.30**	**1,195.80**

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

Particulars	As at 31-Mar-17			As at 31-Mar-16			As at 1-Apr-15		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	-	17.83	17.83	-	24.68	24.68	-	16.09	16.09
Debt instruments									
- Government securities	-	257.53	257.53	-	245.53	245.53	-	278.20	278.20
- State development loans	-	340.95	340.95	-	300.76	300.76	-	255.29	255.29
- Private sector bonds	-	104.45	104.45	-	65.51	65.51	-	65.51	65.51
- Public sector bonds	-	138.53	138.53	-	138.27	138.27	-	96.93	96.93
- Fixed deposits with banks	-	155.50	155.50	-	161.59	161.59	-	161.59	161.59
- Special Deposit Scheme balance with RBI	-	102.13	102.13	-	102.13	102.13	-	102.13	102.13
- Debt mutual funds	-	60.92	60.92		56.83	56.83		52.53	52.53
Equity instruments									
- Index mutual funds	-	2.43	2.43	-	1.09	1.09	-	-	-
- Arbitrage mutual funds	-	8.93	8.93	-	4.54	4.54	-	-	-
Accrued interest and other recoverables	-	119.10	119.10	-	94.87	94.87	-	58.89	58.89
Total plan assets	**-**	**1,308.30**	**1,308.30**	**-**	**1,195.80**	**1,195.80**	**-**	**1,087.16**	**1,087.16**

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

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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 to changes in the weighted principal assumptions is:

Particulars	Change in assumption by	Impact on defined benefit obligation				
			Increase in assumption		Derease in assumption	
		Increase/ Decrease	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Discounting rate	0.50%	in ₹	(262.01)	(168.34)	266.30	171.79
		in %	-5.75%	-4.63%	5.84%	4.73%
Future salary growth rate	0.50%	in ₹	246.57	157.30	(241.86)	(116.60)
		in %	5.41%	4.33%	-5.31%	-3.21%
Attrition rate	0.50%	in ₹	(44.17)	32.08	46.74	(30.36)
		in %	-0.97%	0.88%	1.03%	-0.84%
Mortality rate	10.00%	in ₹	(38.17)	24.49	40.74	(22.77)
		in %	-0.84%	0.67%	0.89%	-0.63%

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.

(g) Defined benefit liability and employer contributions

The Company remains committed to fund all gratuity payments falling due and shall strive to gradually reduce the deficit in funding of its obligation in the coming years.

The Company expects to contribute ₹ 371.34 lakhs (31 March 2016: ₹ 108.03 lakhs; 1 April 2015: ₹ 112.46 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 2017 is 9.5 years (31 March 2016: 9.4 years).

The expected maturity analysis of undiscounted defined benefit obligation as at 31 March 2017 is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligation (Gratuity)	371.34	268.11	1,183.67	6,350.34	8,173.46

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(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 39: RELATED PARTY TRANSACTIONS

(i) Related parties where control exists

(a) Mr. Dhruv M. Sawhney, Chairman & Managing Director (Key Management person)

(b) Subsidiaries

- Wholly owned

  Triveni Energy Systems Limited

  Triveni Engineering Limited

  Triveni Entertainment Limited

  Svastida Projects Limited

  Triveni Industries Limited

- Others

  Triveni Sugar Limited

(ii) Related parties with whom transactions have taken place during the year alongwith details of such transactions and outstanding balances as at the end of the year.

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-17	Year ended 31-Mar-16
Sales and rendering services			
Triveni Sugar Limited	Subsidiary	0.69	0.68
Svastida Projects Limited	Subsidiary	0.69	0.68
Triveni Entertainment Limited	Subsidiary	0.69	0.68
Triveni Energy Systems Limited	Subsidiary	0.69	0.68
Triveni Engineering Limited	Subsidiary	0.69	0.68
Triveni Industries Limited	Subsidiary	0.75	0.40
Triveni Turbine Limited	Associate	3,229.45	3,766.13
Purchases and receiving services			
Triveni Turbine Limited	Associate	1,079.72	1,277.27
Aqwise-Wise Water Technologies Limited	Associate	-	29.86
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/significant influence	0.99	1.10
Rent paid			
Dhruv M. Sawhney (Chairman & Managing Director)	Key managerial personnel	45.50	43.06
Rati Sawhney	Relative of key managerial personnel	48.00	-
Kameni Upaskar Limited	Enterprise over which key managerial personnel have substantial interest/significant influence	72.88	70.23
Rent & other charges received			
Triveni Turbine Limited	Associate	16.00	21.19
Expenses incurred by the Company on behalf of party (net)			
Triveni Entertainment Limited	Subsidiary	-	0.13
Triveni Energy Systems Limited	Subsidiary	-	0.13
Triveni Engineering Limited	Subsidiary	-	0.13
Triveni Turbine Limited	Associate	(2.77)	43.24

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(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-17	Year ended 31-Mar-16
Kameni Upaskar Limited	Enterprise over which key managerial personnel have substantial interest/significant influence	2.28	2.41
Triveni Engineering Works Limited Gratuity Fund	Post employment benefit plan	0.06	-
Triveni Engineering and Industries Ltd. Officers' Pension Fund	Post employment benefit plan	0.01	-
Triveni Engineering Works Limited Employees' Provident Fund	Post employment benefit plan	-	-
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	0.05	0.04
Sale of land			
Triveni Entertainment Limited	Subsidiary	-	383.23
Triveni Energy Systems Limited	Subsidiary	-	369.15
Triveni Engineering Limited	Subsidiary	-	435.81
Remuneration			
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	203.82	151.33
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	178.22	156.86
Geeta Bhalla (Group Vice President & Company Secretary)	Key managerial personnel	60.54	49.33
Directors fee paid			
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	5.20	5.45
Lt. Gen (Retd.) Kanwal Kishan Hazari (Independent Non-Executive Director)	Key managerial personnel	8.45	11.00
M. K. Daga (Independent Non-Executive Director)	Key managerial personnel	2.25	1.50
Fakir Chand Kohli (Independent Non-Executive Director)	Key managerial personnel	2.25	5.00
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	6.50	9.75
Homai A. Daruwalla (Independent Non-Executive Director)	Key managerial personnel	6.25	8.75
Dr. Santosh Pande (Independent Non-Executive Director)	Key managerial personnel	3.75	6.50
Sudipto Sarkar (Independent Non-Executive Director)	Key managerial personnel	2.25	2.00
Contribution to Post employment benefit plans			
Triveni Engineering Works Limited Gratuity Fund	Post employment benefit plan	294.25	184.29
Triveni Engineering and Industries Ltd. Officers' Pension Fund	Post employment benefit plan	115.69	112.27
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	907.61	791.50
Deposit received against appointment of Director			
Subhadra Trade & Finance Limited	Enterprise over which key managerial personnel have substantial interest/significant influence	3.00	-
Investment in shares			
Triveni Industries Limited	Subsidiary	-	0.50

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Outstanding balances

Name of related party and nature of transactions	Relationship	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Receivable (refer note v below)				
Triveni Sugar Limited	Subsidiary	-	-	0.61
Svastida Projects Limited	Subsidiary	-	-	0.61
Triveni Entertainment Limited	Subsidiary	183.23	183.23	-
Triveni Energy Systems Limited	Subsidiary	169.15	169.15	0.61
Triveni Engineering Limited	Subsidiary	249.57	249.57	14.38
Triveni Industries Limited	Subsidiary	-	0.40	-
Triveni Turbine Limited	Associate	460.32	687.06	438.61
Provision for doubtful debts/advances				
Triveni Engineering Limited	Subsidiary	13.76	13.76	13.76
Payable (refer note iv and v below)				
Svastida Projects Limited	Subsidiary	200.00	200.00	200.00
Triveni Entertainment Limited	Subsidiary	-	-	200.00
Triveni Energy Systems Limited	Subsidiary	-	-	200.00
Triveni Engineering Limited	Subsidiary	-	-	200.00
Triveni Turbine Limited	Associate	1,878.15	1,918.67	2,096.15
Dhruv M. Sawhney (Chairman & Managing Director)	Key managerial personnel	5.25	2.79	3.24
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	3.05	3.08	2.16
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	8.39	0.07	0.07
Geeta Bhalla (Group Vice President & Company Secretary)	Key managerial personnel	3.45	0.05	-
Subhadra Trade & Finance Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	2.00	-	-
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	0.30	0.22	0.53
Triveni Engineering and Industries Ltd. Officers' Pension Fund	Post employment benefit plan	115.69	112.27	114.73
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	82.75	75.89	68.23
Guarantees / Surety /commitment outstanding (refer note 45 (b))				
Triveni Turbine Limited	Associate	1,450.51	1,693.99	1,647.13
TOFSL Trading & Investments Limited*	Enterprise over which key managerial personnel have substantial interest/ significant influence	-	40.00	40.00

*Merged with Subhadra Trade & Finance Limited during the year

(iii) Remuneration of key managerial personnel:

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Short-term employee benefits	402.46	323.53
Post-employment benefits	40.12	33.99
Total	**442.58**	**357.52**

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.

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(iv) Amounts payable to key managerial personnel do not include provision towards post employment benefits and other long term benefits since these amounts have not become payable to them as at the reporting date.

(v) All outstanding balances are unsecured and settled in cash.

(vi) Terms & conditions:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided to or received for any related party receivable or payables. The Company has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended 31 March 2017 and 31 March 2016 other than that stated above.

NOTE 40: CAPITAL MANAGEMENT

For the purpose of capital management, capital includes net debt and total equity of the Company. The primary objective of the capital management is to maximize shareholder value along with an objective to keep the leverage in check in view of cyclical capital intensive sugar business of the Company.

One of the major businesses of the Company is the sugar business, which is a seasonal industry, where the entire production is made in about 5 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:

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Non-current borrowings (note 16)	27,536.23	38,379.09	37,422.00
Current borrowings (note 20)	124,209.92	116,195.11	95,371.66
Current maturities of long-term borrowings (note 17)	20,367.06	13,263.43	10,942.16
Total debt	**172,113.21**	**167,837.63**	**143,735.82**
Less: Cash and cash equivalents (note 12(a))	(651.45)	(279.12)	(479.77)
Net debt	**171,461.76**	**167,558.51**	**143,256.05**
Total equity (note 14 & note 15)	**77,766.67**	**54,859.04**	**55,732.21**
Net debt to equity ratio	2.20	3.05	2.57
Long term debt equity ratio	0.62	0.94	0.87

In addition to the above gearing ratio, the Company also looks at operating profit to total debt ratio (EBITDA/Total Debts) which gives an indication of adequacy of earnings to service the debts. The Company carefully negotiates the terms and conditions of the loans and ensures adherence to all the financial covenants. With a view to arrive at the desired capital structure based on the financial condition of the Company, the Company normally incorporates a clause in loan agreements for prepayment of loans without any premium.

Further, no changes were made in the objectives, policies or process for managing capital during the years ended 31 March 2017 and 31 March 2016.

The Company is not subject to any externally imposed capital requirements

NOTE 41: FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of the financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and bank balances that derive directly from its operations. The Company also holds investments measured at fair value through profit or loss and enters into derivative transactions, which are not extensive.

The Company's activities expose it mainly to market risk, liquidity risk and credit risk. The monitoring and management of such risks is undertaken by the senior management of the Company and there are appropriate policies and procedures in place through

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which such financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company has specialised teams to undertake derivative activities for risk management purposes and such team has appropriate skills, experience and expertise. It is the Company policy not to carry out any trading in derivative for speculative purposes. The Audit Committee and the Board are regularly apprised of these risks every quarter and each such risk and mitigation measures are extensively discussed.

(i) Credit risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The Company is exposed to credit risks from its operating activities, primarily trade receivables. The credit risks in respect of deposits with the banks, foreign exchange transactions and other financial instruments are nominal.

(a) Credit risk management

The customer credit risk is managed by each business subject to the Company's established policy, procedure and controls relating to customer credit risk management. Various businesses require different processes and policies to be followed based on the business risks, industry practice and customer profiles.

In the case of Sugar business, majority of the sales are made either against advance payments or on a very short credit period upto 7-10 days to reputed customers whereas in Cogeneration and Distillery, most of the sales are made to Government customers, such as, State Electricity Board (UPPCL) and Oil Marketing Companies (OMCs). There may be delays, generally not exceeding one year, in receiving payments from UPPCL but the risk in respect of realisation of dues is minimal. In Gear business, it is the policy of the Company to receive payment prior to delivery of the material except in the case of some well established OEMs, including group companies and public sector undertakings, where the credit up to 90 days is extended. Water business is engaged in EPC business with municipal and industrial sector where it is customary to have prescribed retentions which are payable upon completion of the project and after satisfactory performance of the plant.

In order to contain the business risk, the 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:

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Sugar business	4,797.61	2,471.81	3,116.77
Cogeneration business	5,882.47	5,205.56	4,557.66
Distillery business	1,185.22	1,438.97	1,377.88
Water business	10,480.02	10,029.31	10,505.82
Gear business	3,412.10	5,465.41	4,315.00
Others	2,034.08	1,980.81	2,126.08
Total Receivables (note 7)	**27,791.50**	**26,591.87**	**25,999.21**
Receivables individually in excess of 10% of the business receivables	14,809.41	12,698.91	10,327.58
Percentage of above receivables to the total receivables of the Company	53.29%	47.75%	39.72%

Receivables in excess of 10% of individual business receivables majorly comprise receivables from UPPCL which forms 26% of total receivables of the Company as on 31 March 2017, 25 % as on 31 March 2016 and 21% as on 1 April 2015. It can be observed that the concentration of risk in respect of trade receivables is moderate on an overall

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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

As explained above, life time expected credit loss ("ECL") is determined on trade receivables except in cases where advance payment terms are prescribed or payment is due from Central / State Government or Government Authorities / entities where there is no track record of short receipts. ECL arising from delays in receiving payments from the Government customers pursuant to sale of goods or under construction contracts are not considered if such delays are commonly prevalent in the industry and / or the delays are not exceeding one year. All other short receipts other than arising from expense claims are duly considered in determining ECL. In view of the business model of the Company, engineered-to-order products and the profile of trade receivables, the determination of provision based on age analysis may not be a realistic and hence, the provision of expected credit loss is determined for the total trade receivables outstanding as on the reporting date.This provision for ECL is made in addition to the specific credit losses, if any, provided on specific financial assets.

Provision matrix (%, amounts) of ECL for trade receivables, other than specific credit losses separately recognised - for the year ended 31 March 2017/2016/2015

Business	% ECL	ECL amount as at 31-Mar-17	ECL amount as at 31-Mar-16	ECL amount as at 1-Apr-15
Sugar	Nil	Nil	Nil	Nil
Co-generation	Nil	Nil	Nil	Nil
Distillery	Nil	Nil	Nil	Nil
Water	0.90%	98.55	91.08	95.41
Gear	1%	35.91	55.21	43.59

(c) Reconciliation of loss allowance provision

Trade receivables:

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at beginning of the year	4,205.73	5,001.91
Provision for credit loss allowance made during the year	786.97	1,205.76
Provision utilised	(1,792.32)	(1,910.72)
Provision reversed during the year	(531.69)	(91.22)
Balance at the end of the year	**2,668.69**	**4,205.73**

Loans and other financial assets:

Particulars	Loans		Other financial assets	
	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at beginning of the year	44.53	45.46	74.01	76.88
Movement in expected credit loss allowance	-	(0.93)	(42.31)	(2.87)
Balance at the end of the year	**44.53**	**44.53**	**31.70**	**74.01**

(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.

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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

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Total current assets	209,927.16	179,773.65	174,454.71
Total current liabilities	193,399.30	194,213.85	188,740.08
Current ratio	1.09	0.93	0.92

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.

Particulars	on demand	< 1 year	1-3 years	3-5 years	> 5 years	Total	Carrying amount
As at 31 March 2017							
Borrowings	122,543.89	22,674.11	26,137.76	1,845.75	6.13	173,207.64	172,113.21
Trade payables	-	24,844.14	814.08	-	-	25,658.22	25,658.22
Other financial liabilities	-	4,293.88	30.62	-	-	4,324.50	4,324.50
	122,543.89	**51,812.13**	**26,982.46**	**1,845.75**	**6.13**	**203,190.36**	**202,095.93**
As at 31 March 2016							
Borrowings	115,469.58	15,435.04	30,980.99	8,716.17	-	170,601.78	167,837.63
Trade payables	-	42,306.24	2,395.20	-	-	44,701.44	44,701.44
Other financial liabilities	-	3,949.20	61.24	-	-	4,010.44	4,010.44
	115,469.58	**61,690.48**	**33,437.43**	**8,716.17**	**-**	**219,313.66**	**216,549.51**
As at 1 April 2015							
Borrowings	95,173.08	12,035.98	27,413.17	12,577.94	-	147,200.17	143,735.82
Trade payables	-	65,837.05	2,196.54	-	-	68,033.59	68,033.59
Other financial liabilities	-	3,541.61	61.24	30.62	-	3,633.47	3,633.47
	95,173.08	**81,414.64**	**29,670.95**	**12,608.56**	**-**	**218,867.23**	**215,402.88**

Maturities of derivative financial instruments:

The Company enters into foreign exchange forward contracts to manage some of its foreign currency exposures that are settled on a net basis. Derivative liability as at 31 March 2017 of ₹ 84.88 lakhs (31 March 2016 : derivative asset ₹ 0.38 lakhs; 1 April 2015 : derivative liability ₹ 53.97 lakhs) shall mature within one year (31 March 2016: within one year; 1 April 2015 : within one year) from the reporting date.

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(iii) Market risk

The Company is exposed to following key market risks:

(a) Interest rate risk on loans and borrowings

(b) Sugar price risk

(c) Other market risks

(a) Interest rate risk

Most of the borrowings availed by the Company are subject to interest on floating rate basis linked to the Base Rate or MCLR (marginal cost of funds based lending rate). In view of the fact that the total borrowings of the Company are quite substantial, the Company is exposed to interest rate risk.

The above strategy of the Company to opt for floating interest rates is helpful in declining interest scenario, 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 pre payment premium. The said clause helps the Company to arrange debt substitution to bring down the interest costs or to prepay the loans out of the surplus funds held.

While 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:

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Total debt as at the end of the year	172,113.21	167,837.63
Average annual utilisation of debts at floating rate of interest (%)	67%	60%
Average availment of borrowings at floating rate of interest	115,920.14	100,413.98
Impact of 1% interest rate variation	1,159.20	1,004.14

(b) Sugar price risk

In the Sugar business being carried out by the Company, sugar is produced during the season commencing from October/November till March/April. Sugar so produced during the season of around 130 to 150 days, is sold throughout the year. The sugar inventories are at the highest level as at the end of the financial year and these are normally stated at cost or net realizable value, whichever is lower.

The Company is exposed to sugar price risk in respect of the inventories held at the year-end as any decline in prices below the carrying cost will inflict losses to the Company. There are no effective hedging mechanisms available in view of limited breadth in the commodity exchange market and hence the Company follows a strategy of selling sugar based upon market forecasts and holding cost of inventories, subject to minimum floor limits.

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

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Sugar inventory held (MT)	4.58	4.14
Impact of sugar price variation by ₹ 1000/MT	4,581.99	4,143.54

(c) The other market risks include: (a) Foreign currency risks – in view of minimal foreign exchange trades, such risks are nominal; and (b) Equity price risk in respect of listed and non listed equity securities which are susceptible to market price risk arising from uncertainties about future value of the investment securities. In view of nominal value of investments being held by the Company, other than in the subsidiaries and associates which are measured at cost, the magnitude of risk is only nominal.

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NOTE 42: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	FVTPL *	Amortised cost	FVTPL *	Amortised cost	FVTPL *	Amortised cost
FINANCIAL ASSETS						
Investments						
- Equity instruments	342.45	-	242.71	-	258.94	-
- Bonds	145.75	-	-	-	-	-
- National Saving Certificates	-	0.03	-	0.11	-	0.11
Trade receivables	-	27,791.50	-	26,591.88	-	25,999.22
Loans	-	45.81	-	62.62	-	110.85
Cash and bank balances	-	1,243.30	-	890.35	-	1,051.42
Security deposits	-	444.79	-	604.57	-	359.16
Earnest money deposits	-	152.05	-	105.76	-	25.06
Derivative financial assets	-	-	0.38	-	-	-
Other receivables	-	683.00	-	700.70	-	56.24
Total financial assets	**488.20**	**30,360.48**	**243.09**	**28,955.99**	**258.94**	**27,602.06**
Financial liabilities						
Borrowings	-	172,113.21	-	167,837.63	-	143,735.82
Trade payables	-	25,658.22	-	44,701.44	-	68,033.59
Capital creditors	-	699.24	-	1,347.75	-	1,420.47
Security deposits	-	357.35	-	310.52	-	293.94
Derivative financial liabilities	84.88	-	-	-	53.97	-
Other payables	-	3,267.91	-	2,352.17	-	1,919.06
Total financial liabilities	**84.88**	**202,095.93**	**-**	**216,549.51**	**53.97**	**215,402.88**

*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

Particulars	Note No.	Level 1	Level 2	Level 3	Total
As at 31 March 2017					
Financial assets					
- Investments in equity instruments at FVTPL (Quoted)	6	342.45	-	-	342.45
- Investments in bonds at FVTPL	6	-	145.75	-	145.75
		342.45	**145.75**	**-**	**488.20**
Financial liabilities					
- Foreign exchange forward contracts at FVTPL	17	-	84.88	-	84.88
		-	**84.88**	**-**	**84.88**
As at 31 March 2016					
Financial assets					
- Investments in equity instruments at FVTPL (Quoted)	6	196.57	-	-	196.57
- Investments in equity instruments at FVTPL (Unquoted)	6	-	46.14	-	46.14
- Foreign exchange forward contracts at FVTPL	9	-	0.38	-	0.38
		196.57	**46.52**	**-**	**243.09**

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Particulars	Note No.	Level 1	Level 2	Level 3	Total
As at 1 April 2015					
Financial assets					
- Investments in equity instruments at FVTPL (Quoted)	6	238.18	-	-	238.18
- Investments in equity instruments at FVTPL (Unquoted)	6	-	20.76	-	20.76
		238.18	**20.76**	**-**	**258.94**
Financial liabilities					
- Foreign exchange forward contracts at FVTPL	17	-	53.97	-	53.97
		-	**53.97**	**-**	**53.97**

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.

Equity shares of NBI Industrial Finance Co. Ltd. have been listed on stock exchange during the year. Accordingly, valuation of investment in equity shares of NBI Industrial Finance Co. Ltd is upgraded to level 1 hierarchy during the year from level 2 in previous year. For other financial assets, 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 foreign exchange forward contracts is determined using market observable inputs, including prevalent forward rates for the maturities of the respective contracts and interest rate curves as indicated by banks and third parties.
- the fair value of the unquoted equity instruments, determined using observable data of other comparable listed companies.
- the fair value of bonds, determined using observable market data of yield to maturity and coupon rates of securities.

All of the resulting fair value estimates are included in level 2.

(iv) Valuation processes

The Corporate finance team has requisite knowledge and skills in valuation of financial instruments. The team headed by Group CFO directly reports to the audit committee on the fair value of financial instruments.

(v) Fair value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Trade receivables	27,791.50	27,495.92	26,591.88	26,052.01	25,999.22	25,296.70
	27,791.50	**27,495.92**	**26,591.88**	**26,052.01**	**25,999.22**	**25,296.70**
Financial liabilities						
Trade payables	25,658.22	25,540.91	44,701.44	44,324.95	68,033.59	67,622.67
	25,658.22	**25,540.91**	**44,701.44**	**44,324.95**	**68,033.59**	**67,622.67**

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Fair value hierarchy

Particulars	Level 1	Level 2	Level 3	Total
As at 31 March 2017				
Financial assets				
Trade receivables	-	-	27,495.92	27,495.92
	-	**-**	**27,495.92**	**27,495.92**
Financial liabilities				
Trade payables	-	-	25,540.91	25,540.91
	-	**-**	**25,540.91**	**25,540.91**
As at 31 March 2016				
Financial assets				
Trade receivables	-	-	26,052.01	26,052.01
	-	**-**	**26,052.01**	**26,052.01**
Financial liabilities				
Trade payables	-	-	44,324.95	44,324.95
	-	**-**	**44,324.95**	**44,324.95**
As at 1 April 2015				
Financial assets				
Trade receivables	-	-	25,296.70	25,296.70
	-	**-**	**25,296.70**	**25,296.70**
Financial liabilities				
Trade payables	-	-	67,622.67	67,622.67
	-	**-**	**67,622.67**	**67,622.67**

(a) The fair values for trade receivables and trade payables which are expected to be settled after twelve months (including those which are within the operating cycle) are computed based on discounted cash flows. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The carrying amounts of the remaining trade receivables and trade payables are considered to be the same as their fair values, due to their short-term nature.

NOTE 43: GOVERNMENT GRANTS

(i) UP Sugar Promotion Policy, 2004

(a) The Company had accounted for capital subsidy and reimbursements of certain statutory levies and expenses as prescribed under UP Sugar Industry Promotion Policy, 2004 (" the Policy"), issued by the state government of Uttar Pradesh and also availed prescribed exemption of taxes and duties. The Policy was pre-maturely terminated on 4 June 2007 and the Company has challenged such termination and non grant of prescribed incentives under the Policy before the Lucknow bench of Allahabad High Court. Pending final adjudication in the matter, the High Court vide its interim order dated 9 May 2008 had permitted limited protection of remissions which were being enjoyed on the date when the Policy was revoked.

(b) In accordance with the aforesaid position:

i) The Company had accounted for recoverable incentives aggregating to ₹ 14,002.46 lakhs upto 31 March 2016 (1 April 2015: ₹ 14,002.46 lakhs) including capital subsidy of ₹ 10,470.00 lakhs (1 April 2015 : ₹ 10,470.00 lakhs)

ii) The Company has availed remissions of ₹ 4,158.38 lakhs upto 31 March 2017 (31 March 2016: ₹ 3,631.51 lakhs; 1 April 2015: ₹ 3,591.14 lakhs).

iii) The Company has, on account of uncertainty, not accounted for reimbursable incentives of ₹ 9,483.42 lakhs upto 31 March 2017 (31 March 2016 : ₹ 7,936.82 lakhs ; 1 April 2015 : ₹ 8,132.78 lakhs) from October 2010 onwards.

(c) Capital subsidy of ₹ 10,470.00 lakhs, as referred to in b(i) above was accounted for during financial year 2005-06 by crediting to capital reserve account considering the grant to be in the nature of promoter's contribution. As per the principles of Ind AS, which have become applicable to the Company from 1 April 2016, such grant is required to be presented in the balance sheet by setting up the grant as deferred income to be recognised/amortised in the profit or loss over the useful lives of the assets comprised in the projects eligible for the aforesaid grant/subsidy. Accordingly, grant of ₹ 5811.62 lakhs remaining to be amortised as on the transition date (1 April 2015), was credited to deferred government grant for amortisation in the subsequent period.

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(d) During the current year, the Company has decided to write-off amount of ₹ 14,002.46 lakhs as appearing recoverable from the state government of UP as on 31 March 2016, as the prescribed incentive period of 10 years under the Policy has expired and it may take considerable time before the final adjudication in the matter takes place. Accordingly, deferred government grant of ₹ 5,455.72 lakhs as on 31 March 2016, pertaining to the capital subsidy, is also written back and consequently, there is a net impact of ₹ 8,546.74 lakhs which has been classified under exceptional items.

(ii) Government grants recognised in the financial statements

	Particulars	Grants recognised in profit or loss			Grant recoverable		
		Year ended 31-Mar-17	Year ended 31-Mar-16	Treatment in financial statements	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
1	**Deferred government grants**						
a)	Interest subvention @ 12% per annum on loans aggregating to ₹ 12,626.00 lakhs availed during financial year 2012-13 under the "Scheme of Extending Financial Assistance to Sugar Undertakings, 2013" notified by the Government of India.	1,075.07	1,180.41	Reduced from finance cost (note 30)	-	-	-
b)	Loans at below market interest rate from Sugar Development Fund, Government of India	45.14	67.67	Reduced from finance cost (note 30)	-	-	-
c)	Interest subvention @10% per annum granted by the Government of India for one year from the date of disbursement on loans aggregating to ₹ 11,450.50 lakhs availed in financial year 2015-16 under the 'Scheme of extending Soft Loans to Sugar Mills'.	552.81	520.46	Reduced from finance cost (note 30)	-	-	-
f)	Subsidy under UP Sugar Promotion policy, 2004 [see note 43 (i)(c) above]	-	355.90	Other income (note 25)	-	14,002.46	14,002.46
	Total deferred government grants	**1,673.02**	**2,124.44**		**-**	**14,002.46**	**14,002.46**
2	**Other revenue grants**						
a)	i) Cane production subsidy of ₹ 4.50 per quintal of cane pertaining to season 2015-16 on prescribed crush level to be provided by Government of India subject to fulfillment of certain conditions relating to export of sugar and dispatch of Ethanol.	-	1,994.50	Other income* (note 25)	-	1,994.50	-
	ii) Reversal out of above grant (net of grant of ₹ 39.80 lakhs accrued during the year) necessitated due to different computation adopted by the Government.	(44.18)	-	Other expenses (note 33)	-	-	-
b)	i) Reimbursement of cane commission on cane purchased during the season 2014-15 and 2015-16.	-	1,416.48	Reduced from raw material consumed (note 26)	_	1,330.73	3,102.39
	ii) Reversal of above grant for season 2015-16 based on the final decision of the state government of UP on cane price package for Season 2015-16	(1,330.73)	-	Raw material consumed (note 26)	-	-	-
c)	Cane price subsidy of ₹ 28.60 per quintal by the state government of UP on the cane purchased during season 2014-15	_	1,226.26	Reduced from raw material consumed (note 26)	_	_	13,443.68
	Total other revenue grants	**(1,374.91)**	**4,637.24**	**-**	**-**	**3,325.23**	**16,546.07**
	Total grants	**298.11**	**6,761.68**	**-**	**-**	**17,327.69**	**30,548.53**

*presented under "Other income" net of loss of ₹ 1,724.15 lakhs incurred on related export obligation.

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(iii) Government grants in the form of remissions of taxes and duties availed and recognised in the financial statements:

		Year ended 31-Mar-17	Year ended 31-Mar-16
a)	Remission of Purchase tax @ ₹ 2 per quintal on purchase of cane		
	- for the sugar season 2015-16.	17.21	972.90
	- for the sugar season 2012-13.	137.70	-
		154.91	**972.90**
b)	Remissions availed as per the interim order of the High Court in respect of UP Sugar Industry Promotion Policy, 2004 [see note 43 (i) (a) & (b) above)	526.87	40.37

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

	Year ended 31-Mar-17	Year ended 31-Mar-16
As at the beginning of the year	8,090.94	9,142.11
Recognised during the year	-	1,073.27
Released to the statement of Profit and Loss	(1,673.02)	(2,124.44)
Written back	(5,455.72)	-
As at the end of the year	**962.20**	**8,090.94**
Current	711.36	2,022.04
Non-Current	250.84	6,068.90
Total	**962.20**	**8,090.94**

NOTE 44: LEASES

(i) Obligations under finance leases

The Company has acquired certain lands under lease, classified as finance leases. Original lease term in respect of one of the land is ninety years whereas another land is on perpetual lease basis. The Company had paid one time payment of lease charges in respect of these leases and there are no further future lease maintenance payments under the lease agreement. There is no contingent rent or restriction imposed in the lease agreement.

(ii) Operating lease arrangements

As Lessee

The Company has taken various residential, office and godown premises under operating lease. These are generally not non-cancellable leases (except for few premises) having unexpired period upto eight years. The leases are renewable by mutual consent and on mutually agreeable terms. The Company has given refundable interest free security deposits under certain lease agreements. There is no contingent rent, sublease payments or restriction imposed in the lease agreement.

Payments recognised as expense

Decription	Year ended 31-Mar-17	Year ended 31-Mar-16
Lease payments (refer note 33)	593.40	536.65
	593.40	**536.65**

Non-cancellable operating lease commitments

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Not later than one year	259.55	24.00	94.50
Later than one year and not later than five years	281.18	-	24.00
Later than five years	-	-	-
	540.73	**24.00**	**118.50**

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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 statement of profit and loss. There are no minimum future lease payments as there are no non-cancellable leases. Lease income is recognised in the statement of profit and loss under "Other income" (refer note 25). Rental income earned by the Company from its investment properties and direct operating expenses arising on the investment properties for the year is set out in note 4.

NOTE 45: COMMITMENTS

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (after adjusting advances aggregating to ₹ 3.70 lakhs (31 March 2016: ₹ 116.07 lakhs, 1 April 2015: ₹ 409.78 lakhs))	256.51	1,033.75	3,525.70
(ii) For commitments relating to non-cancellable operating leases, refer Note 44			

NOTE 46: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
(a) Claims against the Company not acknowledged as debts:	2,068.50	2,623.57	2,208.25
(i) Claims which are being contested by the Company and in respect of which the Company has paid amounts aggregating to ₹ 474.41 lakhs (31 March 2016: ₹ 497.97 lakhs; 1 April 2015: ₹ 471.80 lakhs), excluding interest, under protest pending final adjudication of the cases:			

Sl. No.	Particulars	Amount of contingent liability			Amount paid		
		31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
1	Sales tax	321.68	702.21	295.20	106.63	107.90	91.92
2	Excide duty	1,034.80	1,174.41	1,189.61	334.34	342.43	340.42
3	Others	712.02	746.95	723.44	33.44	47.64	39.46

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
(ii) The Company is contingently liable in respect of short provision against disputed income tax liabilities (excluding determination of final interest payable thereon) of ₹3,798.73 lakhs (31 March 2016: ₹3,568.99 lakhs; 1 April 2015: ₹4,409.28 lakhs) against which ₹ 2,739.06 lakhs (31 March 2016: ₹ 2,739.06 lakhs; 1 April 2015 : ₹ 2,844.88 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.	3,798.73	3,568.99	4,409.28
(iii) Statutory levies against which remission has been availed under U.P. Sugar Industry Promotion Policy 2004 issued by the state government of Uttar Pradesh (refer note 43)	4,158.38	3,631.51	3,591.14
(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	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.			

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Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
(b) Guarantees/sureties excluding financial guarantees	1,490.51	1,734.99	1,688.13
Guarantees/surety given on behalf of companies ₹ 1,490.51 lakhs (31 March 2016: ₹1,734.99 lakhs; 1 April 2015 ₹1,688.13 lakhs), including a corporate guarantee of ₹1,450.51 lakhs (31 March 2016: ₹ 1,693.99 lakhs; 1 April 2015: ₹ 1,647.13 lakhs) equivalent to GBP 17.62 lakhs (31 March 2016: GBP 17.62 lakhs; 1 April 2015: GBP 17.62 lakhs) given on behalf of an associate company as a surety for due performance of its obligations under a contract awarded by an overseas customer and in respect of which, the associate company has fully indemnified the Company against any claims, damages or expenses, including legal costs. The guarantees have been given in the normal course of operations of these companies and are not expected to result in any loss to the Company on the basis of such companies fulfilling their ordinary commercial obligations.			

Contingent assets

Based on management analysis, there are no material contingent assets as at 31 March 2017 (31 March 2016: ₹ Nil; 1 April 2015: ₹ Nil).

NOTE 47: DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Based on the intimation received by the Company from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the relevant information is provided here below:

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
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	37.35	46.19	-
(ii) Interest due on above	-	-	-
The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
The amount of interest due and payable for the year on delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

NOTE 48: DISCLOSURE AS PER REGULATION 34(3) OF THE LISTING AGREEMENTS WITH THE STOCK EXCHANGES

Particulars	Financial year	Outstanding balance	Maximum amount due during the year
Loans & advances to subsidiaries (see note (i) below)			
- Triveni Engineering Limited	31-Mar-17	13.76	13.76
	31-Mar-16	13.76	13.76
Loans & advances to associates	31-Mar-17	-	-
	31-Mar-16	-	-
Loans & advances to firms/companies in which directors are interested	31-Mar-17	-	-
	31-Mar-16	-	-
Investment by the loanee in the shares of Triveni Engineering & Industries Ltd. and its subsidiaries	31-Mar-17	-	-
	31-Mar-16	-	-

(i) Represents amount incurred/advanced by the Company to support initial expenses of the subsidiary, repayable on demand.

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FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 49: DISCLOSURE FOR CERTIFIED EMISSION REDUCTIONS AND RENEWABLE ENERGY CERTIFICATES

(i) In accordance with the Guidance Note on Accounting for self-generated Certified Emission Reductions (CERs), issued by the Institute of Chartered Accountants of India, the Company has recognised the CERs held by it as inventories in its financial statements. Disclosures as required under the Guidance Note are as under:

(a) 86,562 (31 March 2016: 86,562; 1 April 2015: 86,562) CERs (net of fee for UNFCCC adaptation fund) have been held as inventory by the Company as at the end of the year.

(b) There are no CERs under certification as on the date of the financial statements;

(c) The Company's Deoband and Khatauli Phase-I projects are registered as Clean Development Mechanism (CDM) projects with United Nations Framework Convention on Climate Change (UNFCCC) and it is not feasible to identify specific items of machinery/equipment as an "emission reduction equipment". Accordingly, details of depreciation and operation & maintenance costs, pertaining to emission reducing equipment have not been provided.

(ii) During the year, the National Load Despatch Centre (NLDC) has issued 58,525 (31 March 2016: 74,993) Renewable Energy Certificates (RECs) to the Company under the Central Electricity Regulatory Commission Regulation on RECs. At the close of the year 122,728 (31 March 2016: 132,665; 1 April 2015: 106,533) RECs remained unsold and are held as inventories in the financial statements.

NOTE 50: DISCLOSURE ON SPECIFIED BANK NOTES (SBNS)

Pursuant to MCA notification G.S.R. 308(E) dated 30 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs (see (i) below)	Other denomination notes	Total
Closing cash on hand as on 8 November 2016	29.82	5.95	35.77
Add: Permitted receipts (see (ii) below)	72.76	209.98	282.74
Less: Permitted payments (see (iii) below)	(0.04)	(146.97)	(147.01)
Less: Amount deposited in banks	(102.54)	(5.94)	(108.48)
Closing cash on hand as on 30 December 2016	**-**	**63.02**	**63.02**

(i) For the purposes of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November 2016.

(ii) Permitted receipts for SBN represents amount received from sale of fuel at petrol pump

(iii) Permitted payments for SBNs represents exchange of SBNs over the counter at the Bank

NOTE 51: SCHEME OF DEMERGER

The Board of Directors of the Company had approved a Scheme of Arrangement ("the Scheme") framed under the provisions of section 391-394 of Companies Act 1956, whereby it was proposed to demerge the sugar business, comprising of sugar manufacture, cogeneration of power and distillation of alcohol, ("Demerged Undertaking") of the Company to its wholly owned subsidiary company, Triveni Industries Limited ("Resulting Company"). The Board of Directors, in the board meeting held on 9 February 2017, reviewed the progress of the said Scheme, the proceedings of which were pending in the National Company Law Tribunal (NCLT) for the sanction of the Scheme. In view of the unforeseen changes in business prospects and uncertainties prevailing in the near to medium term in the engineering business of the Company, in the overall interest of all stakeholders, the said scheme has been withdrawn by the Company as decided by the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 52: FIRST TIME ADOPTION OF IND AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet as at 1 April 2015 (the transition date). In preparing its opening Ind AS balance sheet, the Company has made adjustment to the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provision of the Act (previous GAAP or Indian GAAP). Further, in view of the classification of current and non-current items adopted in accordance with the criteria specified in Ind AS 1 *Presentation of Financial Statements* the corresponding figures of the previous years have been appropriately reclassified wheresoever necessary. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. EXEMPTIONS AND EXCEPTIONS AVAILED

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after the transition date. Business combinations occurring prior to the transition date have not been restated.

A.1.2 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 *Intangible Assets* and investment property covered by Ind AS 40 *Investment Properties*.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

A.1.3 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/ arrangements.

A.1.4 Investments in subsidiaries and associates

Ind AS 27 requires an entity to account for its investments in subsidiaries and associates either at cost or in accordance with Ind AS 109. Ind AS 101 provides an option to measure such investments as at the date of transition to Ind AS either at cost determined in accordance with Ind AS 27 or deemed cost, where deemed cost shall be its fair value as at date of transition to Ind AS or previous GAAP carrying amount as at that date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

The Company has elected to measure all of its investments in subsidiaries and associates at their previous GAAP carrying value.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP (after adjustments to reflect any difference in accounting policies) apart from certain new estimates that were not required under previous GAAP.

A.2.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets (debt instruments) in terms of whether they meet the amortised cost criteria or the fair value criteria based on the facts and circumstances that existed as of the transition date and the Company has followed the same.

A.2.4 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

B. RECONCILIATIONS BETWEEN PREVIOUS GAAP AND IND AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

B.1 Effect of Ind AS adoption on the balance sheet as at 31 March 2016 and 1 April 2015

Particulars	Note No.	As at 31 March 2016 (End of last period presented under previous GAAP)			As at 1 April 2015 (Date of transition)		
		Previous GAAP *	Effect of transition to Ind AS	Ind AS	Previous GAAP *	Effect of transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	C.1, C.2, C.10	85,669.20	372.91	86,042.11	86,724.62	(159.24)	86,565.38
Capital work-in-progress		933.69	-	933.69	1,842.36	-	1,842.36
Investment property	C.3	702.23	-	702.23	702.23	-	702.23
Intangible assets		152.71	-	152.71	118.62	-	118.62
Investments in subsidiaries and associates		4,620.78	-	4,620.78	4,610.60	-	4,610.60
Financial assets							
i. Investments	C.3, C.4	2.88	239.94	242.82	2.88	256.17	259.05
ii. Trade receivables	C.5	1,181.96	-	1,181.96	599.45	-	599.45
iii. Loans		10.88	-	10.88	5.85	-	5.85
iv. Other financial assets	C.6	1,085.80	(95.40)	990.40	840.06	(77.51)	762.55
Income tax assets (net)		4,670.45	-	4,670.45	4,465.37	-	4,465.37
Other non-current assets	C.2, C.6, C.11	17,701.26	(84.15)	17,617.11	18,280.23	(70.22)	18,210.01
Total non-current assets		**116,731.84**	**433.30**	**117,165.14**	**118,192.27**	**(50.80)**	**118,141.47**
Current assets							
Inventories	C.1, C.10	141,536.39	(301.72)	141,234.67	123,433.78	(280.55)	123,153.23
Financial assets							
i. Trade receivables	C.5	25,556.21	(146.29)	25,409.92	25,538.77	(139.00)	25,399.77
ii. Cash and cash equivalents		279.12	-	279.12	479.77	-	479.77
iii. Bank balances other than cash and cash equivalents		155.20	-	155.20	122.17	-	122.17
iv. Loans		51.74	-	51.74	105.00	-	105.00
v. Other financial assets	C.9,	909.81	(32.77)	877.04	148.30	(20.91)	127.39
Other current assets	C.2, C.6, C.11	11,612.51	34.54	11,647.05	24,585.69	13.80	24,599.49
		180,100.98	**(446.24)**	**179,654.74**	**174,413.48**	**(426.66)**	**173,986.82**
Assets classified as held for sale	C.10	261.79	(142.88)	118.91	143.62	324.27	467.89
Total current assets		**180,362.77**	**(589.12)**	**179,773.65**	**174,557.10**	**(102.39)**	**174,454.71**
Total assets		**297,094.61**	**(155.82)**	**296,938.79**	**292,749.37**	**(153.19)**	**292,596.18**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March 2016 (End of last period presented under previous GAAP)			As at 1 April 2015 (Date of transition)		
		Previous GAAP *	Effect of transition to Ind AS	Ind AS	Previous GAAP *	Effect of transition to Ind AS	Ind AS
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital		2,579.47	-	2,579.47	2,579.47	-	2,579.47
Other equity	C.1, C.4, C.5, C.6, C.7, C.9, C.11, C.12, C.15	57,727.19	(5,447.62)	52,279.57	58,964.31	(5,811.57)	53,152.74
Total equity		**60,306.66**	**(5,447.62)**	**54,859.04**	**61,543.78**	**(5,811.57)**	**55,732.21**
LIABILITIES							
Non-current liabilities							
Financial Liabilities							
i. Borrowings	C.8, C.11	39,470.22	(1,091.13)	38,379.09	39,638.26	(2,216.26)	37,422.00
ii. Other financial liabilities		61.24	-	61.24	91.86	-	91.86
Provisions		3,356.70	-	3,356.70	3,071.91	-	3,071.91
Other non-current liabilities	C.7, C.8, C.12	4.78	6,064.09	6,068.87	18.64	7,519.48	7,538.12
Total non-current liabilities		**42,892.94**	**4,972.96**	**47,865.90**	**42,820.67**	**5,303.22**	**48,123.89**
Current liabilities							
Financial liabilities							
i. Borrowings		116,195.11	-	116,195.11	95,371.66	-	95,371.66
ii. Trade payables		44,701.44	-	44,701.44	68,033.59	-	68,033.59
iii. Other financial liabilities	C.9, C.11	18,915.87	(1,703.24)	17,212.63	15,786.55	(1,248.81)	14,537.74
Other current liabilities	C.7, C.8	13,118.72	2,022.08	15,140.80	8,229.79	1,603.98	9,833.77
Provisions		963.87	-	963.87	963.32	-	963.32
Total current liabilities		**193,895.01**	**318.84**	**194,213.85**	**188,384.91**	**355.17**	**188,740.08**
Total liabilities		**236,787.95**	**5,291.80**	**242,079.75**	**231,205.58**	**5,658.39**	**236,863.97**
Total equity and liabilities		**297,094.61**	**(155.82)**	**296,938.79**	**292,749.36**	**(153.18)**	**292,596.18**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

B.2 Reconciliation of total equity as at 31 March 2016 and 1 April 2015

Particulars	Note No.	As at 31 March 2016 (End of last period presented under previous GAAP)	As at 1 April 2015 (Date of transition)
Total equity (shareholders' funds) under previous GAAP		60,306.66	61,543.78
Adjustments			
Capitalisation of items earlier classified as inventory and assets held for sale	C.1	(57.22)	(101.03)
Classification of lease hold land into operating lease	C.2	(8.75)	(8.01)
Fair valuation of investments	C.4	239.94	256.17
Provision for expected credit losses on trade receivables	C.5	(146.29)	(139.00)
Security deposits at amortised cost	C.6	(9.74)	(11.30)
Government grant accounting	C.7, C.8	(5,455.72)	(5,811.62)
Fair valuation of derivatives	C.9	(2.56)	(20.19)
Borrowings- upfront/processing fee accounted using effective interest rate	C.11	(12.06)	4.77
Leases- derecognition of lease equalisation liability	C.13	4.78	18.64
Total adjustment to equity		**(5,447.62)**	**(5,811.57)**
Total equity under Ind AS		**54,859.04**	**55,732.21**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

B.3 Effect of Ind AS adoption on the statement of profit and loss for the year ended 31 March 2016

Particulars	Note No.	Year ended 31 March 2016 (End of last period presented under previous GAAP)		
		Previous GAAP *	Effect of transition to Ind AS	Ind AS
Revenue from operations	C.13, C.6	200,113.84	(8.78)	200,105.06
Other income	C.6, C.7, C.9	2,577.90	419.85	2,997.75
Total income		**202,691.74**	**411.07**	**203,102.81**
Expenses				
Cost of materials consumed		151,509.03	-	151,509.03
Purchases of stock-in-trade		1,404.43	-	1,404.43
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(14,191.21)	-	(14,191.21)
Excise duty on sale of products	C.13	8,608.79	-	8,608.79
Employee benefits expense	C.14	15,855.34	14.51	15,869.85
Finance costs	C.11	11,480.16	16.82	11,496.98
Depreciation and amortisation expense	C.1	5,807.15	76.34	5,883.49
Impairment loss on financial assets (including reversals of impairment losses)	C.5	1,351.90	7.29	1,359.19
Other expenses	C.1, C.5, C.6, C.12	23,108.87	(46.14)	23,062.73
Total expenses		**204,934.46**	**68.82**	**205,003.28**
Profit/(loss) before exceptional items and tax		**(2,242.72)**	**342.25**	**(1,900.47)**
Exceptional items		1,012.79	-	1,012.79
Profit/(loss) before tax		**(1,229.93)**	**342.25**	**(887.68)**
Tax expense:				
- Current tax		-	-	-
- Deferred tax	C.17	-	(5.02)	(5.02)
Total tax expense		**-**	**(5.02)**	**(5.02)**
Profit/(loss) for the year		**(1,229.93)**	**347.27**	**(882.66)**
Other comprehensive income				
A (i) Items that will not be reclassified to profit or loss				
- Remeasurements of the defined benefit plans	C.14	-	14.51	14.51
		-	**14.51**	**14.51**
A (ii) Income tax relating to items that will not be reclassified to profit or loss	C.17	-	5.02	5.02
		-	**9.49**	**9.49**
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	C.17	-	-	-
Other comprehensive income for the year, net of tax	**C.16**	**-**	**9.49**	**9.49**
Total comprehensive income for the year		**(1,229.93)**	**356.76**	**(873.17)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

B.4 Reconciliation of total comprehensive income for the year ended 31 March 2016

Particulars	Note No.	Year ended 31 March 2016 (End of last period presented under previous GAAP)
Profit as per previous GAAP		(1,229.93)
Adjustments:		
Capitalisation of items earlier classified as inventory and assets held for sale	C.1	36.63
Classification of lease hold land into operating lease	C.2	(0.74)
Fair valuation of investments	C.4	(16.23)
Provision for expected credit losses on trade receivables	C.5	(7.29)
Security deposits at amortised cost	C.6	1.55
Government grant accounting	C.7	355.90
Fair valuation of derivatives	C.9	17.63
Borrowings- upfront/processing fee accounted using effective interest rate	C.11	(16.83)
Leases- derecognition of lease equalisation liability	C.12	(13.86)
Remeasurements of post-employment benefit obligations	C.14	(14.51)
Tax effect of adjustments	C.17	5.02
Total effect of transition to Ind AS		**347.27**
Profit for the year as per Ind AS		**(882.66)**
Other comprehensive for the year (net of tax)	C.14, C.16, C.17	9.49
Total comprehensive income under Ind AS		**(873.17)**

Note : Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under previous GAAP.

B.5 Effect of Ind AS adoption on the statement of cash flows for the year ended 31 March 2016

Particulars	Note No.	Year ended 31 March 2016 (End of last period presented under previous GAAP)		
		Previous GAAP*	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	C1	(9,436.88)	150.31	(9,286.57)
Net cash flows from investing activities	C1	(2,704.05)	(150.31)	(2,845.36)
Net cash flows from financing activities		11,940.28	-	11,940.28
Net increase (decrease) in cash and cash equivalents		**(200.65)**	**-**	**(200.65)**
Cash and cash equivalents at the beginning of the year		479.77	-	479.77
Cash and cash equivalents at the end of the year		**279.12**	**-**	**279.12**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

C. NOTES TO FIRST-TIME ADOPTION:

C.1 Property, plant and equipment

Under the previous GAAP, the Company has classified and accounted the items of machinery spares, stores, tools etc. as fixed assets or inventory in accordance with AS 10 *Accounting for Fixed Assets* and AS 2 *Valuation of Inventories*. Ind AS 16 *Property, Plant and Equipment* requires tangible assets to be classified as property, plant and equipment (PPE) if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and are expected to be used during more than one period. Depreciation charge shall start on such assets upon capitalisation on date

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

of ready to use. Based on the assessment performed by the management, it has been determined that some assets earlier classified as inventories as per previous GAAP qualify to be classified as items of PPE in accordance with Ind AS 16. Further, Ind AS 16 provided clear guidance on accounting of compensation for damage/loss to PPE which was not that clear in the previous GAAP. Under Ind AS 16, such loss, compensation thereof and cost of new item of PPE are required to be accounted separately. Consequent to aforementioned changes and componentisation accounting, inventories is reduced by ₹ 301.74 lakhs as at 31 March 2016 (1 April 2015: ₹ 281.31 lakhs), PPE is increased by ₹ 263.46 lakhs as at 31 March 2016 (1 April 2015: ₹ 180.27 lakhs), other expenses for the year ended 31 March 2016 is decreased by ₹ 93.01 lakhs and depreciation for the year ended 31 March 2016 is increased by ₹ 57.41 lakhs. Total equity is decreased by ₹58.26 lakhs as at 31 March 2016 (1 April 2015: ₹ 93.85 lakhs) and loss for the year ended 31 March 2016 is decreased by ₹ 35.59 lakhs. Net cashflow from investing activities decreased by ₹ 150.31 lakhs with an equivalent increase in net cashflow from operating activities for the year ended 31 March 2016.

C.2 Leasehold land

Under Previous GAAP, land was scoped out from the purview of AS 19 *Leases* and hence leasehold land were capitalised by the Company forming part of fixed assets. Ind AS 17 *Leases* covers leasehold land in its scope. Leasehold land were, therefore, identified under finance leases and operating leases based upon the criteria specified in the accounting standard. Leasehold land, which are identified under operating leases, have been decapitalised from PPE and fair value of one time initial payments made against such leases have been considered as prepaid lease charges which shall be charged to the statement of profit and loss over the tenure of the lease as lease rent. Consequently, PPE is reduced by ₹ 14.47 lakhs as at 31 March 2016 (1 April 2015: ₹ 14.48 lakhs), Other assets (prepaid lease charges) increased by ₹ 5.72 lakhs as at 31 Mar 2016 (1 April 2015 : ₹ 6.47 lakhs) lease rent for the year ended 31 March 2016 is increased by ₹ 0.75 lakhs depreciation decreased by ₹ 0.01 lakhs. Total equity is decreased by ₹ 8.75 lakhs as at 31 March 2016 (1 April 2015 : ₹ 8.01 lakhs) and loss for the year ended 31 March 2016 is increased by ₹ 0.74 lakhs.

C.3 Investment property

Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or loss as a result of this adjustment.

C.4 Investments

Under the previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, long term investments in equity instruments (other than investments in subsidiaries and associates) and bonds have been classified as FVTPL. Fair value changes with respect to these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2016. The effect of these changes is an increase in total equity as at 31 March 2016 by ₹ 239.94 lakhs (1 April 2015: ₹ 256.17 lakhs.

C.5 Trade receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts increased by ₹ 146.29 lakhs as at 31 March 2016 (1 April 2015: ₹ 138.99 lakhs). Consequently, the total equity as at 31 March 2016 decreased by ₹ 146.29 lakhs (1 April 2015: ₹ 139 lakhs) and profit for the year ended 31 March 2016 decreased by ₹ 7.29 lakhs.

C.6 Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised under other assets as prepaid rent/O&M revenue adjustment, to be amortised over the contractual term. Consequent to this change, the amount of security deposits decreased by ₹ 95.40 lakhs as at 31 March 2016 (1 April 2015: ₹ 77.51 lakhs). Other assets increased by ₹ 85.65 lakhs as at 31 March 2016 (1 April 2015: ₹ 66.21 lakhs). Total equity as at 31 March 2016 decreased by ₹ 9.75 lakhs (1 April 2015 : ₹ 11.30 lakhs). The loss for the year ended 31 March 2016 decreased by ₹ 1.55 lakhs due to recognition of notional interest income of ₹ 27.38 lakhs recognised on security deposits which is partially off set by amortisation of the prepaid rent/O&M revenue adjustment of ₹ 25.83 lakhs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

C.7 Government grants under U.P. Sugar Industry Promotion Policy 2004

Under the previous GAAP, government grant under U.P. Sugar Industry Promotion Policy 2004 was recognised in capital reserve considering it in the nature of promoters' contribution in accordance with AS 12 *Accounting for Government Grants*. Under Ind AS, there is no such concept of grants in the nature of promoters' contribution and such grant are recognised as deferred government grant considering it grant related to assets in accordance with Ind AS 20 *Accounting for Government Grants and Disclosure of Government Assistance*. The deferred grant shall be recognised in the profit or loss in proportionate to the depreciation charge on the related assets. Consequently, capital reserve of ₹ 10,470.00 lakhs as at 31 March 2016 (1 April 2015: ₹ 10,470.00 lakhs) is derecognised with corresponding recognition of deferred government grant with equivalent amount. The deferred government grant is further reduced to the extent of accumulated amortisation of deferred grant of ₹ 4,658.38 lakhs as at 1 April 2015 by crediting retained earnings and recognition of grant to the extent of ₹ 355.90 lakhs in the statement of profit and loss for the year ended 31 March 2016, in proportion of the depreciation charge on related assets. Total equity as at 31 March 2016 is decreased by ₹ 5,455.72 lakhs (1 April 2015: ₹ 5,811.62 lakhs) and loss for the year ended 31 March 2016 is decreased by ₹ 355.90 lakhs.

C.8 Government grants for loans with interest subvention or below-market rate of interest

Under the previous GAAP, government grant in the form of interest subvention on loans or loans with below-market rate of interest was recognised by way of non recognition of finance cost to the extent of government grant in accordance with AS 12 *Accounting for Government Grants*. Ind AS 20 *Accounting for Government Grants and Disclosure of Government Assistance* requires the benefit of a government loan at a below-market rate of interest to be recognised as deferred government grant wherein the benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109 and proceeds received. Subsequently, the government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses the related costs for which the grants are intended to compensate. Consequently, loans with interest subvention or below-market rate of interest is reduced by ₹ 2,635.22 lakhs as at 31 March 2016 (1 April 2015: ₹ 3,330.48 lakhs) and deferred government grant is recognised of equivalent amount. Further, interest charge is increased by ₹ 1,700.87 lakhs during the year ended at 31 March 2016 which is off set by recognition of grant in the statement of profit and loss of equivalent amount. through amortisation of deferred government grant

C.9 Derivatives

Under the previous GAAP, in respect of derivative contracts, being foreign exchange forward contracts, relating to firm commitments or highly probable forecast transactions, provision was made for mark to market losses, if any, at the balance sheet date and gains, if any, were not recognised till settlement. Foreign exchange forward contracts (not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculative purposes) were translated at the balance sheet date. Any gain/loss on translation or settlement were recognised in profit or loss. The difference between the forward rate and exchange rate at the inception of foreign exchange forward contracts was amortised as expense or income over the life of the contracts.

Under Ind AS, 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.

Consequently, all balances outstanding as at year end under previous GAAP accounting are required to be reversed and accordingly balances of unamortised premium/discount of ₹ 33.15 lakhs as at 31 March 2016 (1 April 2015: ₹ 20.91 lakhs), provision for mark to market loss of ₹ Nil as at 31 March 2016 (1 April 2015: ₹ 6.65 lakhs), hedging bank payable of ₹ 30.21 lakhs as at 31 March 2016 (1 April 2015: ₹ 48.04 lakhs) have been reversed. All outstanding contracts as at year end are accounted at fair value in accordance with Ind AS 109 and accordingly as at 31 March 2016 derivative asset of ₹ 0.38 lakhs (1 April 2015: derivative liability of ₹ 53.97 lakhs) is recognised. Consequent to this, the total equity as at 31 March 2016 decreased by ₹ 2.56 lakhs (1 April 2015: ₹ 20.19 lakhs) and loss for the year ended 31 March 2016 is decreased by ₹ 17.63 lakhs.

C.10 Assets classified as held for sale

Under the previous GAAP, the Company has disclosed the assets held for sale under 'other current assets' in accordance with AS 10 *Accounting for Fixed Assets*. Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations* requires non-current assets to be identified as held for sale if the carrying amount will be recovered principally through a sale transaction

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

rather than through continuing use and a sale is considered highly probable. Ind AS 105 lays down detailed guidelines and criteria in this regard whereas no such detailed guidelines and criteria were available under previous GAAP. Based on the assessment performed by the management, it has been determined that some assets earlier classified as held for sale in previous GAAP accounts do not qualify to be classified as held for sale in accordance with Ind AS 105 and vice versa. Consequently, assets classified as held for sale as at 31 March 2016 is at ₹ 118.91 lakhs (1 April 2015: ₹ 467.89 lakhs) and same have been presented separately from the other non-current assets in the balance sheet. PPE as at 31 March 2016 increased by ₹ 123.92 lakhs (1 April 2015: decreased by ₹ 325.03 lakhs), inventory as on 31 March 2016 increased by ₹ 0.02 lakhs (1 April 2015 : ₹ 0.76 lakhs) total equity as at 31 March 2016 is decreased by ₹ 18.94 lakhs and loss for the year ended 31 March 2016 is increased by the equivalent amount as a result of additional depreciation expense on account of assets reclassified as PPE.

C.11 Borrowings

Ind AS 109 requires that the upfront/processing fees paid in respect of the borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, such fees were charged to profit or loss on straight line basis over the tenure of loan. Accordingly, borrowings as at 31 March 2016 have been reduced by ₹ 128.94 lakhs (1 April 2015: ₹ 133.87 lakhs) and unamortised upfront/processing fees as at 31 March 2016 have been reduced by ₹ 140.98 lakhs (1 April 2015: ₹ 129.10 lakhs) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The loss for the year ended 31 March 2016 increased by ₹ 16.83 lakhs as a result of the additional interest expense.

C.12 Leases

Under the previous GAAP, lease payments under operating lease were recognised as an expense in the statement of profit and loss on a straight line basis over the lease term in accordance with AS 19 *Leases*. Ind AS 17 *Leases* requires lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Since the Company's operating lease increases are in the range of 5-6% p.a. i.e. in line with general inflation hence impact of straight lining is nullified. Consequently, lease equalisation liability of ₹ 4.78 lakhs as at 31 March 2016 (1 April 2015: ₹ 18.64 lakhs) is derecognised, total equity is increased by ₹ 4.78 lakhs as at 31 March 2016 (1 April 2015: ₹ 18.64 lakhs) and loss for the year ended 31 March 2016 is increased by ₹ 13.86 lakhs.

C.13 Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2016 by ₹ 8,608.79 lakhs. There is no impact on the total equity or loss for the year ended 31 March 2016.

C.14 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income net of tax. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the loss for the year ended March 31, 2016 decreased by ₹ 9.49 lakhs (net of tax effect of ₹ 5.02 lakhs). There is no impact on the total equity as at 31 March 2016

C.15 Retained earnings

Retained earnings as at 1 April 2015 has been adjusted consequent to the above Ind AS transition adjustments.

C.16 Other comprehensive income

Under the previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified item of income, expense, gains, or losses are required to be presented in other comprehensive income.

C.17 Deferred tax

Under the previous GAAP, deferred tax accounting is done using income statement approach, which focuses on timing

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

differences between taxable profits and accounting profits for the period. Ind AS 12 *Income Taxes* requires to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under previous GAAP. In addition, the various transitional adjustments lead to temporary differences. However, there has been no over all impact since the Company has carry forward tax losses and such losses have been recognised as deferred tax assets only to the extent or temporary differences that will result in taxable amount against which such unused tax losses can be utilised in accordance of para 34-36 of Ind AS 12. Consequently, net deferred tax liability/asset as at 31 March 2016 is ₹ Nil (1 April 2015 : ₹ Nil) and there is no impact on total equity as on 31 March 2016.

NOTE 53: RECENT ACCOUNTING PRONOUNCEMENTS

The Ministry of Corporate Affairs (MCA) vide notification dated 17 March 2017 has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended Ind AS 7 *Statement of Cash Flows*. The amendment to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On application of the amendment, entities are not required to provide comparative information for preceding period. These amendments are effective for accounting periods beginning on or after 1 April 2017. Application of this amendment will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

NOTE 54: APPROVAL OF STANDALONE FINANCIAL STATEMENTS

The standalone financial statements were approved for issue by the Board of Directors on 20 May 2017 subject to approval of shareholders.

As per our report of even date attached

For **J.C.Bhalla & Company**
Chartered Accountants
Firm's registration No. : **001111N**

Sudhir Mallick
Partner
Membership No. : 80051

Place : Noida (U.P.)
Date : May 20, 2017

For and on behalf of 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 Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Triveni Engineering & Industries Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), and its Associates which comprise the consolidated balance sheet as at March 31, 2017, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) 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 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 for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs (financial position) of the Group, and its Associates as at March 31, 2017 and its consolidated profit (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year then ended.

Other Matters

(a) We did not audit the Ind AS financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 652 lakhs and net assets of Rs. 463 lakhs as at March 31, 2017, total revenues of Rs. 5 lakhs and net cash flows amounting to Rs. 0.13 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, 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, is based solely on the reports of the other auditors.

(b) The consolidated Ind AS financial statements include the Group's share of income of Rs. 24 lakhs for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of a associate, whose financial statements have not been audited by us. These financial statements are unaudited and 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 the 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 associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us, by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors and the consolidated Ind AS financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of other auditors on separate Ind AS financial statements of the subsidiaries as mentioned in sub-paragraph (a) of the Other Matters paragraph, 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 of the aforesaid consolidated Ind AS financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

c) The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

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

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 and 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, we report that, except for one director (since deceased) of an associate company, none of the directors of the Group Companies and its associate company incorporated in India is disqualified as on March 31, 2017 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 the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

g) With respect to the other matters to be included in the Auditors' 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 the consideration of the reports of other auditors on separate financial statements of the subsidiaries as noted in sub-paragraph (a) of the Other Matters paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate companies. – Refer Note 46 to the consolidated Ind financial statements.

ii. The Group and its associate companies did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2017.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate company incorporated in India.

iv. The Holding Company has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us (and other auditors) by the management of the respective Group entities.

For J.C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N

Sudhir Mallick
Partner
Membership No. 80051

Place: Noida (U.P.)
Date : May 20, 2017

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF TRIVENI ENGINEERING & INDUSTRIES LIMITED

Referred to in paragraph 1 (f) of the Independent Auditors' Report of even date under the heading "Report on Other Legal and Regulatory Requirements" to the members of Triveni Engineering & Industries Limited on the consolidated Ind AS financial statements as of and for the year ended March 31, 2017

Report on the Internal Financial Controls under Clauses (i) of Sub-section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Triveni Engineering & Industries Limited (herein after referred to as "the Holding Company"), 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 these companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its associate which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiaries and its associate, which are companies incorporated in India.

Meaning of Internal Financial controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 issued by the ICAI as it appears from our examination of the books and records of the Holding Company and the reports of the other auditors in respect of entities audited by them.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to audited two subsidiary companies which are the companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For J.C. Bhalla & Co.
Chartered Accountants
Firm Regn. No. 001111N
Sudhir Mallick
Partner
Membership No. 80051

Place: Noida (U.P.)
Date : May 20, 2017

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
ASSETS				
Non-current assets				
Property, plant and equipment	3	84,580.20	86,042.11	86,565.38
Capital work-in-progress	3	211.33	933.69	1,842.36
Investment property	4	1,170.12	1,170.12	1,170.12
Intangible assets	5	82.32	152.71	118.62
Investments accounted for using the equity method	6 (a)	10,375.48	8,449.59	7,447.52
Financial assets				
i. Investments	6 (b)	488.23	242.82	259.05
ii. Trade receivables	7	81.98	1,181.96	599.45
iii. Loans	8	7.12	10.88	5.85
iv. Other financial assets	9	924.84	990.40	762.55
Income tax assets (Net)	22	2,920.15	4,671.32	4,466.76
Other non-current assets	10	643.53	17,617.11	18,210.01
Total non-current assets		**101,485.30**	**121,462.71**	**121,447.67**
Current assets				
Inventories	11	167,481.68	141,234.67	123,153.23
Financial assets				
i. Trade receivables	7	27,709.52	25,409.51	25,397.31
ii. Cash and cash equivalents	12 (a)	657.10	286.54	508.89
iii. Bank balances other than cash and cash equivalents	12 (b)	84.73	206.64	156.17
iv. Loans	8	38.69	51.74	105.00
v. Other financial assets	9	324.34	290.37	131.24
Other current assets	10	12,980.06	11,647.05	24,599.49
Total current assets		**209,276.12**	**179,126.52**	**174,051.33**
Total assets		**310,761.42**	**300,589.23**	**295,499.00**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	2,579.47	2,579.47	2,579.47
Other equity	14	80,958.90	56,129.27	56,854.45
Equity attributable to owners of the Company		**83,538.37**	**58,708.74**	**59,433.92**
Non-controlling interests	**15**	0.00	0.00	-
Total equity		**83,538.37**	**58,708.74**	**59,433.92**
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
i. Borrowings	16	27,536.23	38,379.09	37,422.00
ii. Other financial liabilities	17	30.62	61.24	91.86
Provisions	18	3,863.01	3,356.70	3,071.91
Deferred tax liabilities (Net)	23	2,342.30	-	-
Other non-current liabilities	19	250.84	6,068.87	7,538.12
Total non-current liabilities		**34,023.00**	**47,865.90**	**48,123.89**
Current liabilities				
Financial liabilities				
i. Borrowings	20	124,209.92	116,195.11	95,371.66
ii. Trade payables	21	25,658.94	44,702.17	68,034.45
iii. Other financial liabilities	17	24,745.82	17,212.63	14,537.74
Other current liabilities	19	16,988.19	14,940.80	9,034.02
Provisions	18	1,332.40	963.87	963.32
Income tax liabilities (Net)	22	264.78	0.01	-
Total current liabilities		**193,200.05**	**194,014.59**	**187,941.19**
Total liabilities		**227,223.05**	**241,880.49**	**236,065.08**
Total equity and liabilities		**310,761.42**	**300,589.23**	**295,499.00**

The accompanying notes 1 to 55 form an integral part of these consolidated financial statements

As per our report of even date attached

For **J.C.Bhalla & Company**
Chartered Accountants
Firm's registration No. : **001111N**

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

Sudhir Mallick
Partner
Membership No. : 80051

Dhruv M. Sawhney
Chairman & Managing Director

Homai A. Daruwalla
Director & Chairperson Audit Committee

Place : Noida (U.P.)
Date : May 20, 2017

Suresh Taneja
Group CFO

Geeta Bhalla
Group Vice President & Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

AS AT MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	Year ended 31-Mar-17	Year ended 31-Mar-16
Revenue from operations	24	296,686.61	200,105.06
Other income	25	2,713.70	1,764.62
Total income		**299,400.31**	**201,869.68**
Expenses			
Cost of materials consumed	26	206,446.07	151,509.03
Purchases of stock-in-trade	27	1,536.93	1,404.43
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	(23,950.82)	(14,191.21)
Excise duty on sale of products		14,231.95	8,608.79
Employee benefits expense	29	18,771.48	15,869.85
Finance costs	30	12,655.44	11,497.00
Depreciation and amortisation expense	31	5,720.99	5,883.49
Impairment loss on financial assets (including reversals of impairment losses)	32	635.83	1,359.19
Other expenses	33	26,861.04	23,067.46
Total expenses		**262,908.91**	**205,008.03**
Profit/(loss) before share of net profits of investments accounted for using equity method and tax		**36,491.40**	**(3,138.35)**
Share of net profit of associates accounted for using the equity method	44	2,267.76	2,231.90
Profit/(loss) before exceptional items and tax		**38,759.16**	**(906.45)**
Exceptional items	34	(8,546.74)	173.59
Profit/(loss) before tax		**30,212.42**	**(732.86)**
Tax expense:			
- Current tax	35	2,336.57	1.00
- Deferred tax	35	2,579.73	(5.02)
Total tax expense		**4,916.30**	**(4.02)**
Profit/(loss) for the year		**25,296.12**	**(728.84)**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans	14 (vii), 38	(686.05)	14.51
- Share of other comprehensive income of associates accounted for using the equity method	14 (vii), 44	(28.43)	5.56
		(714.48)	**20.07**
A (ii) Income tax relating to items that will not be reclassified to profit & loss	35	(237.43)	5.02
		(477.05)	**15.05**
B (i) Items that may be reclassified to profit or loss			
- Share of other comprehensive income of associates accounted for using the equity method (pertaining to exchange differences arising on translating the foreign operations)	14 (viii), 44	(2.84)	(24.71)
		(2.84)	**(24.71)**
B (ii) Income tax relating to items that may be reclassified to profit & loss	35	-	-
		(2.84)	**(24.71)**
Other comprehensive income for the year, net of tax		**(479.89)**	**(9.66)**
Total comprehensive income for the year		**24,816.23**	**(738.50)**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

AS AT MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	Year ended 31-Mar-17	Year ended 31-Mar-16
Profit/(loss) attributable to:			
Owners of the Company		25,296.12	(728.84)
Non-controlling interests		(0.00)	(0.00)
		25,296.12	**(728.84)**
Other comprehensive income attributable to:			
Owners of the Company		(479.89)	(9.66)
Non-controlling interests		-	-
		(479.89)	**(9.66)**
Total comprehensive income attributable to:			
Owners of the Company		24,816.23	(738.50)
Non-controlling interests		(0.00)	(0.00)
		24,816.23	**(738.50)**
Earnings/(loss) per equity share (face value ₹ 1 each)			
Basic	36	9.81	(0.28)
Diluted	36	9.81	(0.28)

The accompanying notes 1 to 55 form an integral part of these consolidated financial statements

As per our report of even date attached

For **J.C.Bhalla & Company**
Chartered Accountants
Firm's registration No. : **001111N**

Sudhir Mallick
Partner
Membership No. : 80051

Place : Noida (U.P.)
Date : May 20, 2017

For and on behalf of 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

AS AT MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 1 each issued, subscribed and fully paid up (including forfeited shares)

As at 1 April 2015	2,579.47
Changes in equity share capital	-
As at 31 March 2016	**2,579.47**
Changes in equity share capital	-
As at 31 March 2017	**2,579.47**

B. OTHER EQUITY

	Attributable to owners of the Company									Non-controlling interests	Total
	Reserves and surplus							Items of other comprehensive income	Total other equity		
	Capital redemption reserve	Capital reserve	Securities premium	Amalgamation Reserve	General reserve	Molasses storage fund reserve	Retained earnings	Foreign currency translation reserve			
Balance as at 1 April 2015	458.50	2,868.83	26,561.22	926.34	51,440.90	195.27	(25,596.58)	(0.03)	56,854.45	-	56,854.45
Profit/(loss) for the year	-	-	-	-	-	-	(728.84)	-	(728.84)	(0.00)	(728.84)
Other comprehensive income, net of income tax	-	-	-	-	-	-	9.49	-	9.49	-	9.49
Share of other comprehensive income of associates	-	-	-	-	-	-	5.56	(24.71)	(19.15)	-	(19.15)
Total comprehensive income for the year	-	-	-	-	-	-	(713.79)	(24.71)	(738.50)	(0.00)	(738.50)
Share of associates	-	-	13.32	-	-	-	-	-	13.32	-	13.32
Transferred to molasses storage fund reserve	-	-	-	-	-	26.72	(26.72)	-	-	-	-
Withdrawal from molasses storage fund reserve	-	-	-	-	-	(39.60)	39.60	-	-	-	-
Balance as at 31 March 2016	458.50	2,868.83	2 6,574.54	926.34	5 1,440.90	182.39	(26,297.49)	(24.74)	56,129.27	(0.00)	56,129.27
Profit/(loss) for the year	-	-	-	-	-	-	25,296.12	-	25,296.12	(0.00)	25,296.12
Other comprehensive income, net of income tax	-	-	-	-	-	-	(448.62)		(448.62)	-	(448.62)
Share of other comprehensive income of associates	-	-	-	-	-	-	(28.43)	(2.84)	(31.27)	-	(31.27)
Total comprehensive income for the year	-	-	-	-	-	-	24,819.07	(2.84)	24,816.23	(0.00)	24,816.23
Share of associates	-	-	13.40	-	-	-	-	-	13.40	-	13.40
Transferred to molasses storage fund reserve	-	-	-	-	-	20.03	(20.03)	-	-	-	-
Withdrawal from molasses storage fund reserve	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	458.50	2,868.83	26,587.94	926.34	51,440.90	202.42	(1,498.45)	(27.58)	80,958.90	(0.00)	80,958.90

The accompanying notes 1 to 55 form an integral part of these consolidated financial statements

As per our report of even date attached

For **J.C.Bhalla & Company**
Chartered Accountants
Firm's registration No. : **001111N**

Sudhir Mallick
Partner
Membership No. : 80051

Place : Noida (U.P.)
Date : May 20, 2017

For and on behalf of 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

AS AT MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Cash flows from operating activities		
Profit / (loss) before tax	30,212.42	(732.86)
Adjustments for		
Share of net profit of associate accounted for using the equity method	(2,267.76)	(2,231.90)
Depreciation/amortisation	5,720.99	5,883.49
Loss on sale/write off/impairment of property, plant and equipment	82.15	87.67
Exceptional items	8,546.74	(173.59)
Profit on sale of shares in a subsidiary company	-	(0.00)
Net loss on sale/redemption of investments	0.65	-
Net fair value gains/(losses) on investments	(97.44)	16.23
Amortisation of government grants	-	(355.90)
Interest income	(659.56)	(100.72)
Finance costs	12,655.44	11,497.00
Unrealised losses / (gains) from changes in foreign exchange rates	(40.35)	38.12
Mark-to-market losses / (gains) on derivatives	84.88	(0.38)
Dividend income	(2.94)	(2.75)
Working capital adjustments :		
Change in trade receivables	(1,191.42)	(593.04)
Change in inventories	(26,247.01)	(18,082.18)
Change in trade payables	(19,041.79)	(23,371.51)
Change in other financial assets	227.06	(347.91)
Change in other current assets	1,528.68	13,251.63
Change in provisions	188.80	299.85
Change in other financial liabilities	1,149.06	320.56
Change in current liabilities	3,358.10	5,488.70
Cash generated from operations	**14,206.70**	**(9,109.49)**
Income tax paid (refund)- net	213.98	(205.55)
Net cash inflow from operating activities	**14,420.68**	**(9,315.04)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,196.99)	(4,280.77)
Proceeds from sale of property, plant and equipment	110.12	148.95
Dividend received from associates	324.00	1,224.00
Other dividends received	2.94	2.75
Purchase of investments	(198.70)	-
Proceeds from sale of investments	50.08	-
Interest received	67.97	57.49
Net cash outflow from investing activities	**(3,840.58)**	**(2,847.58)**

CONSOLIDATED STATEMENT OF CASH FLOWS

AS AT MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Cash flows from financing activities		
Proceeds from long term borrowings	9,990.75	14,749.83
Repayment of long term borrowings	(15,534.34)	(12,225.90)
Increase in short term borrowings	8,044.98	20,822.90
Interest paid	(12,616.44)	(11,398.94)
Proceeds from divestment of stake in subsidiary company	-	0.00
Payment of unclaimed dividend	(4.27)	(3.65)
Redemption of unclaimed preference shares	(90.22)	(0.24)
Payment of unclaimed matured deposits	-	(3.73)
Net cash inflow / (outflow) from financing activities	**(10,209.54)**	**11,940.27**
Net increase / (decrease) in cash and cash equivalents	**370.56**	**(222.35)**
Cash and cash equivalents at the beginning of the year (refer note 12 (a))	286.54	508.89
Cash and cash equivalents at the end of the year (refer note 12 (a))	**657.10**	**286.54**

The accompanying notes 1 to 55 form an integral part of these consolidated financial statements

As per our report of even date attached

For **J.C.Bhalla & Company**
Chartered Accountants
Firm's registration No. : **001111N**

Sudhir Mallick
Partner
Membership No. : 80051

Place : Noida (U.P.)
Date : May 20, 2017

For and on behalf of 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, 2017

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 comprise manufacture of sugar, co-generation and distillery. Engineering business primarily comprises high speed gears, gearboxes and water treatment solutions.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation and presentation

(i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The consolidated financial statements up to year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

These consolidated financial statements are the first financial statements of the Group under Ind AS. The date of transition to Ind AS is 1 April 2015. Refer note 53 for the details of first-time adoption exemptions availed by the Group and an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis except for certain assets and liabilities (including derivative instruments) 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, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

(iii) 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, 2017

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 (note 44).

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) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 37 for segment information presented.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, other similar allowances, value added taxes, service tax and amounts collected on behalf of third parties, if any.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below.

Recognising revenue from major business activities

(i) Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

with ownership nor effective control over the goods sold;

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(ii) **Rendering of services**

Revenue from a contract to provide services is recognised when the outcome of a transaction involving the rendering of services can be estimated reliably, by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- erection & commissioning / service revenue is recognised by reference to the stage of completion of the erection & commissioning/service, determined based on technical estimate of completion of physical proportion of the contract work;
- operation & maintenance revenue is recognised by reference to the stage of completion of operations & maintenance work, determined as the proportion of the total period of services contract that has elapsed at the end of the reporting period

(iii) **Construction contracts**

When the outcome of a construction contract can be estimated reliably, revenue is recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated balance sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated balance sheet under trade receivables.

(iv) **Revenue from sale of Certified Emission Reductions (CERs) and Renewable Energy Certificates (RECs)**

Income from the sale of CERs and RECs is recognised on the delivery of the CERs/RECs to the customer's account as evidenced by the receipt of confirmation of execution of delivery instructions.

(v) **Rental income**

The Group's policy for recognition of revenue from operating leases is described in note 1(e) below.

(vi) **Dividend income**

Dividend income from investments is recognised when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

(vii) **Interest income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. 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.

(d) **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, 2017

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a systematic and rational basis over the expected useful lives of the related assets and presented within other income.

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

The benefit of a loan at a below market rate of interest or loan with interest subvention is treated as a government grant, measured as a difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

(e) 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(h) 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 in 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. The respective leased assets are included in the consolidated balance sheet based on their nature.

(f) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (₹), which is Group's functional and presentation currency unless stated otherwise.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss in the period in which they arise except for foreign exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the consolidated statement of profit and loss within 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 gains/(losses).

(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

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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.

(g) 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.

(h) 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. 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.

(i) 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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.

(j) Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment shall be 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. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

Fixture and fittings and improvements to leasehold buildings not owned by the Group are amortised over the 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.

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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.

(k) 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 measured initially at its cost, including related transaction costs and where applicable borrowing costs. 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 properties are depreciated using the straight-line method over their estimated useful lives as stated in Schedule II 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.

(l) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. 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 of the intangible assets are as follows:

Assets	Estimated useful life
Computer software	36 months
Technical know-how	72 months

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.

(m) Inventories

(i) Inventories of raw materials, components, stores and spares are valued at lower of cost and net realisable value. 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 and spares is considered on the following basis :

Raw materials & Components

Business Units	Basis
Sugar	First in first out
Gears, Co-generation & Distillery	Weighted Average
Water Business Group	Specific Cost

Stores & Spares

Business Units	Basis
Water Business Group	Specific Cost
Other units	Weighted Average

(ii) 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 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. Excise duty is included in the value of finished goods.

(iii) 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.

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(iv) By-products (excluding those used as raw materials) and scrap are valued at estimated net realisable value.

(n) Provisions

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.

(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 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 yields at the end of the reporting period that have terms approximating to the terms 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
- defined contribution plans towards provident fund plan & employee pension scheme, employee state insurance, superannuation scheme, national pension scheme and provident fund (set-up by the Company and administered through trust).

Defined benefit plans

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 defined benefit plans 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 yields at the end of the reporting period on government bonds that have terms approximating to the terms 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.

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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.

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

  The Company makes contribution towards provident fund, in substance a defined contribution plan, which was set-up by the Company and administered through trust for the benefit of certain employees. The interest rate payable by the trust to the beneficiaries is regulated by statutory authorities which requires that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return of investments is less or for any other reason, then the deficiency shall be made good by the Company.

(p) Dividends

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

(q) Financial assets

(i) Classification

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

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

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

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

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

(ii) Measurement

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

Debt instruments

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

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- **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) (iii)). Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

(iii) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss associated with its financial assets carried at amortised cost and FVTOCI debt instruments.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 Construction Contracts and Ind AS 18 Revenue, the Group applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-months ECL.

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

ECL is determined with reference to historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. Note 41 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(v) Effective interest method

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

(r) Financial liabilities and equity instruments

(i) Classification

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

Equity instruments

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

Financial liabilities

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

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

(iii) Derecognition

Equity instruments

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

Financial liabilities

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

(iv) Effective interest method

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

(v) Foreign exchange gains and losses

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

(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 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.

(u) Fair value of financial instruments

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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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) Accumulated un-utilised cenvat credit

The distillery at Muzaffarnagar utilises molasses as the principal raw material in the manufacture of its finished products. Molasses is subject to specific rate of excise duty whereas the output products are either subject to ad-valorem excise duty or are exempted from the levy of excise duty. Due to the excise duty structure on inputs and outputs, provision prescribed in the excise laws to reverse excise duty on the inputs on the sale of exempted products and cenvat credit availed on the capital goods, the unutilised cenvat credit balances had substantially increased and in view of slow pace of liquidation of such balances, a provision for impairment was considered to the extent of ₹ 829.36 lakhs.

With the recent legislation passed by the Parliament on the Goods and Services Tax ("GST"), the Group has been legally advised that under the GST laws, the unuilised cenvat credit accumulated at the distillery, which is registered (inter-alia along with other businesses) in the state of Uttar Pradesh, can be utlised to discharge the GST liability against supply of any goods/services by the Group under the same registration. Accordingly the entire unutilised cenvat credit of ₹4,127.13 lakhs, pertaining to the distillery would, in the opinion of management be utilised within a short period upon GST coming into effect and hence, the impairment loss, earlier recognised by the Group, has been reversed during the year.

(ii) Subsidy recoverable under U.P. Sugar Promotion Policy 2004

The Group had accounted for capital subsidy and reimbursements of certain expenses as prescribed under UP Sugar Industry Promotion Policy, 2004 ("the Policy"), issued by the state government of Uttar Pradesh. The Policy was pre-maturely terminated on 4 June 2007 and no eligible subsidy under the Policy was paid by the UP government to the Group. The Group had challenged such termination of policy and non grant of prescribed subsidy/incentives to the Group under the Policy before the Lucknow bench of Allahabad High Court. Pending final adjudication in the matter, the High Court vide its interim order dated 9 May 2008 has permitted limited protection of remissions which were being enjoyed on the date when the Policy was revoked.

The matter has been pending before the High Court for a long period and during the year, the prescribed incentive period of ten years under the Policy has also been expired. In the opinion of the management, the time frame for completion of legal proceedings is uncertain and it is expected that the final adjudication in the matter will happen only at the higher court. In view of uncertainties involved and protracted delays in completion of legal proceedings, the management has decided to write-off subsidy amount of ₹ 14,002.46 lakhs, appearing as recoverable from UP government as on 31 March 2016 along-with write-back of related deferred government grant of ₹ 5455.72 lakhs.

(iii) Recognition of unutilised tax credits

The Parent, in respect of certain years in the past, had paid taxes on book profits under section 115JB of the Income-tax Act, 1961 (MAT). As per the provisions of Income-tax Act, 1961, such MAT credit prior to Finance Act, 2017 was allowed to be carried forward for ten years for adjustment against normal tax liability of the Parent. In view of continuous losses incurred by the Parent in the past few years and substantial rebate u/s 80IA of the Income-tax Act, 1961, available to the Parent, the utilisation of such MAT credit was considered to be uncertain and accordingly, unexpired amount of ₹ 3,529.67 lakhs as at 31 March 2017 was considered impaired and written off in earlier years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

During the year, the Group has reviewed the position in light of the following facts, information and other developments as at the reporting date:

- In the Finance Act, 2017, period of carry forward of MAT credit has been increased to fifteen years from ten years earlier, providing additional five years for adjustment of MAT credit.
- Due to change in the business fundamentals in the Sugar business, the operations of the Parent have turned around and have become profitable. The Parent has achieved significant profitability during the current year. Further, the outlook for future looks promising in view improved fundaments and substantial increase in operational efficiencies of the Parent.
- Under Ind AS 12 Income taxes, it is permitted to recognise unutilised tax credits to the extent of available taxable temporary differences against which the unused tax credit can be utilised.

  In view of the above position and circumstances, the management is convinced that the MAT credit entitlement of the Parent shall be utilised within the prescribed period available for utilisation. Accordingly, MAT credit of ₹ 5,,865.30 lakhs, including unexpired amount of ₹3,529.67 lakhs derecognised in earlier years, has been recognised during the year resulting in lower deferred tax charge for the year by the equivalent amount.

(iv) Lands under finance lease

The office premises and the workshop of water business group of the Group is constructed upon land acquired from the 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 the 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.

(v) Interest on delayed payment of cane price

The State Government had, based on the financial hardships of sugar mills due to mismatch of cane price and sugar price, waived interest on delayed payments of cane price for the seasons 2012-13, 2013-14 and 2014-15 in accordance with the provisions of Section 17(3) of UP Sugar Cane (Regulations of Supply and Purchase Act, 1953. In a Public Interest Litigation, Allahabad High Court has passed an order on 9 March 2017 directing the Cane Commissioner to decide the issue afresh taking into consideration certain factors. No order has yet been passed by the Commissioner and based on discussions with legal experts and industry association, it is felt that the possibility of such liability is remote and hence no provision is considered necessary.

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. When the fair values of these assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques by engaging third party qualified external valuers or internal valuation team to perform the valuation. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 4, 6, 9 and 42 for further disclosures.

(ii) Employee benefit plans

The cost of the defined benefit plans and other long term employee benefits and the present value of the obligation thereon 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of 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 on employees leaving the services of the Group. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. See note 38 for further disclosures.

(iii) Impairment of trade receivables

The Group has a stringent policy of ascertaining impairments, if any, as result of detailed scrutiny of major cases and through determining expected credit losses. Despite best estimates and periodic credit appraisals of customers, the Group's receivables are exposed to delinquency risks due to material adverse changes in business, financial or economic conditions that are expected to cause a significant change to the party's ability to meet its obligations. All such parameters relating to impairment or potential impairment are reviewed at each reporting date. See note 41(i) for further disclosures.

(iv) Revenue and cost estimation for construction contracts

The revenue recognition pertaining to construction contracts are determined based on actual construction contract costs incurred till balance sheet date and total budgeted construction contract costs. An estimation of total budgeted construction contract cost involves making various assumptions that may differ from the actual developments in the future. These include delays in execution due to unforeseen reasons, inflation rate, future material rates, future labour rates etc. The estimates/assumptions are made considering past experience, market/inflation trends and technological developments etc. All such estimates/ assumptions are reviewed at each reporting date.

(v) Provision for warranty claims

The Group, in the usual course of sale of its products, gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the specified warranty period. Provisions made represent the amount of expected cost of meeting such obligations of rectifications / replacements based on best estimate considering the historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts. The assumptions made in relation to the current period are consistent with those in the prior years.

(vi) Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount.

(vii) Useful life and residual value of plant, property equipment and intangible assets

The useful life and residual value of plant, property equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	Property, plant and equipment									Capital work-in- progress
	Freehold Land	Leasehold Land	Buildings & Roads	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total	
Year ended 31 March 2016										
Gross carrying amount										
Deemed cost as at 1 April 2015	3,571.80	635.24	16,917.84	64,337.91	225.80	545.64	203.11	128.04	86,565.38	1,842.36
Additions	-	125.00	2,010.30	3,022.86	13.13	70.43	27.65	81.59	5,350.96	3,898.96
Disposals	(4.06)	-	(1.74)	(36.27)	(0.97)	(17.98)	(5.03)	(1.73)	(67.78)	-
Transfers *	-	-	-	-	-	-	-	-	-	(4,751.32)
Other Adjustment	-	-	(7.15)	4.68	1.55	-	16.17	(15.25)	-	-
Closing gross carrying amount	**3,567.74**	**760.24**	**18,919.25**	**67,329.18**	**239.51**	**598.09**	**241.90**	**192.65**	**91,848.56**	**990.00**
Accumulated depreciation and impairment										
Depreciation charge during the year	-	4.64	671.86	4,883.61	50.90	94.09	60.24	46.41	5,811.75	-
Disposals	-	-	(0.09)	(3.64)	(0.23)	(0.54)	(0.75)	(0.05)	(5.30)	-
Impairment Loss	-	-	-	-	-	-	-	-	-	56.31
Closing accumulated depreciation and impairment	**-**	**4.64**	**671.77**	**4,879.97**	**50.67**	**93.55**	**59.49**	**46.36**	**5,806.45**	**56.31**
Net carrying amount	**3,567.74**	**755.60**	**18,247.48**	**62,449.21**	**188.84**	**504.54**	**182.41**	**146.29**	**86,042.11**	**933.69**
Year ended 31 March 2017										
Gross carrying amount										
Opening gross carrying amount	3,567.74	760.24	18,919.25	67,329.18	239.51	598.09	241.90	192.65	91,848.56	990.00
Additions	-	-	315.83	3,702.89	31.09	185.37	51.09	96.32	4,382.59	1,885.71
Disposals	-	-	(50.57)	(125.83)	(1.28)	(16.14)	(12.87)	(2.93)	(209.62)	-
Transfers *	-	-	-	-	-	-	-	-	-	(2,608.07)
Other adjustments	-	-	(46.11)	38.53	0.20	-	0.53	1.06	(5.79)	-
Closing gross carrying amount	**3,567.74**	**760.24**	**19,138.40**	**70,944.77**	**269.52**	**767.32**	**280.65**	**287.10**	**96,015.74**	**267.64**
Accumulated depreciation and impairment										
Opening accumulated depreciation and impairment	-	4.64	671.77	4,879.97	50.67	93.55	59.49	46.36	5,806.45	56.31
Depreciation charge during the year	-	4.64	697.86	4,697.50	48.44	102.09	41.30	60.59	5,652.42	-
Disposals	-	-	(1.86)	(8.30)	(0.57)	(2.31)	(8.88)	(0.11)	(22.03)	-
Other adjustments	-	-	(4.49)	3.40	0.20	-	(1.47)	1.06	(1.30)	-
Closing accumulated depreciation and impairment	**-**	**9.28**	**1,363.28**	**9,572.57**	**98.74**	**193.33**	**90.44**	**107.90**	**11,435.54**	**56.31**
Net carrying amount	**3,567.74**	**750.96**	**17,775.12**	**61,372.20**	**170.78**	**573.99**	**190.21**	**179.20**	**84,580.20**	**211.33**

* Represents amount capitalised during the year under property, plant and equipment out of capital work-in-progress.

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FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

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 & 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 workshop expansion pertaining to water/waste-water treatment business of the Group.

(v) **Impairment loss**

The impairment loss relates to expenditure incurred on construction of residential buildings at certain factories, which were under progress till financial year 2011-12. However, the said project was subsequently discontinued and the entire expenditure incurred was recognised as an impairment loss in the consolidated statement of profit & loss considering no possible future economic benefits flowing from the project.

(vi) **Deemed cost**

The Group has availed exemption provided under Ind AS 101 *First-time Adoption of Indian Accounting Standards* and considered the carrying value of property, plant and equipment measured under previous GAAP as the deemed cost as on 1 April 2015. Accordingly, the cost as on 1 April 2015, net of accumulated depreciation, has been considered as the deemed cost. The information on gross block and accumulated depreciation as on 1 April 2015 is provided here-under:

Particulars	Freehold Land	Leasehold Land	Buildings & Roads	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Total
Gross block	3,571.80	675.36	24,555.75	132,087.43	762.81	915.59	625.42	1,136.36	164,330.52
Less : Accumulated depreciation	-	40.12	7,637.91	67,749.52	537.01	369.96	422.30	1,008.32	77,765.14
Net block (Deemed cost)	3,571.80	635.24	16,917.84	64,337.91	225.80	545.64	203.11	128.04	86,565.38

NOTE 4: INVESTMENT PROPERTY

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Gross carrying amount			
Opening gross carrying amount / Deemed cost	1,170.12	1,170.12	1,170.12
Additions/deletions	-	-	-
Closing gross carrying amount	1,170.12	1,170.12	1,170.12
Accumulated depreciation and impairment			
Opening accumulated depreciation	-	-	-
Depreciation charge/impairment losses	-	-	-
Closing accumulated depreciation and impairment	-	-	-
Net carrying amount	1,170.12	1,170.12	1,170.12

(i) **Description about investment properties**

Investment properties consist of :

(a) various parcels of freehold land located, mostly 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017
(All amounts in ₹ lakhs, unless otherwise stated)

(ii) **Amount recognised in consolidated statement of profit & loss**

Particulars	As at 31-Mar-17	As at 31-Mar-16
Rental income from office flat at Mumbai	10.92	15.60
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	9.79	11.17
Profit from investment properties before depreciation	**20.71**	**26.77**
Depreciation	-	-
Profit from investment properties	**20.71**	**26.77**

(iii) **Restrictions on realisability and contractual obligations**

The Group has no restrictions (other than transfer of titles in the name of the Company pending in respect of freehold land having carrying amount of ₹381.47 lakhs) on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iv) **Fair value**

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Investment properties			
- Land at Digrauli, Distt. Saharanpur (Uttar Pradesh)	*	*	*
- Land at Bhopura, District Baghpat (Uttar Pradesh)	*	*	*
- Land at Dibai, District Bulandshahar (Uttar Pradesh)	*	*	*
- Land at Kharar, District Shamli (Uttar Pradesh)	*	*	*
- Land at Dhanot, District Gandhinagar Gujarat	*	*	*
- Office flat at Mumbai	503.88	498.63	498.63

* 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 are not reflective of the fair value. Further, the fair value cannot be determined realistically in the absence of transactions of similar properties (including size) in the vicinity of the subject properties. The land at Vill. Dhanot Dist. Gandhinagar Gujarat is a small plot of uncultivated land, situated at a remote location and hence there is a difficulty in carrying out realistic fair value thereof.

Estimation of fair value of office flat at Mumbai

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

NOTE 5: INTANGIBLE ASSETS

Particulars	Computer software
Year ended 31 March 2016	
Gross carrying amount	
Deemed cost as at 1 April 2015	118.62
Additions	105.84
Disposals	(0.01)
Closing gross carrying amount	**224.45**
Accumulated amortisation	
Amortisation charge for the year	71.74
Disposals	-
Closing accumulated amortisation	**71.74**
Closing net carrying amount	**152.71**

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(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Computer software
Year ended 31 March 2017	
Gross carrying amount	
Opening gross carrying amount	224.45
Additions	6.79
Disposals	(0.01)
Closing gross carrying amount	**231.23**
Accumulated amortisation	
Opening accumulated amortisation	71.74
Amortisation charge for the year	77.17
Disposals	-
Closing accumulated amortisation	**148.91**
Closing net carrying amount	**82.32**

The Group has availed exemption provided under Ind AS 101 *First-time Adoption of Indian Accounting Standards* and considered the carrying value of computer software measured under previous GAAP as the deemed cost as on 1 April 2015. Accordingly, the cost as on 1 April 2015, net of accumulated amortisation, has been considered as the deemed cost. The gross carrying amount and accumulated amortisation as on 1 April 2015 in respect of above intangible assets were ₹ 1,653.30 lakhs and ₹ 1,534.68 lakhs respectively.

NOTE 6: INVESTMENTS

(a) Investments accounted for using the equity method

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
At Cost			
Quoted Investments (fully paid-up)			
Investments in Equity Instruments			
- of Associate			
72,000,000 (31 March 2016: 72,000,000; 1 April 2015: 72,000,000) Equity shares of ₹1/- each of Triveni Turbine Limited (refer note 44 (iii))	7,449.74	5,560.89	4,729.83
Total aggregate quoted investments	**7,449.74**	**5,560.89**	**4,729.83**
Unquoted Investments (fully paid-up)			
Investments in Equity Instruments			
- of Associates			
13,008 (31 March 2016: 13,008; 1 April 2015: 13,008) Equity shares of New Israeli Shekel 0.10 each of Aqwise-Wise Water Technologies Ltd. (Israel) (refer note 44 (iii))	2,925.74	2,888.70	2,717.69
Total aggregate unquoted investments	**2,925.74**	**2,888.70**	**2,717.69**
Total investments accounted for using the equity method	**10,375.48**	**8,449.59**	**7,447.52**
Total investments accounted for using the equity method	**10,375.48**	**8,449.59**	**7,447.52**
Aggregate amount of quoted investments	7,449.74	5,560.89	4,729.83
Aggregate amount of market value of quoted investment	104,328.00	68,868.00	93,492.00
Aggregate amount of unquoted investments	2,925.74	2,888.70	2,717.69
Aggregate amount of impairment in the value of investments	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

(b) Non-current investments

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
At Amortised Cost			
Unquoted Investments			
Investments in Government or trust securities			
National Saving Certificates (kept as security)	0.03	0.11	0.11
Total non-current investments carried at amortised cost [A]	**0.03**	**0.11**	**0.11**
At Fair value through P & L (refer note 42)			
Quoted Investments (fully paid-up)			
Investments in Equity Instruments			
13,500 (31 March 2016: 13,500; 1 April 2015: 13,500) Equity shares of ₹ 2/- each of Housing Development Finance Corporation Ltd.	202.78	149.26	177.62
2,500 (31 March 2016: 2,500; 1 April 2015: 2,500) Equity shares of ₹2/- each of HDFC Bank Ltd.	36.06	26.78	25.57
24,175 (31 March 2016: 24,175; 1 April 2015: 24,175) Equity shares of ₹ 2/- each of Punjab National Bank	36.24	20.48	34.91
76 (31 March 2016: 76; 1 April 2015: 76) Equity shares of ₹ 10/- each of Central Bank of India	0.08	0.05	0.08
1,821 (31 March 2016: 1,821; 1 April 2015: 1,821) Equity shares of ₹ 10/- each of NBI Industrial Finance Co. Ltd.	67.29	*	*
Total aggregate quoted investments	**342.45**	**196.57**	**238.18**
Unquoted Investments (fully paid-up)			
Investments in Equity Instruments			
1,821 (31 March 2016: 1,821; 1 April 2015: 1,821) Equity shares of ₹ 10/- each of NBI Industrial Finance Co. Ltd.	*	46.14	20.76
Investments in Bonds			
2 (31 March 2016: Nil; 1 April 2015: Nil) 11% bonds of ₹ 10 lakhs each of Power Finance Finance Corporation Ltd.	21.09	-	-
2 (31 March 2016: Nil; 1 April 2015: Nil) 8.95% bonds of ₹ 10 lakhs each of Power Finance Finance Corporation Ltd.	20.36		
1 (31 March 2016: Nil; 1 April 2015: Nil) 9.81% bonds of ₹ 10 lakhs each of Power Finance Finance Corporation Ltd.	10.40	-	-
1 (31 March 2016: Nil; 1 April 2015: Nil) 10.60% bonds of ₹ 10 lakhs each of Indian Railway Finance Corporation Ltd.	10.02		
1 (31 March 2016: Nil; 1 April 2015: Nil) 8.55% bonds of ₹ 10 lakhs each of Indian Railway Finance Corporation Ltd.	9.84	-	-
1 (31 March 2016: Nil; 1 April 2015: Nil) 9.80% bonds of ₹ 10 lakhs each of LIC Housing Finance Ltd.	10.11		
1 (31 March 2016: Nil; 1 April 2015: Nil) 10.10% bonds of ₹ 10 lakhs each of State Bank of India	8.67	-	-
2 (31 March 2016: Nil; 1 April 2015: Nil) 8.90% bonds of ₹ 10 lakhs each of UCO Bank	20.05		
1 (31 March 2016: Nil; 1 April 2015: Nil) 8.57% bonds of ₹ 10 lakhs each of Central Bank of India	9.93	-	-

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(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
5 (31 March 2016: Nil; 1 April 2015: Nil) 8% bonds of ₹ 1 lakh each of IDBI Bank Limited	5.02		
1 (31 March 2016: Nil; 1 April 2015: Nil) 8.95% bonds of ₹ 10 lakhs each of IDFC Bank Limited	10.15	-	-
1 (31 March 2016: Nil; 1 April 2015: Nil) 8.43% bonds of ₹ 10 lakhs each of IDFC Bank Limited	10.11		
Total aggregate unquoted investments	**145.75**	**46.14**	**20.76**
Total non-current investments carried at fair value through P&L [B]	**488.20**	**242.71**	**258.94**
Total non-current investments ([A]+[B])	**488.23**	**242.82**	**259.05**

* Equity shares of NBI Industrial Finance Co. Ltd. were listed during the current year.

Total non-current investments	**488.23**	**242.82**	**259.05**
Aggregate amount of quoted investments	342.45	196.57	238.18
Aggregate amount of market value of quoted investment	342.45	196.57	238.18
Aggregate amount of unquoted investments	145.78	46.25	20.87
Aggregate amount of impairment in the value of investments	-	-	-

NOTE 7: TRADE RECEIVABLES

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Current	Non- current	Current	Non- current	Current	Non- current
Trade receivables (at amortised cost)						
- Unsecured, considered good	27,709.52	81.98	25,409.51	1,181.96	25,397.31	599.45
- Doubtful	476.93	2,191.76	209.00	3,996.73	266.24	4,735.67
Less: Allowance for bad and doubtful debts	(476.93)	(2,191.76)	(209.00)	(3,996.73)	(266.24)	(4,735.67)
Total trade receivables	**27,709.52**	**81.98**	**25,409.51**	**1,181.96**	**25,397.31**	**599.45**

(i) Refer note 41 for credit risk, impairment of trade receivables under expected credit loss model and other related disclosures.

(ii) Current trade receivable include ₹ 2,049.41 lakhs (31 March 2016 : ₹ 2,284.22 lakhs ; 1 April 2015 : ₹ 2,577.65 lakhs) expected to be received after twelve months within the operating cycle.

NOTE 8: LOANS

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Current	Non- current	Current	Non- current	Current	Non- current
At Amortised Cost						
Loan to employees						
- Unsecured, considered good	38.16	7.12	43.51	10.88	40.99	5.85
Loan to others						
- Unsecured, considered good	0.53	-	8.23	-	64.01	-
- Doubtful	-	44.53	-	44.53	-	45.46
Less: Allowance for bad and doubtful loans	-	(44.53)	-	(44.53)	-	(45.46)
	0.53	-	**8.23**	-	**64.01**	-
Total loans	**38.69**	**7.12**	**51.74**	**10.88**	**105.00**	**5.85**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 9: OTHER FINANCIAL ASSETS

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Current	Non- current	Current	Non- current	Current	Non- current
At Amortised Cost						
Security deposits	43.08	401.71	47.87	557.10	31.24	328.32
Less: Allowance for bad and doubtful debts	-	-	-	(0.40)	-	(0.40)
	43.08	**401.71**	**47.87**	**556.70**	**31.24**	**327.92**
Earnest money deposits	150.05	2.00	103.76	5.84	25.93	5.84
Less: Allowance for bad and doubtful debts	-	-	-	(3.84)	(2.87)	(3.84)
	150.05	**2.00**	**103.76**	**2.00**	**23.06**	**2.00**
Bank balances:						
Earmarked balances with banks:						
- Deposit against molasses storage fund (refer note 14(vi))	-	235.63	-	207.67	-	174.27
Balances under lien/margin/kept as security:						
- Post office savings account	-	0.27	-	0.27	-	1.80
- Fixed / margin deposits (original maturity more than one year)	-	211.84	-	168.96	-	212.76
Other balances:						
- Fixed deposits (original maturity more than one year)	-	4.20	-	4.20	-	3.90
	-	**451.94**	**-**	**381.10**	**-**	**392.73**
Interest accrued on bonds and bank deposits	36.40	69.19	27.30	49.15	22.15	38.45
Insurance claim recoverable	62.96	-	15.02	-	16.09	-
Amount recoverable against sale of fixed assets	-	-	0.20	-	-	-
Others	31.85	17.94	95.92	57.38	38.78	57.38
Less: Allowance for bad and doubtful debts	-	(17.94)	(0.08)	(55.93)	(0.08)	(55.93)
	31.85	**-**	**95.84**	**1.45**	**38.70**	**1.45**
Total other financial assets at amortised cost [A]	**324.34**	**924.84**	**289.99**	**990.40**	**131.24**	**762.55**
At Fair Value through P&L						
Derivatives financial instruments carried at fair value						
- Foreign-exchange forward contracts	-	-	0.38	-	-	-
Total other financial assets at fair value through P & L [B]	**-**	**-**	**0.38**	**-**	**-**	**-**
Total other financial assets ([A]+[B])	**324.34**	**924.84**	**290.37**	**990.40**	**131.24**	**762.55**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 10: OTHER ASSETS

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Current	Non- current	Current	Non- current	Current	Non- current
Capital advances	-	6.63	-	116.07	-	610.03
Less: Allowance for bad and doubtful debts	-	-	-	-	-	(200.25)
	-	**6.63**	**-**	**116.07**	**-**	**409.78**
Advances to suppliers	470.10	19.89	570.99	50.85	572.43	58.81
Less: Allowance for bad and doubtful debts	(1.56)	(19.89)	(1.56)	(46.93)	(1.27)	(45.64)
	468.54	**-**	**569.43**	**3.92**	**571.16**	**13.17**
Advances to related parties (refer note 39)	34.72	-	122.31	-	216.57	-
Indirect tax and duties recoverable	5,549.25	443.96	1,280.85	4,233.61	1,452.11	4,102.22
Less: Allowance for bad and doubtful debts	(21.78)	(28.02)	(17.34)	(891.96)	(12.08)	(479.60)
	5,527.47	**415.94**	**1,263.51**	**3,341.65**	**1,440.03**	**3,622.62**
Deposit with sales tax authorities	77.62	46.66	27.99	201.97	22.99	201.97
Less: Allowance for bad and doubtful debts	-	(37.00)	-	(141.75)	-	(141.75)
	77.62	**9.66**	**27.99**	**60.22**	**22.99**	**60.22**
Bank guarantee encashments recoverable	-	200.00	-	1,122.74	-	1,122.74
Less: Allowance for bad and doubtful debts	-	(200.00)	-	(1,122.74)	-	(1,122.74)
	-	-	-	-	-	-
Government grants receivables (refer note 43)	-	-	3,325.22	14,002.46	16,546.07	14,002.46
Export incentives receivable	23.67	-	17.41	-	16.45	-
Advances to employees	15.90	1.45	52.25	-	68.77	0.50
Prepaid expenses	373.70	96.74	349.64	42.45	300.12	33.04
Due from customers under construction contracts (see (i) below)	6,225.28	-	5,734.31	-	5,266.76	-
Others	233.16	173.37	184.98	124.51	150.57	126.76
Less: Allowance for bad and doubtful debts	-	(60.26)	-	(74.17)	-	(58.54)
	233.16	**113.11**	**184.98**	**50.34**	**150.57**	**68.22**
Total other assets	**12,980.06**	**643.53**	**11,647.05**	**17,617.11**	**24,599.49**	**18,210.01**

(i) Contract assets

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Contracts in Progress at the end of reporting period			
Construction costs incurred plus profits recognised less losses recognised	84,306.15	88,721.30	84,624.31
Less: Progress Billings	(78,635.38)	(83,386.65)	(79,691.39)
	5,670.77	**5,334.65**	**4,932.92**
Recognised and included in consolidated financial statements as amounts due			
(i) Amounts due from customers under construction contracts	6,225.28	5,734.31	5,266.76
(ii) Amounts due to customers under construction contracts	(554.51)	(399.66)	(333.84)
	5,670.77	**5,334.65**	**4,932.92**
Retentions held by customers	6,666.80	6,551.34	6,573.29
Advances received from customers	2,471.85	2,057.18	1,005.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 11: INVENTORIES

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Raw materials & components	3,065.44	2,015.42	2,418.90
Less: Provision for obsolescence/slow moving raw materials and components	(182.78)	(146.29)	(153.49)
Work-in-progress	2,669.25	1,723.95	1,916.22
Finished goods	158,669.55	134,424.77	115,858.33
Stock in trade	18.06	10.38	24.55
Stores and spares [including stock in transit ₹ 0.09 lakhs as at 31 March 2017 (31 March 2016: ₹ Nil; 1 April 2015: ₹ Nil)]	3,202.71	3,080.76	2,958.18
Less: Provision for obsolescence/slow moving stores and spares	(124.33)	(65.52)	(31.49)
Certified emission reductions/renewable energy certificates (refer note 50)	3.16	2.95	0.74
Others - Scrap & low value patterns	160.62	188.25	161.28
Total inventories	**167,481.68**	**141,234.67**	**123,153.23**

(i) The cost of inventories recognised as an expense during the year was ₹ 2,31,279.71 lakhs (31 March 2016: ₹ 1,79,345.81 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(m).

(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.

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NOTE 12: CASH AND BANK BALANCES

(a) Cash and cash equivalents

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
At Amortised Cost			
Balances with banks	607.85	200.47	288.86
Cheques / drafts on hand	19.99	45.19	188.25
Cash on hand	29.26	40.88	31.78
Total cash and cash equivalents	**657.10**	**286.54**	**508.89**

(b) Bank balances other than cash and cash equivalents

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
At Amortised Cost			
Earmarked balances with banks:			
- unpaid dividend and preference share redemption accounts	5.00	99.49	103.38
Balances under lien/margin/kept as security:			
- in fixed/margin deposits (original maturity upto one year)	25.89	50.34	10.26
Other balances:			
- in fixed deposits (original maturity exceeding three months but upto one year)	53.84	56.81	42.53
Total Bank balances other than cash and cash equivalents	**84.73**	**206.64**	**156.17**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 13: SHARE CAPITAL

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
AUTHORISED						
Equity shares of ₹ 1 each	500,000,000	5,000.00	500,000,000	5,000.00	500,000,000	5,000.00
Preference shares of ₹ 10 each	20,000,000	2,000.00	20,000,000	2,000.00	20,000,000	2,000.00
		7,000.00		**7,000.00**		**7,000.00**
ISSUED						
Equity shares of ₹ 1 each	257,953,110	2,579.53	257,953,110	2,579.53	257,953,110	2,579.53
	257,953,110	**2,579.53**	**257,953,110**	**2,579.53**	**257,953,110**	**2,579.53**
SUBSCRIBED AND PAID UP						
Equity shares of ₹ 1 each	257,945,110	2,579.45	257,945,110	2,579.45	257,945,110	2,579.45
Add: Paid up value of equity shares of ₹ 1 each forfeited	8,000	0.02	8,000	0.02	8,000	0.02
	257,953,110	**2,579.47**	**257,953,110**	**2,579.47**	**257,953,110**	**2,579.47**

(i) Movements in equity share capital

Particulars	Number of shares	Amount
As at 1 April 2015	257,945,110	2,579.45
Movement during the year	-	-
As at 31 March 2016	**257,945,110**	**2,579.45**
Movement during the year	-	-
As at 31 March 2017	**257,945,110**	**2,579.45**

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.

(ii) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Dhruv M. Sawhney	38,391,756	14.88	38,391,756	14.88	38,391,756	14.88
Nalanda India Fund Limited	-	-	-	-	25,788,000	10.00
Umananda Trade & Finance Limited	-	-	21,414,339	8.30	20,991,589	8.14
Rati Sawhney	20,358,164	7.89	20,358,164	7.89	20,358,164	7.89
Tarnik Investments & Trading Limited	-	-	18,680,527	7.24	18,680,527	7.24
Subhadra Trade & Finance Limited	82,696,056	32.06	16,907,375	6.56	16,907,375	6.56
Nikhil Sawhney	15,277,653	5.92	15,277,653	5.92	15,277,653	5.92
Dhankari Investments Limited	-	-	14,714,901	5.70	14,714,901	5.70
Tarun Sawhney	14,695,375	5.70	14,695,375	5.70	14,695,375	5.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 14: OTHER EQUITY

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Capital redemption reserve	458.50	458.50	458.50
Capital reserve	2,868.83	2,868.83	2,868.83
Securities premium	26,587.94	26,574.54	26,561.22
Amalgamation reserve	926.34	926.34	926.34
General reserve	51,440.90	51,440.90	51,440.90
Molasses storage fund reserve	202.42	182.39	195.27
Retained earnings	(1,498.45)	(26,297.49)	(25,596.58)
Foreign currency translation reserve	(27.58)	(24.74)	(0.03)
Total other equity	**80,958.90**	**56,129.27**	**56,854.45**

(i) Capital redemption reserve

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Opening balance	458.50	458.50
Movement during the year	-	-
Closing balance	**458.50**	**458.50**

Capital redemption reserve was created consequent to redemption of preference share capital, as required under the provisions of the Companies Act, 1956. This reserve shall be utilised in accordance with the provisions of Companies Act, 2013.

(ii) Capital reserve

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Opening balance	2,868.83	2,868.83
Movement during the year	-	-
Closing balance	**2,868.83**	**2,868.83**

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

(iii) Securities premium

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Opening balance	26,574.54	26,561.22
Share of associates-addition in securities premium during the year	13.40	13.32
Closing balance	**26,587.94**	**26,574.54**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

(iv) Amalgamation reserve

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Opening balance	926.34	926.34
Movement during the year	-	-
Closing balance	**926.34**	**926.34**

Amalgamation reserve was created consequent to business combinations in past in accordance with applicable accounting standard as on that date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

(v) General reserve

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Opening balance	51,440.90	51,440.90
Additions during the year	-	-
Closing balance	**51,440.90**	**51,440.90**

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

(vi) Molasses storage fund reserve

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Opening balance	182.39	195.27
Amount transferred from surplus/ (deficit) in the consolidated statement of profit and loss	20.03	26.72
Amount transferred to surplus/ (deficit) in the consolidated statement of profit and loss	-	(39.60)
Closing balance	**202.42**	**182.39**

Molasses storage fund reserve is created and maintained under the provisions of the Uttar Pradesh Sheera Niyantran Adhiniyam, 1964 (U.P. Act No. XIV of 1974) and is to be utilised for the provision and maintenance of adequate storage facilities for molasses. Fixed deposit of ₹ 235.63 lakhs (31 March 2016: ₹ 207.67 lakhs) is earmarked against molasses storage fund (refer note 9).

(vii) Retained earnings

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Opening balance	(26,297.49)	(25,596.58)
Net profit/(loss) for the year	25,296.12	(728.84)
Other comprehensive income arising from the remeasurement of defined benefit obligation net of income tax	(448.62)	9.49
Share of other comprehensive income of associates arising from the remeasurement of defined benefit obligation	(28.43)	5.56
Withdrawn from molasses storage fund reserve	-	39.60
Transfer to molasses storage fund reserve	(20.03)	(26.72)
Closing balance	(1,498.45)	(26,297.49)

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

(b) As required under Ind AS compliant Schedule III, the Company has recognised remeasurement defined benefit plans (net of tax) as part of retained earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

(viii) Foreign currency translation reserve

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Opening balance	(24.74)	(0.03)
Share of other comprehensive income of associates arising from the exchange differences on translation of foreign operations	(2.84)	(24.71)
Closing balance	**(27.58)**	**(24.74)**

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.

NOTE 15: NON-CONTROLLING INTERESTS

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Opening balance	0.00	-
Capital contribution	-	0.00
Share of opening deficit	-	(0.00)
Share of loss for the year	(0.00)	(0.00)
Closing balance	**0.00**	**0.00**

NOTE 16: NON-CURRENT BORROWINGS

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Current maturities	Non- current	Current maturities	Non- current	Current maturities	Non- current
Secured- At Amortised Cost						
Term loans						
- from banks	20,170.53	27,320.31	13,084.13	37,966.64	10,462.16	36,840.15
- from other parties	196.53	215.92	179.30	412.45	480.00	581.85
	20,367.06	27,536.23	13,263.43	38,379.09	10,942.16	37,422.00
Less: Amount disclosed under the head "Other financial liabilities- current" (refer note 17)	(20,367.06)	-	(13,263.43)	-	(10,942.16)	-
Total non-current borrowings	**-**	**27,536.23**	**-**	**38,379.09**	**-**	**37,422.00**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(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-17	31-Mar-16	1-Apr-15			31-Mar-17	31-Mar-16	1-Apr-15		
Secured- At Amortised Cost											
Term loans from banks (₹ loans)											
1	Canara Bank	3,273.84	5,145.23	7,018.99	The effective interest rate as on 31.03.2017 range between 10.68% to 12.51% per annum.	At base rates/ MCLR plus applicable spread. The interest rate as on 31.03.2017 range between 10.50% to 12.25% per annum.	7	11	15	Equal quarterly installments upto December 2018.	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.
2	Axis Bank	832.72	2,495.23	4,154.22			2	6	10	Equal quarterly installments upto August 2017.	
3	State Bank of Patiala	-	624.86	3,123.08			Nil	1	5	Equal quarterly installments upto June 2016.	
4	Oriental Bank of Commerce	-	1,245.54	3,746.91			Nil	2	6	Equal quarterly installments upto July 2016.	
5	Yes Bank	2,341.12	4,211.17	6,079.03			5	9	13	Equal quarterly installments upto June 2018.	
6	Ratnakar Bank Limited	2,096.53	3,292.13	3,886.75			7	11	15	Quarterly installments upto December 2018.	
7	Ratnakar Bank Limited	9,934.07	-	-			9	Nil	Nil	Equated quarterly installments commencing June 2017 and ending June 2019.	
8	Central Bank of India	4,439.32	4,993.10	4,990.89			32	36	36	Equated monthly installments commencing January 2017 and ending 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.
9	Punjab National Bank	-	-	205.32			Nil	Nil	1	Equal monthly installment upto April 2015.	Secured by first pari-passu charge on current assets and residual charge on the fixed assets of the Company
10	Oriental Bank of Commerce	2,142.15	2,483.16	2,477.38			31	36	36	Equated monthly installments commencing November 2016 and ending October 2019.	Secured by third charge on fixed assets of Khatauli and Ramkola units and second charge on fixed assets of other units of the Company.
11	Axis Bank	1,816.90	2,017.97	2,011.54			9	12	12	Equal quarterly installments commencing February 2017 and ending 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.
12	Central Bank of India	1,372.63	1,871.06	-			11	15	Nil	Equal quarterly installments commencing March 2016 and ending December 2019.	Secured by first pari-passu charge on the fixed assets of the Company
13	Oriental Bank of Commerce	924.68	1,303.51	-			6	16	Nil	Equal quarterly installments commencing November 2016 and ending September 2018	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(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-17	31-Mar-16	1-Apr-15			31-Mar-17	31-Mar-16	1-Apr-15		
14	Punjab National Bank (Soft Loan)	4,490.46	4,269.20	-	The effective interest rate as on 31.03.2017 range between 10.68% to 12.51% per annum.	At base rates/ MCLR plus applicable spread.The interest rate as on 31.03.2017 range between 11.40% to 12.25% per annum. [see note 43 (ii)(1c)]	12	12	Nil	Equal quarterly installments commencing October 2017 and ending July 2020 with a moratorium of 2 years.	Secured by second charge on all fixed assets of the company except Ramkola unit (where SDF holds second exclusive charge) and third charge on fixed assets of Ramkola unit.
15	Central Bank of India (Soft Loan)	3,896.95	3,707.22	-			12	12	Nil	Equal quarterly installments commencing October 2017 and ending July 2020 with a moratorium of 2 years.	
16	Oriental Bank of Commerce (Soft Loan)	667.80	634.48	-			12	12	Nil	Equal quarterly installments commencing October 2017 and ending July 2020 with a moratorium of 2 years.	
17	Industrial Development Bank of India (Soft Loan)	-	480.71	-			Nil	12	Nil	Equal quarterly installments commencing October 2017 and ending July 2020 with a moratorium of 2 years.	
18	Canara Bank (Soft Loan)	1,861.16	1,766.83	-			12	12	Nil	Equal quarterly installments commencing October 2017 and ending July 2020 with a moratorium of 2 years.	
19	Punjab National Bank (Excise Duty Loan)	5,043.50	7,250.85	6,653.57		Interest free loan [see note 43 (ii)(1a)]	23	35	36	Equated monthly installments commencing March 2016 and ending February 2019.	Secured by second charge on fixed assets of all business units except Khatauli and Ramkola units.
20	Central Bank of India (Excise Duty Loan)	2,193.60	3,110.63	2,763.75			8	12	12	Equal quarterly installments commencing June 2016 and ending March 2019.	Secured by second charge on fixed assets of all business units except Khatauli and Ramkola units.
21	Axis Bank (Vehicle loan)	115.73	116.08	126.08	Ranging from 9.37% to 11% p.a.	At fixed rates ranging from 9.37% to 11% p.a.	4 to 74 months	8 to 47 months	6 to 59 months	Equated monthly installments	Secured by hypothecation of vehicles acquired under the respective vehicle loans.
22	ICICI Bank (Vehicle loan)	14.04	31.81	64.80							
23	PNB Bank (Vehicle loan)	33.64	-	-							
		47,490.84	**51,050.77**	**47,302.31**							
Term loans from other parties (₹ loans)											
1	Daimler Financial Services Pvt. Ltd. (Vehicle loan)	-	-	6.80	9.38% p.a.	At fixed rate of 9.38% p.a.	Nil	Nil	9	Equated monthly installments	Secured by hypothecation of vehicles acquired under the respective vehicle loans.
2	Other Loans - Sugar Development Fund, Govt.of India	412.45	591.75	1,055.05	12.5% p.a.	2% below the Bank Rate at present 4% [see note 43(ii)(1b)]	Yearly - 2 Half yearly - Nil	Yearly - 3 Half yearly - Nil	Yearly - 4 Half yearly - 1	Yearly and half yearly installments upto September 2018	Secured by exclusive second charge created over moveable/immoveable assets of Ramkola unit.
		412.45	**591.75**	**1,061.85**							
Total long term borrowings		**47,903.29**	**51,642.52**	**48,364.16**							

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 17: OTHER FINANCIAL LIABILITIES

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Current	Non- current	Current	Non- current	Current	Non- current
At Amortised Cost						
Current maturities of long-term borrowings (refer note 16)	20,367.06	-	13,263.43	-	10,942.16	-
Interest accrued	187.95	30.62	248.76	61.24	134.74	91.86
Capital creditors	699.24	-	1,347.75	-	1,420.47	-
Employee benefits & other dues payable	3,044.13	-	1,925.95	-	1,579.04	-
Security deposits (see (i) below)	357.35	-	310.52	-	293.94	-
Unclaimed preference shares redemption (see (ii) below)	-	-	90.22	-	90.46	-
Unpaid dividends (see (ii) below)	5.00	-	9.27	-	12.91	-
Unclaimed matured deposits (see (ii) below)	-	-	-	-	3.73	-
Unclaimed interest on deposits (see (ii) below)	0.21	-	0.79	-	1.41	-
Other payables	-	-	15.94	-	4.91	-
Total other financial liabilities at amortised cost [A]	**24,660.94**	**30.62**	**17,212.63**	**61.24**	**14,483.77**	**91.86**
At Fair Value through P&L						
Derivatives financial instruments carried at fair value						
- Foreign-exchange forward contracts	84.88	-	-	-	53.97	-
Total other financial liabilities at fair value through P&L [B]	**84.88**	**-**	**-**	**-**	**53.97**	**-**
Total other financial liabilities ([A]+[B])	**24,745.82**	**30.62**	**17,212.63**	**61.24**	**14,537.74**	**91.86**

(i) Security deposits as at 31 March 2017 include ₹ 298.00 lakhs (31 March 2016 : ₹ 252.00 lakhs, 1 April 2015: ₹ 240.00 lakhs) deposits from sugar selling agent which are interest bearing subject to fullfilment of terms and conditions. These deposits are repayable on cessation of contractual arrangements. Interest payable is normally settled annually.

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

NOTE 18: PROVISIONS

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Current	Non- current	Current	Non- current	Current	Non- current
Provision for employee benefits						
Gratuity (refer note 38)	216.79	3,033.05	130.15	2,306.93	116.10	2,106.91
Compensated absences	325.57	829.96	285.47	1,049.77	299.15	965.00
Other Provisions						
Warranty	491.25	-	253.02	-	236.40	-
Cost to completion	20.00	-	30.00	-	60.00	-
Arbitration/Court case claims	278.79	-	265.23	-	251.67	-
Total provisions	**1,332.40**	**3,863.01**	**963.87**	**3,356.70**	**963.32**	**3,071.91**

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017
(All amounts in ₹ lakhs, unless otherwise stated)

(b) Cost to completion

The provision represents costs of materials and services required for integration of water treatment package at the site, 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 other provisions

Movement in each class of other provision are set out below:

Particulars	Year ended 31-Mar-17			Year ended 31-Mar-16		
	Warranty	Cost of completion	Arbitration/ Court case claims	Warranty	Cost of completion	Arbitration/ Court case claims
Balance at the beginning of the year	253.02	30.00	265.23	236.40	60.00	251.67
Additional provisions recognised	371.50	20.00	13.56	45.54	30.00	13.56
Amounts used during the year	(79.93)	-	-	(20.15)	-	-
Unused amounts reversed during the year	(53.34)	(30.00)	-	(8.77)	(60.00)	-
Balance at the end of the year	**491.25**	**20.00**	**278.79**	**253.02**	**30.00**	**265.23**

NOTE 19: OTHER LIABILITIES

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Current	Non- current	Current	Non- current	Current	Non- current
Advance from customers	3,812.32	-	2,482.75	-	1,462.25	-
Deferred revenue arising from government grant related to assets (refer note 43)	-	-	349.05	5,106.67	355.90	5,455.72
Deferred revenue arising from government grant related to income (refer note 43)	711.36	250.84	1,673.03	962.20	1,248.08	2,082.40
Amount due to customers- construction and project related activity (refer note 10)	554.51	-	399.66	-	333.84	-
Statutory remittances	11,855.84	-	9,796.51	-	5,468.02	-
Other payables	54.16	-	239.80	-	165.93	-
Total other liabilities	**16,988.19**	**250.84**	**14,940.80**	**6,068.87**	**9,034.02**	**7,538.12**

NOTE 20: CURRENT BORROWINGS

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Secured- At Amortised Cost			
Repayable on demand			
- Cash credits/working capital demand loans from banks (see (i) below)	122,543.89	115,469.58	95,173.08
Unsecured- At Amortised Cost			
Other loans			
- Foreign currency loans (buyers' credits) from banks (see (ii) below)	1,666.03	725.53	198.58
Total current borrowings	**124,209.92**	**116,195.11**	**95,371.66**

(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 includes working capital demand loans of ₹ 15,000.00 lakhs availed during current year with outstanding balance as at 31 March 2017 ₹ 15,000.00 lakhs, 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 applicable at the year end ranges from 10.10% to 12.40%.

(ii) The weighted average effective interest rate on foreign currency loans (buyers' credits) from banks is 2.57% per annum (as at 31 March 2016: 1.86% per annum; as at 1 April 2015: 1.55% per annum).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 21: TRADE PAYABLES

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Trade payables (at amortised cost)			
- Total outstanding dues of micro enterprises and small enterprises (refer note 49)	37.35	46.19	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	25,621.59	44,655.98	68,034.45
Total trade payables	**25,658.94**	**44,702.17**	**68,034.45**

NOTE 22: INCOME TAX BALANCES

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Income tax assets			
Tax refund receivable (net)	2,920.15	4,671.32	4,466.76
	2,920.15	**4,671.32**	**4,466.76**
Income tax liabilities			
Provision for income tax (net)	264.78	0.01	-
	264.78	**0.01**	**-**

NOTE 23: DEFERRED TAX BALANCES

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Deferred tax assets	14,144.98	16,539.22	16,633.52
Deferred tax liabilities	(16,487.28)	(16,539.22)	(16,633.52)
Net deferred tax assets/(liabilities)	**(2,342.30)**	**-**	**-**

(i) Movement in deferred tax balances

For the year ended 31 March 2017

Particulars	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	(16,539.21)	51.93	-	(16,487.28)
Difference in carrying values of investment property	201.86	14.81	-	216.67
Liabilities and provisions tax deductible only upon payment/ actual crystallisation				
- Employee benefits	1,240.25	124.79	237.43	1,602.47
- Statutory taxes and duties	359.19	602.00	-	961.19
- Interest payable to banks/financial institutions	47.62	(15.43)	-	32.19
- Other contractual provisions	188.32	84.59	-	272.91
Impairment provisions of financial assets made in books, but tax deductible only on actual write-off	2,202.69	(1,082.26)	-	1,120.43
Other temporary differences	114.91	(98.82)	-	16.09
Unutilised tax losses	12,184.37	(8,126.64)	-	4,057.73
Unutilised tax credits	-	5,865.30	-	5,865.30
Net deferred tax assets/(liabilities)	**-**	**(2,579.73)**	**237.43**	**(2,342.30)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017
(All amounts in ₹ lakhs, unless otherwise stated)

For the year ended 31 March 2016

Particulars	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	(16,633.52)	94.31	-	(16,539.21)
Difference in carrying values of investment property	182.68	19.18	-	201.86
Expense provided in books, but tax deductible only upon payment/actual crystallisation				
- Employee benefits	1,141.55	103.72	(5.02)	1,240.25
- Statutory taxes and duties	359.19	-	-	359.19
- Interest payable to banks/financial institutions	47.62	-	-	47.62
- Other contractual provisions	175.90	12.42	-	188.32
Impairment provisions of financial assets made in books, but tax deductible only on actual write-off	2,389.08	(186.39)	-	2,202.69
Other temporary differences	104.57	10.34	-	114.91
Unutilised tax losses	12,232.93	(48.56)	-	12,184.37
Net deferred tax assets/(liabilities)	**-**	**5.02**	**(5.02)**	**-**

(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.

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Tax effect on unabsorbed depreciation (will never expire)	-	3,663.64	1,972.03
Tax effect on unused tax losses (long term capital loss) (see table below for expiry)	888.96	888.96	888.96
Unused tax credits (see table below for expiry)	-	3,852.50	3,852.50
Net deferred tax assets/(liabilities)	**888.96**	**8,405.10**	**6,713.49**
Expiry profile of unrecognised unused tax losses and unused tax credits			
Unused tax losses (long term capital loss) shall expire on -			
March 31, 2018	319.46	319.46	319.46
March 31, 2019	557.16	557.16	557.16
March 31, 2020	0.57	0.57	0.57
March 31, 2021	11.77	11.77	11.77
	888.96	**888.96**	**888.96**
Unused tax credits shall expire on-			
March 31, 2017	-	322.83	322.83
March 31, 2018 *	-	570.57	570.57
March 31, 2019 *	-	1,719.54	1,719.54
March 31, 2021 *	-	1,239.56	1,239.56
	-	**3,852.50**	**3,852.50**

* Unused tax credits have been recognised as deferred tax assets during the year ended 31 March 2017. In view of increase in carry forward period of such credits by five years vide Finance Act 2017, these will now expire on 31 March 2023, 31 March 2024 and 31 March 2026 respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 24 : REVENUE FROM OPERATIONS

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Sale of products (including excise duty) (refer note 43)		
Finished goods	276,238.01	185,455.69
Traded goods	1,488.20	1,390.91
Sale of services		
Erection and commissioning	57.75	53.53
Servicing	288.20	169.52
Operation and maintenance	3,472.07	2,258.75
Construction contract revenue	14,012.33	9,980.58
Other operating revenue		
Income from sale of renewable energy certificates	1,026.93	731.81
Export incentives	23.49	21.11
Sale of scrap	79.63	43.16
Total revenue from operations	**296,686.61**	**200,105.06**

NOTE 25: OTHER INCOME

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Interest income		
Interest income from bank deposits	53.78	51.35
Interest income from customers	20.68	16.36
Interest income from financial assets carried at amortised cost	27.82	27.38
Interest income from investments carried at FVTPL	15.72	-
Interest income from others	541.56	5.63
	659.56	**100.72**
Dividend income		
Dividend income from equity investments	2.94	2.75
	2.94	**2.75**
Other non-operating income (net of expenses directly attributable to such income)		
Rental income (refer note 4 (ii))	24.89	34.01
Subsidy from U.P. Government (refer note 43(ii)(2a))	-	355.90
Subsidy from Central Government (refer note 43)	-	270.35
Miscellaneous income	827.13	631.01
	852.02	**1,291.27**
Other gains/ (losses)		
Net fair value gains/(losses) on investments	97.44	(16.23)
Net gains/(losses) on derivatives	(97.28)	(23.56)
Net foreign exchange rate fluctuation gains/(losses)	75.06	38.60
Credit balances written back	154.50	40.66
Net profit/(loss) on sale / redemption of investments	(0.65)	-
Reversal of impairment loss allowance on non financial assets (net of amounts written off ₹ 1,009.60 lakhs; 31 March 2016 : ₹Nil)	918.34	-
Excess provision for cost to completion reversed (net) (refer note 18)	10.00	30.00
Excess provision of expenses reversed	41.77	300.41
Profit on sale of shares in a subsidiary company	-	-
	1,199.18	**369.88**
Total other income	**2,713.70**	**1,764.62**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 26: COST OF MATERIALS CONSUMED

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Stock at the beginning of the year	2,015.42	2,418.90
Add: Purchases	207,518.79	151,114.82
Less: Amount capitalised	(22.70)	(9.27)
Less: Stock at the end of the year	(3,065.44)	(2,015.42)
Total cost of materials consumed (refer note 43(ii)(2b&2c) and 43(iii))	**206,446.07**	**151,509.03**

NOTE 27: PURCHASE OF STOCK-IN-TRADE

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Petroleum goods	1,477.98	1,344.91
Consumer goods	58.95	59.52
Total purchases of stock-in-trade	**1,536.93**	**1,404.43**

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

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Inventories at the beginning of the year		
Work-in-progress	1,723.95	1,916.22
Finished goods	134,424.77	115,858.33
Stock in trade	10.38	24.55
Certified emission reduction	2.95	0.74
Total inventories at the beginning of the year	**136,162.05**	**117,799.84**
Inventories at the end of the year		
Work-in-progress	2,669.25	1,723.95
Finished goods	158,669.55	134,424.77
Stock in trade	18.06	10.38
Certified emission reduction	3.16	2.95
Total inventories at the end of the year	**161,360.02**	**136,162.05**
Add/(Less): Impact of excise duty on finished goods	1,247.15	4,171.00
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**(23,950.82)**	**(14,191.21)**

NOTE 29: EMPLOYEE BENEFIT EXPENSE

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Salaries and wages	16,709.25	14,040.18
Contribution to provident and other funds (refer note 38)	1,640.57	1,476.16
Staff welfare expenses	435.39	361.54
	18,785.21	**15,877.88**
Less : Amount capitalised (included in the cost of property plant and equipment)	(13.73)	(8.03)
Total employee benefit expense	**18,771.48**	**15,869.85**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 30: FINANCE COSTS

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Interest costs		
- Interest on loans with interest subvention (refer note 43)	894.08	139.24
- Interest on SDF loans with below-market rate of interest (refer note 43)	21.72	33.83
- Interest on other borrowings	11,586.37	11,157.79
- Other interest expense	139.36	177.43
	12,641.53	**11,508.29**
Less : Amount capitalised (included in the cost of property, plant and equipment)	(0.48)	(46.38)
	12,641.05	**11,461.91**
Exchange differences regarded as an adjustment to borrowing costs	1.68	28.49
Other borrowing costs		
- Loan monitoring and administration charges	12.71	6.60
Total finance costs	**12,655.44**	**11,497.00**

NOTE 31: DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Depreciation of property, plant and equipment (refer note 3)	5,652.42	5,811.75
Amortisation of intangible assets (refer note 5)	77.17	71.74
	5,729.59	**5,883.49**
Less : Amount capitalised (included in the cost of property, plant and equipment)	(8.60)	-
Total depreciation and amortisation expense	**5,720.99**	**5,883.49**

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

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Bad debts written off - trade receivables and other financial assets carried at amortised cost	2,215.18	2,159.17
Impairment loss allowance on trade receivables (net of reversals) (refer note 7)	(1,537.04)	(796.18)
Impairment loss allowance on other financial assets carried at amortised cost (net of reversals) (refer note 8 & 9)	(42.31)	(3.80)
Total impairment loss on financial assets (including reversal of impairment losses)	**635.83**	**1,359.19**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 33: OTHER EXPENSES

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Stores and spares consumed	2,256.11	2,141.83
Power and fuel	1,806.55	2,225.94
Design and engineering charges	90.10	64.96
Cane development expenses	326.85	323.09
Machining/fabrication expenses	94.30	82.56
Erection and commissioning expenses	600.71	887.57
Civil construction charges	4,271.28	2,594.23
Packing and stacking expenses	2,836.34	2,054.96
Repairs and maintenance		
- Machinery	3,717.80	2,722.52
- Building	261.02	276.06
- Others	441.58	375.31
Factory/operational expenses	1,517.18	1,260.38
Travelling and conveyance	1,334.77	1,218.88
Rent (refer note 46 (ii))	594.17	537.48
Rates and taxes	1,081.59	548.47
Insurance	244.87	222.94
Directors' fee	36.90	49.95
Legal and professional expenses	692.66	788.36
Security service expenses	1,062.92	868.60
Net impairment loss allowance of non financial assets (previous year includes amounts written off ₹ 204.96 lakhs)	-	439.54
Warranty expenses (includes provision for warranty (net) ₹ 318.16 lakhs (31 March 2016: ₹ 36.77 lakhs) (refer note 18))	320.73	37.88
Provision for Arbitration/Court case claims (refer note 18)	13.56	13.56
Payment to Auditors (see (i) below)	123.65	121.88
Provision for non moving / obsolete inventory	95.30	26.83
Loss on sale /write off of inventory	24.39	10.07
Loss on sale / write off / impairment of property, plant and equipment	82.15	87.67
Selling commission	719.26	602.27
Royalty	189.50	338.25
Advertisement and sales promotion	37.30	38.14
Rebate and discount	27.07	1.64
Outward freight and forwarding	488.36	794.26
Other selling expenses	61.54	18.87
Miscellaneous expenses	1,419.56	1,320.45
Less : Amount capitalised (included in the cost of property, plant and equipment)	(9.03)	(27.94)
Total other expenses	**26,861.04**	**23,067.46**

(i) Detail of payment to auditors

Particulars	Statutory Auditors		Branch Auditors		Cost Auditors	
	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16
Audit fee	46.26	44.16	6.92	7.04	3.38	3.42
Tax audit fee	18.89	17.57	3.41	3.10	-	-
Limited review fee	21.03	19.57	2.73	2.48	-	-
Other services (Certification)	9.56	13.72	1.10	2.40	0.68	0.65
Reimbursement of expenses	5.50	4.65	4.10	2.93	0.09	0.19
Total payment to auditors	**101.24**	**99.67**	**18.26**	**17.95**	**4.15**	**4.26**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 34: EXCEPTIONAL ITEMS

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Write off of incentives recoverable under UP Sugar Promotion Policy 2004 (refer note 43(i)(d))	(8,546.74)	-
Profit on sale of land	-	173.59
Total exceptional items	**(8,546.74)**	**173.59**

NOTE 35: INCOME TAX EXPENSE

(i) Income tax recognised in profit or loss

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Current tax		
In respect of the current year	2,336.57	0.79
In respect of the prior years	-	0.21
Total current tax expense	**2,336.57**	**1.00**
Deferred tax		
In respect of current year origination and reversal of temporary differences	2,579.73	(5.02)
Total deferred tax expense	**2,579.73**	**(5.02)**
Total income tax expense recognised in profit or loss	**4,916.30**	**(4.02)**

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

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Profit/(loss) before tax	30,212.42	(732.86)
Income tax expense calculated at 34.608% (including surcharge and education cess) (2016: 34.608%)	10,455.91	(253.63)
Effect of income that is exempt from taxation	(581.49)	(71.51)
Effect of expenses that is non-deductible in determining taxable profit	3,020.16	71.41
Effect of current year losses for which no deferred tax asset is recognised	-	1022.01
Effect of recognition of previously unrecognised tax losses now recognised as deferred tax assets	(3,663.64)	-
Effect of different tax rates for subsidiaries	(0.14)	(0.09)
Effect of tax on share of profit of associates	(784.83)	(772.42)
Recognition of unutilised tax credits	(3,529.67)	-
	4,916.30	**(4.23)**
Adjustments recognised in the current year in relation to the current tax of prior years	-	0.21
Total income tax expense recognised in profit or loss	**4,916.30**	**(4.02)**

(ii) Income tax recognised in other comprehensive income

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	(237.43)	5.02
Total income tax expense recognised in other comprehensive income	**(237.43)**	**5.02**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(237.43)	5.02
Items that may be reclassified to profit or loss	-	-
Total income tax expense recognised in other comprehensive income	**(237.43)**	**5.02**

NOTE 36: EARNINGS /(LOSS) PER SHARE

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Profit/(loss) for the year attributable to owners of the Company [A]	25,296.12	(728.84)
Weighted average number of equity shares for the purposes of basic EPS/ diluted EPS [B]	257,945,110	257,945,110
Basic earnings/(loss) per share (face value of ₹1 per share) [A/B]	9.81	(0.28)
Diluted earnings/(loss) per share (face value of ₹1 per share) [A/B]	9.81	(0.28)

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FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

NOTE 37: SEGMENT INFORMATION

(i) Description of segments and principal activities

The operating segments are classified under two major businesses which the Group is engaged in, and are briefly described as under:

Sugar & Allied Business

(a) **Sugar :** The Group is a manufacturer of white crystal sugar, having seven manufacturing plants situated in the states of Uttar Pradesh. The sugar is sold to wholesalers and industrial users. The Group sells the surplus molasses and bagasse, which are produced as by-products in the manufacturing of sugar, after meeting its captive requirements. The Group also sells the surplus power incidentally produced at three of its sugar units.

(b) **Co-generation :** This segment uses captively produced bagasse, generated as a by-product in the manufacture of sugar, as a feed stock and apart from meeting the power and steam requirements of the associated sugar units, also exports power to the state grid. It has installed capacity of 68 MW spread over Khatauli and Deoband sugar mills.

(c) **Distillery :** The 160 kilo-litres per day capacity distillery located at Muzaffarnagar, Uttar Pradesh, uses captive molasses produced in manufacture of sugar as the principal raw material in production of various categories of alcohol.

Engineering Business

(a) High Speed Gears : This business segment manufactures high speed gears and gear boxes at the manufacturing facility located at Mysore, Karnataka.

(b) Water/Wastewater treatment : The business segment operates from Noida, Uttar Pradesh and provides engineered to order process equipment and comprehensive solutions in the water and wastewater management.

The 'Other Operations' mainly include trading of various packaged fast moving consumer goods under the Company's brand name (including sugar) and retailing of diesel/petrol through a Group operated fuel station. It also operate a turnkey project relating to steam turbines which was awarded to it pursuant to bids tendered prior to demerger of business of steam turbine.

The above reportable segments have been identified based on the significant components of the enterprise for which discrete financial information is available and are reviewed by the Chief operating decision maker (CODM) to assess the performance and allocate resources to the operating segments

There are no geographical segments as the volume of exports is not significant and the major turnover of the Group takes place indigenously. There is no major reliance on a few customers or suppliers.

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(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Segment revenue and segment profit

Particulars	SUGAR								ENGINEERING						OTHERS		Eliminations		Total	
	Sugar		Co-generation		Distillery		Total Sugar		Gears		Water		Total Engineering		Other Operations					
	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16
REVENUE																				
From external customers	240,126.56	145,712.78	6,992.72	6,757.29	16,791.70	18,051.53	263,910.98	170,521.60	9,136.45	11,950.76	18,120.70	13,254.94	27,257.15	25,205.70	5,518.48	4,377.76	-	-	296,686.61	200,105.06
From inter-segments sales	20,951.94	18,338.73	11,268.55	10,303.98	4.28	-	32,224.77	28,642.71	79.49	36.15	2.20	-	81.69	36.15	99.38	75.99	(32,405.84)	(28,754.85)	-	-
Total revenue from operations	261,078.50	164,051.51	18,261.27	17,061.27	16,795.98	18,051.53	296,135.75	199,164.31	9,215.94	11,986.91	18,122.90	13,254.94	27,338.84	25,241.85	5,617.86	4,453.75	(32,405.84)	(28,754.85)	296,686.61	200,105.06
Other income	371.42	512.71	(1.28)	11.06	859.75	11.66	1,229.89	535.43	62.18	93.52	46.21	33.13	108.39	126.65	4.33	2.23	-	-	1,342.61	664.31
Total Revenue	261,449.92	164,564.22	18,259.99	17,072.33	17,655.73	18,063.19	297,365.64	199,699.74	9,278.12	12,080.43	18,169.11	13,288.07	27,447.23	25,368.50	5,622.19	4,455.98	(32,405.84)	(28,754.85)	298,029.22	200,769.37
RESULT																				
Segment Profit/(loss)	36,491.16	(2,818.75)	6,942.11	7,801.52	4,657.17	4,366.19	48,090.44	9,348.96	1,801.98	2,915.93	(275.01)	(2,213.44)	1,526.97	702.49	30.55	16.19	202.58	44.21	49,850.54	10,111.85
Unallocated expenses (Net)																			(1,366.20)	(1,856.67)
Operating Profit																			48,484.34	8,255.18
Finance cost																			(12,655.44)	(11,497.00)
Interest income																			659.56	100.72
Dividend income																			2.94	2.75
Exceptional items																			(8,546.74)	173.59
Share of profit of associates																			2,267.76	2,231.90
Profit /(loss) before tax																			30,212.42	(732.86)

- 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. These are then eliminated on consolidation.
- 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.

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(iii) Segment assets and liabilities

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Segment Assets			
SUGAR			
Sugar	225,998.97	214,766.12	214,168.31
Cogeneration	17,940.29	19,600.97	19,498.31
Distillery	17,026.67	16,032.59	16,694.13
	260,965.93	**250,399.68**	**250,360.75**
ENGINEERING			
Gears	12,292.06	14,130.40	10,721.68
Water	21,589.52	20,626.31	20,060.96
	33,881.58	**34,756.71**	**30,782.64**
Other operations	2,383.07	2,322.27	2,646.85
Total segment assets	**297,230.58**	**287,478.66**	**283,790.24**
Unallocated assets	13,530.84	13,110.57	11,708.76
Total Assets	**310,761.42**	**300,589.23**	**295,499.00**
Segment Liabilities			
SUGAR			
Sugar	36,133.45	52,465.41	76,304.78
Cogeneration	355.92	286.02	1,315.55
Distillery	979.50	675.12	1,099.79
	37,468.87	**53,426.55**	**78,720.12**
ENGINEERING			
Gears	1,863.94	2,920.77	2,286.11
Water	10,024.69	8,768.03	6,947.90
	11,888.63	**11,688.80**	**9,234.01**
Other operations	1,963.04	2,090.50	2,356.67
Total segment liabilities	**51,320.54**	**67,205.85**	**90,310.80**
Unallocated liabilities	175,902.51	174,674.64	145,754.28
Total liabilities	**227,223.05**	**241,880.49**	**236,065.08**

- 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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(iv) Other segment information

Particulars	SUGAR								ENGINEERING						OTHERS	
	Sugar		Co-generation		Distillery		Total Sugar		Gears		Water		Total Engineering		Other Operations	
	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16
Amount considered in segment profits																
Depreciation	3,418.84	3,626.61	685.25	685.80	557.46	564.39	4,661.55	4,876.80	741.65	700.43	178.92	156.85	920.57	857.28	6.63	6.59
Amortisation	7.41	10.42	0.01	0.01	0.04	1.34	7.46	11.77	47.76	35.70	10.03	10.71	57.79	46.41	-	-
Total Depreciation and Amortisation	3,426.25	3,637.03	685.26	685.81	557.50	565.73	4,669.01	4,888.57	789.41	736.13	188.95	167.56	978.36	903.69	6.63	6.59
Amounts not considered in segment profits																
Interest expense	11,084.17	9,664.62	121.76	217.96	285.36	298.60	11,491.29	10,181.18	305.00	183.79	696.84	773.64	1,001.84	957.43	-	0.66
Interest income	33.78	29.05	3.62	3.96	2.05	1.96	39.45	34.97	9.75	3.41	34.78	35.72	44.53	39.13	-	-
Exceptional expense	6,820.08	-	1,303.96	-	422.70	-	8,546.74	-	-	-	-	-	-	-	-	-
Capital expenditure	1,913.15	465.15	91.29	50.34	456.44	747.15	2,460.88	1,262.64	1,015.50	3,015.56	103.29	130.88	1,118.79	3,146.44	2.05	6.12

In addition to the depreciation and amortisation reported above, impairment losses of ₹ Nil (31 March 2016: ₹ 56.31 lakhs) were recognised in respect of capital work in progress attributable to the Sugar segment.

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(v) Break-up of revenue by geographical area

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
India (country of domicile)	295,314.19	198,770.79
Foreign countries	1,372.42	1,334.27
	296,686.61	**200,105.06**

(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 ₹ 2,925.74 lakhs as at 31 March 2017 (31 March 2016: ₹ 2,888.70 lakhs ; 1 April 2015: ₹ 2,717.69 lakhs).

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

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
SALE OF PRODUCTS		
Finished goods		
- Sugar	234,514.36	140,608.89
- Molasses	2,103.55	1,896.59
- Bagasse	4,705.76	3,198.63
- Power	7,598.43	7,586.30
- Alcohol	16,587.71	17,825.08
- Mechanical equipment - Water/Waste-water	1,395.13	2,111.18
- Gears/Gear Boxes	7,313.33	10,687.26
- Bought outs and Spares	1,489.25	1,059.97
- Others	530.49	481.79
	276,238.01	**185,455.69**
Stock in trade		
- Diesel/Petrol/Lubricants	1,419.85	1,320.86
- Other consumer goods	68.35	70.05
	1,488.20	**1,390.91**
	277,726.21	**186,846.60**
Sale of services		
- Erection and commissioning	57.75	53.53
- Servicing	288.20	169.52
- Operation and maintenance	3,472.07	2,258.75
	3,818.02	**2,481.80**
Construction contract revenue		
- Water,Waste-water and Sewage treatment	13,138.29	8,801.22
- Power generation and evacuation system	874.04	1,179.36
	14,012.33	**9,980.58**

(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 2017 and 31 March 2016.

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NOTE 38: EMPLOYEE BENEFIT PLANS

(i) Defined contribution plans

(a) The Group operates defined contribution retirement benefit plans under which the Group pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Group has no further payment obligations once the contributions have been paid. Following are the schemes covered under defined contributions plans of the Group:

Provident Fund Plan & Employee Pension Scheme: The Group makes monthly contributions at prescribed rates towards Employee Provident Fund/ Employee Pension Scheme to fund administered and managed by the Government of India. The Group has also set up provident fund Trust to secure the provident fund dues in respect of certain employees of the Group. The provident fund is administered by the concerned trustees. The rules of the Group's provident fund administered by the Trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund Organisation, Government of India, under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Group when determined. Having regard to the assets of the fund and the return on the investments, the Group does not expect any deficiency as at the year end and accordingly, such plan has been considered by the Group in substance to be a defined contribution plan.

Employee State Insurance: The Group makes prescribed monthly contributions towards Employees State Insurance Scheme.

Superannuation Scheme: The Group contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policies entered into by such fund with the Life Insurance Corporation of India.

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

(b) The expense recognised during the period towards defined contribution plans are as follows:

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Employers' contribution to Employees' Provident Fund	969.89	850.28
Administration and other expenses relating to above	29.10	25.05
Employers' contribution to Employees State Insurance Scheme	8.85	8.46
Employers' contribution to Superannuation Scheme	116.95	112.73
Employers' contribution to National Pension Scheme	14.41	10.42

(ii) Defined benefit plans

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

(b) Risk exposure

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

Investment risk: The plan liabilities are calculated using a discount rate set with references to government bond yields as at end of reporting period; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The investments in plan assets are made in accordance with pattern of investment prescribed by central government and ensures that the funds are invested in a balanced mix of investments comprising 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.

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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 both 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:

Particulars	Valuation as at		
	31-Mar-17	31-Mar-16	1-Apr-15
Discounting rate	6.81%	8.00%	8.00%
Future salary growth rate	7.00%	7.00%	7.00%
Mortality Table *	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
Attrition rate	- 8.00% for Permanent employees - 3.00% for Seasonal employees	- 8.00% for Permanent employees - 3.00% for Seasonal employees	- 8.00% for Permanent employees - 3.00% for Seasonal employees
Method used	Projected unit credit method	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 & loss in respect of the defined benefit plan are as follows:

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Current service cost	275.90	261.16
Net interest expense	145.06	151.71
Components of defined benefit costs recognised in profit or loss	**420.96**	**412.87**
Remeasurement on the net defined benefit liability		
- Return on plan assets (excluding amount included in net interest expense)	(31.06)	(16.23)
- Actuarial (gain)/loss arising form changes in financial assumptions	482.43	(0.64)
- Actuarial (gain)/loss arising form experience adjustments	234.68	2.36
Components of defined benefit costs recognised in other comprehensive income	**686.05**	**(14.51)**
Total	**1,107.01**	**398.36**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the consolidated statement of profit & loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

(e) Amounts included in the consolidated balance sheet arising from the Group's obligation in respect of the defined benefit plan is as follows:

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Present value of defined benefit obligation as at the end of the year	4,558.14	3,632.88	3,310.17
Fair value of plan assets	1,308.30	1,195.80	1,087.16
Funded status	**(3,249.84)**	**(2,437.08)**	**(2,223.01)**
Net asset/(liability) arising from defined benefit obligation recognised in the balance sheet	**(3,249.84)**	**(2,437.08)**	**(2,223.01)**

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

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Present value of defined benefit obligation at the beginning of the year	3,632.88	3,310.17
Expenses recognised in profit or loss		
- Current Service Cost	275.90	261.16
- Interest Expense (Income)	226.50	244.12
Remeasurement gains / (losses) recognised in other comprehensive income		
- Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	482.43	(0.64)
ii. Experience Adjustments	234.68	2.36
Benefit payments	(294.25)	(184.29)
Present value of defined benefit obligation at the end of the year	**4,558.14**	**3,632.88**

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

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Fair value of plan assets at the beginning of the year	1,195.80	1,087.16
Recognised in profit or loss		
- Expected return on plan assets	81.44	92.41
Remeasurement gains / (losses) recognised in other comprehensive income		
- Actual Return on plan assets in excess of the expected return	31.06	16.23
Contributions by employer	294.25	184.29
Benefit payments	(294.25)	(184.29)
Fair value of plan assets at the end of the year	**1,308.30**	**1,195.80**

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

Particulars	As at 31-Mar-17			As at 31-Mar-16			As at 1-Apr-15		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Cash and cash equivalents	-	17.83	17.83	-	24.68	24.68	-	16.09	16.09
Debt instruments									
- Government securities	-	257.53	257.53	-	245.53	245.53	-	278.20	278.20
- State development loans	-	340.95	340.95	-	300.76	300.76	-	255.29	255.29
- Private sector bonds	-	104.45	104.45	-	65.51	65.51	-	65.51	65.51
- Public sector bonds	-	138.53	138.53	-	138.27	138.27	-	96.93	96.93
- Fixed deposits with banks	-	155.50	155.50	-	161.59	161.59	-	161.59	161.59
- Special Deposit Scheme balance with RBI	-	102.13	102.13	-	102.13	102.13	-	102.13	102.13
- Debt mutual funds	-	60.92	60.92	-	56.83	56.83	-	52.53	52.53
Equity instruments									
- Index mutual funds	-	2.43	2.43	-	1.09	1.09	-	-	-
- Arbitrage mutual funds	-	8.93	8.93	-	4.54	4.54	-	-	-
Accrued Interest and other recoverables	-	119.10	119.10	-	94.87	94.87	-	58.89	58.89
Total plan assets	**-**	**1,308.30**	**1,308.30**	**-**	**1,195.80**	**1,195.80**	**-**	**1,087.16**	**1,087.16**

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

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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 to changes in the weighted principal assumptions is:

Particulars	Change in assumption by	Impact on defined benefit obligation				
			Increase in assumption		Derease in assumption	
		Increase/ Decrease	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Discounting rate	0.50%	in ₹	(262.01)	(168.34)	266.30	171.79
		in %	-5.75%	-4.63%	5.84%	4.73%
Future salary growth rate	0.50%	in ₹	246.57	157.30	(241.86)	(116.60)
		in %	5.41%	4.33%	-5.31%	-3.21%
Attrition rate	0.50%	in ₹	(44.17)	32.08	46.74	(30.36)
		in %	-0.97%	0.88%	1.03%	-0.84%
Mortality rate	10.00%	in ₹	(38.17)	24.49	40.74	(22.77)
		in %	-0.84%	0.67%	0.89%	-0.63%

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.

(g) Defined benefit liability and employer contributions

The Group remains committed to fund all gratuity payments falling due and shall strive to gradually reduce the deficit in funding of its obligation in the coming years.

The Group expects to contribute ₹ 371.34 lakhs (31 March 2016: ₹ 108.03 lakhs; 1 April 2015: ₹ 112.46 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 2017 is 9.5 years (31 March 2016: 9.4 years).

The expected maturity analysis of undiscounted defined benefit obligation as at 31 March 2017 is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligation (Gratuity)	371.34	268.11	1,183.67	6,350.34	8,173.46

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NOTE 39: RELATED PARTY TRANSACTIONS

(i) **Related parties where control exists**

(a) Mr. Dhruv M. Sawhney, Chairman & Managing Director (Key managerial personnel)

(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-17	Year ended 31-Mar-16
Sales and rendering services			
Triveni Turbine Limited	Associate	3,229.45	3,766.13
Purchases and receiving services			
Triveni Turbine Limited	Associate	1,079.72	1,277.27
Aqwise-Wise Water Technologies Limited	Associate	-	29.86
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/ significant influence	0.99	1.10
Rent paid			
Dhruv M. Sawhney (Chairman & Managing Director)	Key managerial personnel	45.50	43.06
Rati Sawhney	Relative of key managerial personnel	48.00	-
Kameni Upaskar Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	72.88	70.23
Rent & other charges received			
Triveni Turbine Limited	Associate	16.00	21.19
Expenses incurred by the Company on behalf of party (net)			
Triveni Turbine Limited	Associate	(2.77)	43.24
Kameni Upaskar Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	2.28	2.41
Triveni Engineering Works Limited Gratuity Fund	Post employment benefit plan	0.06	-
Triveni Engineering and Industries Ltd. Officers' Pension Fund	Post employment benefit plan	0.01	-
Triveni Engineering Works Limited Employees' Provident Fund	Post employment benefit plan	-	-
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	0.05	0.04
Remuneration			
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	203.82	151.33
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	178.22	156.86
Geeta Bhalla (Group Vice President & Company Secretary)	Key managerial personnel	60.54	49.33
Directors fee paid			
Nikhil Sawhney (Promoter Non-Executive Director)	Key managerial personnel	5.20	5.45

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Name of related party and nature of transactions	Relationship	Year ended 31-Mar-17	Year ended 31-Mar-16
Lt. Gen (Retd.) Kanwal Kishan Hazari (Independent Non-Executive Director)	Key managerial personnel	8.45	11.00
M. K. Daga (Independent Non-Executive Director)	Key managerial personnel	2.25	1.50
Fakir Chand Kohli (Independent Non-Executive Director)	Key managerial personnel	2.25	5.00
Shekhar Dutta (Independent Non-Executive Director)	Key managerial personnel	6.50	9.75
Homai A. Daruwalla (Independent Non-Executive Director)	Key managerial personnel	6.25	8.75
Dr. Santosh Pande (Independent Non-Executive Director)	Key managerial personnel	3.75	6.50
Sudipto Sarkar (Independent Non-Executive Director)	Key managerial personnel	2.25	2.00
Contribution to Post employment benefit plans			
Triveni Engineering Works Limited Gratuity Fund	Post employment benefit plan	294.25	184.29
Triveni Engineering and Industries Ltd. Officers' Pension Fund	Post employment benefit plan	115.69	112.27
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	907.61	791.50
Deposit received against appointment of Director			
Subhadra Trade & Finance Limited	Enterprise over which key managerial personnel have substantial interest/ significant influence	3.00	-

Outstanding balances

	Relationship	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Receivable (refer note v below)				
Triveni Turbine Limited	Associate	460.32	687.06	438.61
Payable (refer note iv and v below)				
Triveni Turbine Limited	Associate	1,878.15	1,918.67	2,096.15
Dhruv M. Sawhney (Chairman & Managing Director)	Key managerial personnel	5.25	2.79	3.24
Tarun Sawhney (Vice Chairman & Managing Director)	Key managerial personnel	3.05	3.08	2.16
Suresh Taneja (Group Chief Financial Officer)	Key managerial personnel	8.39	0.07	0.07
Geeta Bhalla (Group Vice President & Company Secretary)	Key managerial personnel	3.45	0.05	-
Subhadra Trade & Finance Limited	Enterprise over which key managerial personnel have substantial interest/significant influence	2.00	-	-
Tirath Ram Shah Charitable Trust	Enterprise over which key managerial personnel have substantial interest/significant influence	0.30	0.22	0.53

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	Relationship	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Triveni Engineering and Industries Ltd. Officers' Pension Fund	Post employment benefit plan	115.69	112.27	114.73
Upper India Sugar Mills Employees' Provident Fund	Post employment benefit plan	82.75	75.89	68.23
Guarantees / Surety /commitment outstanding (refer note 45 (b))				
Triveni Turbine Limited	Associate	1,450.51	1,693.99	1,647.13
TOFSL Trading & Investments Limited*	Enterprise over which key managerial personnel have substantial interest/significant influence	-	40.00	40.00

*Merged with Subhadra Trade & Finance Limited during the year

(iii) Remuneration of key managerial personnel:

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Short-term employee benefits	402.46	323.53
Post-employment benefits	40.12	33.99
Total	**442.58**	**357.52**

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) Amounts payable to key managerial personnel do not include provision towards post employment benefits and other long term benefits since these amounts have not become payable to them as at the reporting date.

(v) All outstanding balances are unsecured and settled in cash.

(vi) Terms & conditions:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided to or received for any related party receivable or payables. The Group has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended 31 March 2017 and 31 March 2016 other than that stated above.

NOTE 40: CAPITAL MANAGEMENT

For the purpose of capital management, capital includes net debt and total equity of the Group. The primary objective of the capital management is to maximize shareholder value along with an objective to keep the leverage in check in view of cyclical capital intensive sugar business of the Group.

One of the major businesses of the Group is the sugar business, which is a seasonal industry where the entire production is made in about 5 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:

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Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Non-current borrowings (note 16)	27,536.23	38,379.09	37,422.00
Current borrowings (note 20)	124,209.92	116,195.11	95,371.66
Current maturities of long-term borrowings (note 17)	20,367.06	13,263.43	10,942.16
Total debt	**172,113.21**	**167,837.63**	**143,735.82**
Less: Cash and cash equivalent (note 12(a))	(657.10)	(286.54)	(508.89)
Net debt	**171,456.11**	**167,551.09**	**143,226.93**
Total equity (note 13, 14 & 15)	**83,538.37**	**58,708.74**	**59,433.92**
Net debt to equity ratio	**2.05**	**2.85**	**2.41**
Long term debt equity ratio	**0.57**	**0.88**	**0.81**

In addition to the above gearing ratio, the Group also looks at operating profit to total debt ratio (EBITDA/Total Debts) which gives an indication of adequacy of earnings to service the debts. The Group carefully negotiates the terms and conditions of the loans and ensures adherence to all the financial covenants. With a view to arrive at the desired capital structure based on the financial condition of the Group, the Group normally incorporates a clause in loan agreements for prepayment of loans without any premium.

Further, no changes were made in the objectives, policies or process for managing capital during the years ended 31 March 2017 and 31 March 2016.

The Group is not subject to any externally imposed capital requirements

NOTE 41: FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of the financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables and cash and bank balances that derive directly from its operations. The Group also holds investments measured at fair value through profit or loss and enters into derivative transactions, which are not extensive.

The Group's activities expose it mainly to market risk, liquidity risk and credit risk. The monitoring and management of such risks is undertaken by the senior management of the Group and there are appropriate policies and procedures in place through which such financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Group has specialised teams to undertake derivative activities for risk management purposes and such team has appropriate skills, experience and expertise. It is the Group policy not to carry out any trading in derivative for speculative purposes. The Audit Committee and the Board are regularly apprised of these risks every quarter and each such risk and mitigation measures are extensively discussed.

(i) Credit risk

Credit risk 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 a very short credit period upto 7-10 days to reputed customers whereas in Cogeneration and Distillery, most of the sales are made to Government customers, such as, State Electricity Board (UPPCL) and Oil Marketing Companies (OMCs). There may be delays, generally not exceeding one year, in receiving payments from UPPCL but the risk in respect of realisation of dues is minimal. In Gear business, it is the policy of the Group to receive payment prior to delivery of the material except in the case of some well established OEMs, including public sector undertakings, where the credit up to 90 days is extended. Water business is engaged in EPC business with municipal and industrial sector where it is customary to have prescribed retentions which are payable upon completion of the project and after satisfactory performance of the plant.

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In order to contain the business risk, the creditworthiness of the customer is ensured through scrutiny of its financials, status of financial closure of the project, if required, market reports and reference checks. The Group remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to restrict risks of delays and default. In view of its diversified business profile and considering the size of the Group, credit risks from receivables are well contained on an overall basis.

The impairment analysis is performed on each reporting period on individual basis for major customers. In addition, a large number of receivables are grouped and assessed for impairment collectively. The calculation of impairment loss is based on historical data of losses, current conditions and forecasts and future economic conditions. The Group's maximum exposure to credit risk at the reporting date is the carrying amount of each financial asset as detailed in note 6, 7, 8 and 9.

The business wise receivable position as at the end of the year is provided here below:

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Sugar business	4,797.61	2,471.81	3,116.77
Cogeneration business	5,882.47	5,205.56	4,557.66
Distillery business	1,185.22	1,438.97	1,377.88
Water business	10,480.02	10,029.31	10,505.82
Gear business	3,412.10	5,465.41	4,315.00
Others	2,034.08	1,980.41	2,123.63
Total Receivables (note 7)	**27,791.50**	**26,591.47**	**25,996.76**
Receivables individually in excess of 10% of the business receivables	14,809.41	12,698.91	10,327.58
Percentage of above receivables to the total receivables of the Group	**53.29%**	**47.76%**	**39.73%**

Receivables in excess of 10% of individual business receivables majorly comprise receivables from UPPCL which forms 26% of total receivables of the Group as on 31 March 2017, 25 % as on 31 March 2016 and 21% as on 1 April 2015. 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

As explained above, life time expected credit loss ("ECL") is determined on trade receivables except in cases where advance payment terms are prescribed or payment is due from Central / State Government or Government Authorities / entities where there is no track record of short receipts. ECL arising from delays in receiving payments from the Government customers pursuant to sale of goods or under construction contracts are not considered if such delays are commonly prevalent in the industry and / or the delays are not exceeding one year. All other short receipts other than arising from expense claims are duly considered in determining ECL. In view of the business model of the Group, engineered-to-order products and the profile of trade receivables, the determination of provision based on age analysis may not be a realistic and hence, the provision of expected credit loss is determined for the total trade receivables outstanding as on the reporting date. This provision for ECL is made in addition to the specific credit losses, if any, provided on specific financial assets.

Provision matrix (%, amounts) of ECL for trade receivables, other than specific credit losses separately recognised is as under:

Business	% ECL	ECL amount as at 31 March 2017	ECL amount as at 31 March 2016	ECL amount as at 1 April 2015
Sugar	Nil	Nil	Nil	Nil
Co-generation	Nil	Nil	Nil	Nil
Distillery	Nil	Nil	Nil	Nil
Water	0.90%	98.55	91.08	95.41
Gear	1%	35.91	55.21	43.59

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(c) **Reconciliation of loss allowance provision**

Trade receivables:

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at beginning of the year	4,205.73	5,001.91
Additional provisions recognised during the year	786.97	1,205.76
Amounts used during the year	(1,792.32)	(1,910.72)
Unused amounts reversed during the year	(531.69)	(91.22)
Balance at the end of the year	2,668.69	4,205.73

Loans and other financial assets:

Particulars	Loans		Other financial assets	
	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16
Balance at beginning of the year	44.53	45.46	60.25	63.12
Movement in expected credit loss allowance	-	(0.93)	(42.31)	(2.87)
Balance at the end of the year	44.53	44.53	17.94	60.25

(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:

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Total current assets	209,276 .12	179,126.52	174,051.33
Total current liabilities	193,200.05	194,014.59	187,941.19
Current ratio	1.08	0.92	0.93

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.

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(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.

Particulars	on demand	< 1 year	1-3 years	3-5 years	> 5 years	Total	Carrying amount
As at 31 March 2017							
Borrowings	122,543.89	22,674.11	26,137.76	1,845.75	6.13	**173,207.64**	172,113.21
Trade payables	-	25,658.94	-	-	-	**25,658.94**	25,658.94
Other financial liabilities	-	4,293.88	30.62	-	-	**4,324.50**	4,324.50
	122,543.89	**52,626.93**	**26,168.38**	**1,845.75**	**6.13**	**203,191.08**	**202,096.65**
As at 31 March 2016							
Borrowings	115,469.58	15,435.04	30,980.99	8,716.17	-	**170,601.78**	167,837.63
Trade payables	-	44,702 .17	-	-	-	**44,702.17**	44,702.17
Other financial liabilities	-	3,949.20	61.24	-	-	**4,010.44**	4,010.44
	115,469.58	**64,086.41**	**31,042.23**	**8,716.17**	**-**	**219,314.39**	**216,550.24**
As at 1 April 2015							
Borrowings	95,173.08	12,035.98	27,413.17	12,577.94	-	**147,200.17**	143,735.82
Trade payables	-	68,034.45	-	-	-	**68,034.45**	68,034.45
Other financial liabilities	-	3,541.61	61.24	30.62	-	**3,633.47**	3,633.47
	95,173.08	**83,612.04**	**27,474 .41**	**12,608.56**	**-**	**218,868.09**	**215,403.74**

Maturities of derivative financial instruments:

The Group enters into foreign exchange forward contracts to manage some of its foreign currency exposures that are settled on a net basis. Derivative liability as at 31 March 2017 of ₹84.88 lakhs (31 March 2016 : derivative asset ₹0.38 lakhs; 1 April 2015 : derivative liability ₹53.97 lakhs) shall mature within one year (31 March 2016 : within one year; 1 April 2015 : within one year) from the reporting date.

(iii) **Market risk**

The Group is exposed to following key market risks:

(a) Interest rate risk on loans and borrowings

(b) Sugar price risk

(c) Other market risks

(a) **Interest rate risk**

Most of the borrowings availed by the Group are subject to interest on floating rate basis linked to the Base Rate or MCLR (marginal cost of funds based lending rate). In view of the fact that the total borrowings of the Group are quite substantial, the Group is exposed to interest rate risk.

The above strategy of the Group to opt for floating interest rates is helpful in declining interest scenario, 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 pre payment premium. The said clause helps the Group to arrange debt substitution to bring down the interest costs or to prepay the loans out of the surplus funds held.

While 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:

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Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Total debt as at the end of the year	172,113.21	167,837.63
Average annual utilisation of debts at floating rate of interest (%)	67%	60%
Average availment of borrowings at floating rate of interest	115,920.14	100,413.98
Impact of 1% interest rate variation	1,159.20	1,004.14

(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 March/April. Sugar so produced during the season of around 130 to 150 days, is sold throughout the year. The sugar inventories are at the highest level as at the end of the financial year and these are normally stated at cost or net realizable value, whichever is lower.

The Group is exposed to sugar price risk in respect of the inventories held at the year-end as any decline in prices below the carrying cost will inflict losses to the Group. There are no effective hedging mechanisms available in view of limited breadth in the commodity exchange market and hence the Group follows a strategy of selling sugar based upon market forecasts and holding cost of inventories, subject to minimum floor limits.

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

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Sugar inventory held (MT)	4.58	4.14
Impact of sugar price variation by ₹ 1000/MT	4,581.99	4,143.54

(c) The other market risks include: (a) Foreign currency risks – in view of minimal foreign exchange trades, such risks are nominal; and (b) Equity price risk in respect of listed and non listed equity securities which are susceptible to market price risk arising from uncertainties about future value of the investment securities. In view of nominal value of investments being held by the Group, the magnitude of risk is only nominal.

NOTE 42: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	FVTPL *	Amortised cost	FVTPL *	Amortised cost	FVTPL *	Amortised cost
FINANCIAL ASSETS						
Investments						
- Equity instruments	342.45	-	242.71	-	258.94	-
- Bonds	145.75	-	-	-	-	-
- National Saving Certificates	-	0.03	-	0.11	-	0.11
Trade receivables	-	27,791.50	-	26,591.47	-	25,996.76
Loans	-	45.81	-	62.62	-	110.85
Cash and bank balances	-	1,299.35	-	950.73	-	1,118.39
Security deposits	-	444.79	-	604.57	-	359.16
Earnest money deposits	-	152.05	-	105.76	-	25.06
Derivative financial assets	-	-	0.38	-	-	-
Other receivables	-	94.82	-	112.51	-	56.22
Total financial assets	**488.20**	**29,828.35**	**243.09**	**28,427.77**	**258.94**	**27,666.55**

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Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	FVTPL *	Amortised cost	FVTPL *	Amortised cost	FVTPL *	Amortised cost
Financial liabilities						
Borrowings	-	172,113.21	-	167,837.63	-	143,735.82
Trade payables	-	25,658.94	-	44,702.17	-	68,034.45
Capital creditors	-	699.24	-	1,347.75	-	1,420.47
Security deposits	-	357.35	-	310.52	-	293.94
Derivative financial liabilities	84.88	-	-	-	53.97	-
Other payables	-	3,267.92	-	2,352.17	-	1,919.06
Total financial liabilities	**84.88**	**202,096.66**	**-**	**216,550.24**	**53.97**	**215,403.74**

*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

Particulars	Note No.	Level 1	Level 2	Level 3	Total
As at 31 March 2017					
Financial assets					
- Investments in equity instruments at FVTPL (Quoted)	6	342.45	-	-	**342.45**
- Investments in bonds at FVTPL	6	-	145.75	-	**145.75**
		342.45	**145.75**	**-**	**488.20**
Financial liabilities					
- Foreign exchange forward contracts at FVTPL	17	-	84.88	-	**84.88**
		-	**84.88**	**-**	**84.88**
As at 31 March 2016					
Financial assets					
- Investments in equity instruments at FVTPL (Quoted)	6	196.57	-	-	**196.57**
- Investments in equity instruments at FVTPL (Unquoted)	6	-	46.14	-	**46.14**
- Foreign exchange forward contracts at FVTPL	9	-	0.38	-	**0.38**
		196.57	**46.52**	**-**	**243.09**
As at 1 April 2015					
Financial assets					
- Investments in equity instruments at FVTPL (Quoted)	6	238.18	-	-	**238.18**
- Investments in equity instruments at FVTPL (Unquoted)	6	-	20.76	-	**20.76**
		238.18	**20.76**	**-**	**258.94**
Financial liabilities					
- Foreign exchange forward contracts at FVTPL	17	**-**	53.97	**-**	**53.97**
		-	**53.97**	**-**	**53.97**

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.

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(All amounts in ₹ lakhs, unless otherwise stated)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Equity shares of NBI Industrial Finance Co. Ltd. have been listed on stock exchange during the year. Accordingly, valuation of investment in equity shares of NBI Industrial Finance Co. Ltd is upgraded to level 1 hierarchy during the year from level 2 in previous year. For other financial assets, 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 foreign exchange forward contracts is determined using market observable inputs, including prevalent forward rates for the maturities of the respective contracts and interest rate curves as indicated by banks and third parties.
- the fair value of the unquoted equity instruments, determined using observable data of other comparable listed companies.
- the fair value of bonds, determined using observable market data of yield to maturity and coupon rates of securities.

All of the resulting fair value estimates are included in level 2.

(iv) Valuation processes

The Corporate finance team has requisite knowledge and skills in valuation of financial instruments. The team headed by Group CFO directly reports to the audit committee on the fair value of financial instruments.

(v) Fair value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Particulars	As at 31-Mar-17		As at 31-Mar-16		As at 1-Apr-15	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Trade receivables	27,791.50	27,495.92	26,591.47	26,051.61	25,996.76	25,294.24
	27,791.50	**27,495.92**	**26,591.47**	**26,051.61**	**25,996.76**	**25,294.24**
Financial liabilities						
Trade payables	25,658.94	25,541.63	44,702.17	44,325.68	68,034.45	67,623.53
	25,658.94	**25,541.63**	**44,702.17**	**44,325.68**	**68,034.45**	**67,623.53**

Fair value hierarchy

Particulars	Level 1	Level 2	Level 3	Total
As at 31 March 2017				
Financial assets				
Trade receivables	-	-	27,495.92	27,495.92
	-	-	**27,495.92**	**27,495.92**
Financial liabilities				
Trade payables	-	-	25,541.63	25,541.63
	-	**-**	**25,541.63**	**25,541.63**
As at 31 March 2016				
Financial assets				
Trade receivables	-	-	26,051.61	26,051.61
	-	**-**	**26,051.61**	**26,051.61**
Financial liabilities				
Trade payables	-	-	44,325.68	44,325.68
	-	-	**44,325.68**	**44,325.68**

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(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Level 1	Level 2	Level 3	Total
As at 1 April 2015				
Financial assets				
Trade receivables	-	-	25,294.24	25,294.24
	-	-	**25,294.24**	**25,294.24**
Financial liabilities				
Trade payables	-	-	67,623.53	67,623.53
	-	-	**67,623.53**	**67,623.53**

(a) The fair values for trade receivables and trade payables which are expected to be settled after twelve months (including those which are within the operating cycle) are computed based on discounted cash flows. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk. The carrying amounts of the remaining trade receivables and trade payables are considered to be the same as their fair values, due to their short-term nature.

NOTE 43: GOVERNMENT GRANTS

(i) UP Sugar Promotion Policy, 2004

(a) The Group had accounted for capital subsidy and reimbursements of certain statutory levies and expenses as prescribed under UP Sugar Industry Promotion Policy, 2004 ("the Policy"), issued by the state government of Uttar Pradesh and also availed prescribed exemption of taxes and duties. The Policy was pre-maturely terminated on 4 June 2007 and the Group has challenged such termination and non grant of prescribed incentives under the Policy before the Lucknow bench of Allahabad High Court. Pending final adjudication in the matter, the High Court vide its interim order dated 9 May 2008 had permitted limited protection of remissions which were being enjoyed on the date when the Policy was revoked.

(b) In accordance with the aforesaid position:

i) The Group had accounted for recoverable incentives aggregating to ₹ 14,002.46 lakhs upto 31 March 2016 (1 April 2015: ₹ 14,002.46 lakhs) including capital subsidy of ₹ 10,470.00 lakhs (1 April 2015 : ₹ 10,470.00 lakhs).

ii) The Group has availed remissions of ₹ 4,158.38 lakhs upto 31 March 2017 (31 March 2016: ₹ 3,631.51 lakhs ; 1 April 2015: ₹ 3,591.14 lakhs).

iii) The Group has, on account of uncertainty, not accounted for reimbursable incentives of ₹ 9,483.42 lakhs upto 31 March 2017 (31 March 2016 : ₹ 7,936.82 lakhs ; 1 April 2015 : ₹ 8,132.78 lakhs) from October 2010 onwards.

(c) Capital subsidy of ₹ 10,,470.00 lakhs, as referred to in b (i) above was accounted for during financial year 2005-06 by crediting to capital reserve account considering the grant to be in the nature of promoter's contribution. As per the principles of Ind AS, which have become applicable to the Group from 1 April 2016, such grant is required to be presented in the balance sheet by setting up the grant as deferred income to be recognised/amortised in the profit or loss over the useful lives of the assets comprised in the projects eligible for the aforesaid grant/subsidy. Accordingly, grant of ₹ 5,811.62 lakhs remaining to be amortised as on the transition date (1 April 2015), was credited to deferred government grant for amortisation in the subsequent period.

.(d) During the current year, the Group has decided to write-off amount of ₹ 14,002.46 lakhs as appearing recoverable from the state government of UP as on 31 March 2016, as the prescribed incentive period of ten years under the Policy has expired and it may take considerable time before the final adjudication in the matter takes place. Accordingly, deferred government grant of ₹ 5,455.72 lakhs as on 31 March 2016, pertaining to the capital subsidy, is also written back and consequently, there is a net impact of ₹ 8,546.74 lakhs which has been classified under exceptional items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Government grants recognised in the consolidated financial statements

	Particulars	Grants recognised in profit or loss			Grant recoverable		
		Year ended 31-Mar-17	Year ended 31-Mar-16	Treatment in consolidated financial statements	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
1	**Deferred government grants**						
a)	Interest subvention @ 12% per annum on loans aggregating to 12,626.00 lakhs availed during financial year 2012-13 under the "Scheme of Extending Financial Assistance to Sugar Undertakings, 2013" notified by the Government of India.	1,075.07	1,180.41	Reduced from finance cost (note 30)	-	-	-
b)	Loans at below market interest rate from Sugar Development Fund, Government of India.	45.14	67.67	Reduced from finance cost (note 30)	-	-	-
c)	Interest subvention @ 10% per annum granted by the Government of India for one year from the date of disbursement on loans aggregating to ₹ 11,450.50 lakhs availed in financial year 2015-16 under the "Scheme of extending Soft Loans to Sugar Mills".	552.81	520.46	Reduced from finance cost (note 30)	-	-	-
f)	Subsidy under UP Sugar Promotion policy, 2004 [see note 43 (i)(c) above].	-	355.90	Other income (note 25)	-	14,002.46	14,002.46
	Total deferred government grants	**1,673.02**	**2,124.44**		**-**	**14,002.46**	**14,002.46**
2	**Other revenue grants**						
a)	i) Cane production subsidy of ₹4.50 per quintal of cane pertaining to season 2015-16 on prescribed crush level to be provided by Government of India subject to fulfillment of certain conditions relating to export of sugar and dispatch of Ethanol.	-	1,994.50	Other income* (note 25)	-	1,994.50	-
	ii) Reversal out of above grant (net of grant of ₹ 39.80 lakhs accrued during the year) necessitated due to different computation adopted by the Government.	(44.18)	-	Other expenses (note 33)	-	-	-
b)	i) Reimbursement of cane commission on cane purchased during the season 2014-15 and 2015-16.	-	1,416.48	Reduced from raw material consumed (note 26)	_	1,330.73	3,102.39
	ii) Reversal of above grant for season 2015-16 based on the final decision of the state government of UP on cane price package for Season 2015-16	(1,330.73)	-	Raw material consumed (note 26)	-	-	-
c)	Cane price subsidy of ₹28.60 per quintal by the state government of UP on the cane purchased during season 2014-15	_	1,226.26	Reduced from raw material consumed (note 26)	_	_	13,443.68
	Total other revenue grants	**(1,374.91)**	**4,637.24**	**-**	**-**	**3,325.23**	**16,546.07**
	Total grants	**298.11**	**6,761.68**	**-**	**-**	**17,327.69**	**30,548.53**

* presented under "Other income" net of loss of ₹ 1,724.15 lakhs incurred on related export obligation.

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(All amounts in ₹ lakhs, unless otherwise stated)

(iii) Government grants in the form of remissions of taxes and duties availed and recognised in the consolidated financial statements:

		Year ended 31-Mar-17	Year ended 31-Mar-16
a)	Remission of Purchase tax @ ₹ 2 per quintal on purchase of cane		
	- for the sugar season 2015-16	17.21	972.90
	- for the sugar season 2012-13	137.70	-
		154.91	**972.90**
b)	Remissions availed as per the interim order of the High Court in respect of UP Sugar Industry Promotion Policy, 2004 [see note 43 (i) (a) & (b) above)	526.87	40.37

(iv) Movement of deferred Government grants is provided here below:

	Year ended 31-Mar-17	Year ended 31-Mar-16
As at the beginning of the year	8,090.94	9,142.11
Recognised during the year	-	1,073.27
Released to the statement of Profit and Loss	(1,673.02)	(2,124.44)
Written back	(5,455.72)	-
As at the end of the year	**962.20**	**8,090.94**
Current	711.36	2,022.04
Non-Current	250.84	6,068.90
Total	**962.20**	**8,090.94**

NOTE 44: INTEREST IN OTHER ENTITIES

(i) Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of Subsidiaries	Principal activities	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group		
			As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Triveni Engineering Limited	see (a) below	India	100%	100%	100%
Triveni Energy Systems Limited	see (a) below	India	100%	100%	100%
Svastida Projects Limited	see (a) below	India	100%	100%	100%
Triveni Entertainment Limited	see (a) below	India	100%	100%	100%
Triveni Industries Limited	see (a) below	India	100%	100%	N.A.
Triveni Sugar Limited	see (a) below	India	99.99%	99.99%	100%

(a) These companies are relatively much smaller and there have been no significant business activities in these companies.

(ii) Non-controlling interests

The Triveni Sugar Limited was a wholly owned subsidiary of the Company. Consequent to the divestment by the Company of 50 equity shares (0.01%) in Triveni Sugar Limited on 23 July 2015, shareholding came down to 99.99% which had not resulted into loss of control of the Company. Refer note 15 for the effect on the equity attributable to the owners of the Company.

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(All amounts in ₹ lakhs, unless otherwise stated)

(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-17	As at 31-Mar-16	As at 1-Apr-15
Triveni Turbine Limited	Power generating equipment and solutions	India	21.82%	21.82%	21.82%
Aqwise-Wise Water Technologies Ltd.	Water and wastewater treatment solutions	Israel	25.04%	25.04%	25.04%

The above associates are accounted for using the equity method in these consolidated financial statements.

(a) Summarised financial information for Associates

The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purposes.

Summarised balance sheet of Associates

Particulars	Triveni Turbine Limited			Aqwise-Wise Water Technologies Ltd.		
	As at 31 Mar 17	As at 31-Mar-16	As at 1-Apr-15	As at 31 Mar 17	As at 31-Mar-16	As at 1-Apr-15
Current assets						
Cash and cash equivalent	1,769.89	2,895.46	447.75	1,918.73	1,402.04	1,106.76
Other assets	34,647.00	35,777.00	34,046.04	7,482.19	6,905.95	4,066.46
Total current assets	**36,416.89**	**38,672.46**	**34,493.79**	**9,400.92**	**8,307.99**	**5,173.22**
Total non-current assets	**27,751.32**	**19,111.55**	**15,813.11**	**922.39**	**643.58**	**444.20**
Current liabilities						
Financial liabilities (excluding trade payables and provisions)	1,415.87	775.14	341.01	5,176.04	4,703.20	3,164.14
Other liabilities	20,511.38	25,600.46	23,326.46	1,761.29	1,539.62	577.06
Total current liabilities	**21,927.25**	**26,375.60**	**23,667.47**	**6,937.33**	**6,242.82**	**3,741.20**
Non-current liabilities						
Financial liabilities (excluding trade payables and provisions)	23.76	41.55	50.89	991.22	241.82	286.97
Other liabilities	1,871.13	1,426.59	1,226.66	-	-	-
Total non-current liabilities	**1,894.89**	**1,468.14**	**1,277.55**	**991.22**	**241.82**	**286.97**
Balance	**40,346.07**	**29,940.27**	**25,361.88**	**2,394.76**	**2,466.93**	**1,589.25**
Contributions of non-controlling interest towards share in losses	-	-	-	379.65	126.24	-
Net assets	**40,346.07**	**29,940.27**	**25,361.88**	**2,774.41**	**2,593.17**	**1,589.25**

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Summarised statement of profit and loss of Associates

Particulars	Triveni Turbine Limited		Aqwise-Wise Water Technologies Ltd.	
	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-17	Year ended 31-Mar-16
Revenue	76,556.99	73,952.02	12,566.75	12,486.63
Interest income	13.92	19.33	-	-
Depreciation and amortisation	1,479.87	1,526.73	69.20	54.03
Interest expense	33.23	34.33	441.83	350.37
Profit from continuing operations	12,355.46	11,298.30	77.68	733.80
Profit from discontinued operations	-	-	-	-
Profit for the year	12,355.46	11,298.30	77.68	733.80
Other comprehensive income	(162.47)	31.63	-	-
Total comprehensive income	12,192.99	11,329.93	77.68	733.80
Dividend received from the Associate	324.00	1,224.00	-	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associates recognised in consolidated financial statements:

Particulars	Triveni Turbine Limited			Aqwise-Wise Water Technologies Ltd.		
	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Net assets of the Associates	40,346.07	29,940 .26	25,361.87	2,774 .40	2,593.16	1,589 .26
Group's share in%	21.82%	21.82%	21.82%	25.04%	25.04%	25.04%
Group's share in ₹ lakhs	8,803.52	6,532.97	5,533.97	694.71	649.33	397.95
Adjustments:						
Group's share in adjustment for unrealised profits on inter-company transactions (net of tax)	(6.81)	(1.47)	(2.43)	-	-	-
Goodwill on acquisition (as restated)	-	-	-	2,231.03	2,239.37	2,319.75
Adjustment for tax on balance undistributed profits	(1,347.04)	(970.68)	(801.78)	-	-	-
Other adjustments	0.07	0.07	0.07	-	-	-
Carrying amount	7,449.74	5,560.89	4,729.83	2,925.74	2,888.70	2,717.70

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NOTE 45: ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Triveni Engineering & Industries Limited								
31 March 2017	90.56%	75,644.72	91.05%	23,032.23	93.48%	(448.62)	91.00%	22,583.61
31 March 2016	89.83%	52,736.73	405.52%	(2,955.55)	-98.25%	9.49	398.92%	(2,946.06)
Subsidiaries (Group's share)								
Indian								
Triveni Engineering Ltd.								
31 March 2017	0.52%	437.35	-0.01%	(1.27)	0.00%	-	-0.01%	(1.27)
31 March 2016	0.75%	438.29	0.22%	(1.61)	0.00%	-	0.22%	(1.61)
Triveni Energy Systems Ltd.								
31 March 2017	0.44%	370.64	-0.01%	(1.27)	0.00%	-	-0.01%	(1.27)
31 March 2016	0.63%	371.58	0.20%	(1.46)	0.00%	-	0.20%	(1.46)
Triveni Sugar Limited								
31 March 2017	0.00%	1.84	0.00%	(0.87)	0.00%	-	0.00%	(0.87)
31 March 2016	0.00%	2.71	0.17%	(1.21)	0.00%	-	0.16%	(1.21)
Svastida Projects Limited								
31 March 2017	0.00%	2.22	0.00%	(1.17)	0.00%	-	0.00%	(1.17)
31 March 2016	0.01%	3.07	0.18%	(1.35)	0.00%	-	0.18%	(1.35)
Triveni Entertainment Limited								
31 March 2017	0.52%	431.99	0.01%	2.07	0.00%	-	0.01%	2.07
31 March 2016	0.73%	431.03	-0.19%	1.36	0.00%	-	-0.18%	1.36
Triveni Industries Limited								
31 March 2017	0.00%	0.39	-0.01%	(1.36)	0.00%	-	-0.01%	(1.36)
31 March 2016	0.00%	2.01	0.13%	(0.92)	0.00%	-	0.13%	(0.92)
Non-controlling interests in all subsidiaries								
31 March 2017	0.00%	(0.00)	0.00%	0.00	0.00%	-	0.00%	0.00
31 March 2016	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 2017	8.06%	6,729.67	8.89%	2,248.31	7.39%	(35.45)	8.92%	2,212.86
31 March 2016	8.25%	4,840.81	-281.02%	2,048.16	-71.46%	6.90	-278.28%	2,055.06
Foreign								
Aqwise-Wise Water Technologies Ltd.								
31 March 2017	-0.10%	(80.45)	0.08%	19.45	-0.87%	4.18	0.10%	23.63
31 March 2016	-0.20%	(117.49)	-25.21%	183.74	269.71%	(26.05)	-21.35%	157.69
Total								
31 March 2017	100.00%	83,538.37	100.00%	25,296.12	100.00%	(479.89)	100.00%	24,816.23
31 March 2016	100.00%	58,708.74	100.00%	(728.84)	100.00%	(9.66)	100.00%	(738.50)

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NOTE 46: LEASES

(i) Obligations under finance leases

The Group has acquired certain lands under lease, classified as finance leases. Original lease term in respect of one of the land is ninety years whereas another land is on perpetual lease basis. The Group had paid one time payment of lease charges in respect of these leases and there are no further future lease maintenance payments under the lease agreement. There is no contingent rent or restriction imposed in the lease agreement.

(ii) Operating lease arrangements

As Lessee

The Group has taken various residential, office and godown premises under operating lease. These are generally not non-cancellable leases (except for few premises) having unexpired period upto eight years. The leases are renewable by mutual consent and on mutually agreeable terms. The Group has given refundable interest free security deposits under certain lease agreements. There is no contingent rent, sublease payments or restriction imposed in the lease agreement.

Payments recognised as expense

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Lease payments (refer note 33)	594.17	537.48
	594.17	**537.48**

Non-cancellable operating lease commitments

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
Not later than one year	259.55	24.00	94.50
Later than one year and not later than five years	281.18	-	24.00
Later than five years	-	-	-
	540.73	**24.00**	**118.50**

As Lessor

The Group has given certain portion of its office / factory premises under operating leases (including lease for investment properties (refer note 4). These leases are not non-cancellable and are extendable by mutual consent and at mutually agreeable terms. The gross carrying amount, accumulated depreciation and depreciation recognised in the consolidated statement of profit and loss in respect of such portion of the leased premises are not separately identifiable. There is no impairment loss in respect of such premises. No contingent rent has been recognised in the consolidated statement of profit and loss. There are no minimum future lease payments as there are no non-cancellable leases. Lease income is recognised in the consolidated statement of profit and loss under "Other income" (refer note 25). Rental income earned by the Group from its investment properties and direct operating expenses arising on the investment properties for the year is set out in note 4.

NOTE 47: COMMITMENTS

Particulars	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	256.51	1,033.75	3,525.70
(b) Operating lease commitments		Refer note 46 (ii)	
(c) Group's share of associates' commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	273.12	879.75	99.45

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NOTE 48: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities

		As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
(a)	**Claims against the Group not acknowledged as debts:**			
	(i) Claims which are being contested by the Group and in respect of which the Group has paid amounts aggregating to ₹ 474.41 lakhs (31 March 2016: ₹ 497.97 lakhs; 1 April 2015: ₹ 471.80 lakhs), excluding interest, under protest pending final adjudication of the cases:	2,068.50	2,623.57	2,208.25

Sl. No.	Particulars	Amount of contingent liability			Amount paid		
		31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15
1	Sales tax	321.68	702.21	295.20	106.63	107.90	91.92
2	Excide duty	1,034.80	1,174.41	1,189.61	334.34	342.43	340.42
3	Others	712.02	746.95	723.44	33.44	47.64	39.46

		As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
	(ii) The Group is contingently liable in respect of short provision against disputed income tax liabilities (excluding determination of final interest payable thereon) of ₹ 3803.21 lakhs (31 March 2016: ₹ 3573.47 lakhs ; 1 April 2015: ₹ 4,413.76 lakhs) against which ₹ 2,739.06 lakhs (31 March 2016: ₹ 2,739.06 lakhs ; 1 April 2015 : ₹ 2,844.88 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.	3,803.21	3,573.47	4,413.76
	(iii) Statutory levies against which remission has been availed under U.P. Sugar Industry Promotion Policy 2004 issued by the state government of Uttar Pradesh (refer note 43)	4,158.38	3,631.51	3,591.14
	(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	Indeterminate
	(v) Group's share of associates' contingent liabilities	292.33	120.45	113.80
	The amount shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties, possible payments and reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Group or the claimants, as the case may be, and therefore cannot be predicted accurately. The Group engages reputed professional advisors to protect its interests and has been advised that it has strong legal position against such disputes.			
(b)	**Guarantees/sureties excluding financial guarantees**			
	Guarantees/surety given on behalf of companies ₹1490.51 lakhs (31 March 2016: ₹ 1734.99 lakhs ; 1 April 2015 ₹1688.13 lakhs , including a corporate guarantee of ₹ 1450.51lakhs (31 March 2016: ₹ 1693.99 lakhs ; 1 April 2015: ₹ 1647.13 lakhs) equivalent to GBP 17.62 lakhs (31 March 2016: GBP 17.62 lakhs ; 1 April 2015: GBP 17.62 lakhs) given on behalf of an associate company as a surety for due performance of its obligations under a contract awarded by an overseas customer and in respect of which, the associate company has fully indemnified the Company against any claims, damages or expenses, including legal costs. The guarantees have been given in the normal course of operations of these companies and are not expected to result in any loss to the Company on the basis of such companies fulfilling their ordinary commercial obligations.	1,490.51	1,734.99	1,688.13

Contingent assets

Based on management analysis, there are no material contingent assets as at 31 March 2017 (31 March 2016: ₹ Nil; 1 April 2015: ₹ Nil).

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NOTE 49: DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Based on the intimation received by the Company from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the relevant information is provided here below:

Particulars	31-Mar-17	31-Mar-16	1-Apr-15
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	37.35	46.19	-
(ii) Interest due on above	-	-	-
The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-	-
The amount of interest due and payable for the year on delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

NOTE 50: DISCLOSURE FOR CERTIFIED EMISSION REDUCTIONS AND RENEWABLE ENERGY CERTIFICATES

(i) In accordance with the Guidance Note on Accounting for self-generated Certified Emission Reductions (CERs), issued by the Institute of Chartered Accountants of India, the Group has recognised the CERs held by it as inventories in its consolidated financial statements. Disclosures as required under the Guidance Note are as under:

  (a) 86,562 (31 March 2016: 86,562; 1 April 2015: 86,562) CERs (net of fee for UNFCCC adaptation fund) have been held as inventory by the Group as at the end of the year.

  (b) There are no CERs under certification as on the date of the consolidated financial statements;

  (c) The Group's Deoband and Khatauli Phase-I projects are registered as Clean Development Mechanism (CDM) projects with United Nations Framework Convention on Climate Change (UNFCCC) and it is not feasible to identify specific items of machinery/equipment as an "emission reduction equipment". Accordingly, details of depreciation and operation & maintenance costs, pertaining to emission reducing equipment have not been provided.

(ii) During the year, the National Load Despatch Centre (NLDC) has issued 58,525 (31 March 2016: 74,993) Renewable Energy Certificates (RECs) to the Group under the Central Electricity Regulatory Commission Regulation on RECs. At the close of the year 122,728 (31 March 2016: 132,665; 1 April 2015: 106,533) RECs remained unsold and are held as inventories in the consolidated financial statements.

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NOTE 51: DISCLOSURE ON SPECIFIED BANK NOTES (SBNS)

Pursuant to MCA notification G.S.R. 308(E) dated 30 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs (see (i) below)	Other denomination notes	Total
Closing cash on hand as on 8 November 2016	29.84	5.95	35.79
Add: Permitted receipts (see (ii) below)	72.77	209.98	282.75
Less: Permitted payments (see (iii) below)	(0.05)	(146.97)	(147.02)
Less: Amount deposited in banks	(102.56)	(5.94)	(108.50)
Closing cash on hand as on 30 December 2016	**-**	**63.02**	**63.02**

(i) For the purposes of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November 2016.

(ii) Permitted receipts for SBN represents amount received from sale of fuel at petrol pump

(iii) Permitted payments for SBNs represents exchange of SBNs over the counter at the Bank.

NOTE 52: SCHEME OF DEMERGER

The Board of Directors of the Company had approved a Scheme of Arrangement ("the Scheme") framed under the provisions of section 391-394 of Companies Act 1956, whereby it was proposed to demerge the sugar business, comprising of sugar manufacture, cogeneration of power and distillation of alcohol, ("Demerged Undertaking") of the Company to its wholly owned subsidiary company, Triveni Industries Limited ("Resulting Company"). The Board of Directors, in the board meeting held on 9 February 2017, reviewed the progress of the said Scheme, the proceedings of which were pending in the National Company Law Tribunal (NCLT) for the sanction of the Scheme. In view of the unforeseen changes in business prospects and uncertainties prevailing in the near to medium term in the engineering business of the Company, in the overall interest of all stakeholders, the said scheme has been withdrawn by the Company as decided by the Board of Directors.

NOTE 53: FIRST TIME ADOPTION OF IND AS

Transition to Ind AS

These are the Group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the consolidated financial statements for the year ended 31 March 2017, the comparative information presented in these consolidated financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet as at 1 April 2015 (the transition date). In preparing its opening Ind AS balance sheet, the Group has made adjustment to the amounts reported previously in consolidated financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provision of the Act (previous GAAP or Indian GAAP). Further, in view of the classification of current and non-current items adopted in accordance with the criteria specified in Ind AS 1 *Presentation of Financial Statements* the corresponding figures of the previous years have been appropriately reclassified wheresoever necessary. An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

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The Group has elected to apply Ind AS 103 prospectively to business combinations occurring after the transition date. Business combinations occurring prior to the transition date have not been restated.

A.1.2 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 *Intangible Assets* and investment property covered by Ind AS 40 *Investment Properties*.

Accordingly, the Group has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

A.1.3 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Group has elected to apply this exemption for such contracts/ arrangements.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP (after adjustments to reflect any difference in accounting policies) apart from certain new estimates that were not required under previous GAAP.

A.2.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets (debt instruments) in terms of whether they meet the amortised cost criteria or the fair value criteria based on the facts and circumstances that existed as of the transition date and the Group has followed the same.

A.2.4 Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

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B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

B.1 Effect of Ind AS adoption on the consolidated balance sheet as at 31 March 2016 and 1 April 2015

Particulars	Note No.	As at 31 March 2016 (End of last period presented under previous GAAP)			As at 1 April 2015 (Date of transition)		
		Previous GAAP *	Effect of transition to Ind AS	Ind AS	Previous GAAP *	Effect of transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	C.1, C.2, C.10	85,669.59	372.52	86,042.11	86,256.72	308.66	86,565.38
Capital work-in-progress		933.69	-	933.69	1,842.36	-	1,842.36
Investment property	C.3	1,170.12	-	1,170.12	1,170.12	-	1,170.12
Intangible assets		152.71	-	152.71	118.62	-	118.62
Investments accounted for using the equity method	C.18	9,166.46	(716.87)	8,449.59	8,083.90	(636.38)	7,447.52
Financial assets				-			-
i. Investments	C.3, C.4	2.88	239.94	242.82	2.88	256.17	259.05
ii. Trade receivables	C.5	1,181.96	-	1,181.96	599.45	-	599.45
iii. Loans		10.88	-	10.88	5.85	-	5.85
iv. Other financial assets	C.6	1,085.80	(95.40)	990.40	840.06	(77.51)	762.55
Income tax assets (net)		4,671.32	-	4,671.32	4,466.76	-	4,466.76
Other non-current assets	C.2, C.6, C.11	17,701.26	(84.15)	17,617.11	18,280.23	(70.22)	18,210.01
Total non-current assets		**121,746.67**	**(283.96)**	**121,462.71**	**121,666.95**	**(219.28)**	**121,447.67**
Current assets							
Inventories	C.1, C.10	141,536.39	(301.72)	141,234.67	123,433.78	(280.55)	123,153.23
Financial assets							
i. Trade receivables	C.5	25,555.80	(146.29)	25,409.51	25,536.31	(139.00)	25,397.31
ii. Cash and cash equivalents		286.54	-	286.54	508.89	-	508.89
iii. Bank balances other than cash and cash equivalents		206.64	-	206.64	156.17	-	156.17
iv. Loans		51.74	-	51.74	105.00	-	105.00
v. Other financial assets	C.9	323.14	(32.77)	290.37	152.15	(20.91)	131.24
Other current assets	C.2, C.6, C.11	11,612.51	34.54	11,647.05	24,585.69	13.80	24,599.49
Assets classified as held for sale	C.10	142.88	(142.88)	-	143.62	(143.62)	-
Total current assets		**179,715.64**	**(589.12)**	**179,126.52**	**174,621.61**	**(570.28)**	**174,051.33**
Total assets		**301,462.31**	**(873.08)**	**300,589.23**	**296,288.56**	**(789.56)**	**295,499.00**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March 2016 (End of last period presented under previous GAAP)			As at 1 April 2015 (Date of transition)		
		Previous GAAP *	Effect of transition to Ind AS	Ind AS	Previous GAAP *	Effect of transition to Ind AS	Ind AS
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital		2,579.47	-	2,579.47	2,579.47	-	2,579.47
Other equity	C.1, C.4, C.5, C.6, C.7, C.9, C.11, C.12, C.15,C.18	62,294.15	(6,164.88)	56,129.27	63,302.40	(6,447.95)	56,854.45
Equity attributable to owners of the company		**64,873.62**	**(6,164.88)**	**58,708.74**	**65,881.87**	**(6,447.95)**	**59,433.92**
Non-controlling interests		0.00	-	0.00	-	-	-
Total equity		**64,873.62**	**(6,164.88)**	**58,708.74**	**65,881.87**	**(6,447.95)**	**59,433.92**
LIABILITIES							
Non-current liabilities							
Financial Liabilities							
i. Borrowings	C.8, C.11	39,470.22	(1,091.13)	38,379.09	39,638.26	(2,216.26)	37,422.00
ii. Other financial liabilities		61.24	-	61.24	91.86	-	91.86
Provisions		3,356.70	-	3,356.70	3,071.91	-	3,071.91
Other non-current liabilities	C.7, C.8, C.12	4.78	6,064.09	6,068.87	18.64	7,519.48	7,538.12
Total non-current liabilities		**42,892.93**	**4,972.96**	**47,865.90**	**42,820.67**	**5,303.22**	**48,123.89**
Current liabilities							
Financial liabilities							
i. Borrowings		116,195.11	-	116,195.11	95,371.66	-	95,371.66
ii. Trade payables		44,702.17	-	44,702.17	68,034.45	-	68,034.45
iii. Other financial liabilities	C.9, C.11	18,915.87	(1,703.24)	17,212.63	15,786.55	(1,248.81)	14,537.74
Other current liabilities	C.7, C.8	12,918.72	2,022.08	14,940.80	7,430.04	1,603.98	9,034.02
Provisions	C.9	963.87	-	963.87	963.32	-	963.32
Incom tax liablilities (net)		0.01	-	0.01	-	-	-
Total current liabilities		**193,695.75**	**318.84**	**194,014.59**	**187,586.02**	**355.17**	**187,941.19**
Total liabilities		**236,588.69**	**5,291.80**	**241,880.49**	**230,406.69**	**5,658.39**	**236,065.08**
Total equity and liabilities		**301,462.31**	**(873.08)**	**300,589.23**	**296,288.56**	**(789.56)**	**295,499.00**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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(All amounts in ₹ lakhs, unless otherwise stated)

B.2 Reconciliation of total equity as at 31 March 2016 and 1 April 2015

Particulars	Note No.	As at 31 March 2016 (End of last period presented under previous GAAP)	As at 1 April 2015 (Date of transition)
Total equity (shareholders' funds) under previous GAAP		64,873.62	65,881.87
Adjustments			
Capitalisation of items earlier classified as inventory and assets held for sale	C.1	(57.61)	(101.03)
Classification of lease hold land into operating lease	C.2	(8.75)	(8.01)
Fair valuation of investments	C.4	239.94	256.17
Provision for expected credit losses on trade receivables	C.5	(146.29)	(139.00)
Security deposits at amortised cost	C.6	(9.74)	(11.30)
Government grant accounting	C.7, C.8	(5,455.72)	(5,811.62)
Fair valuation of derivatives	C.9	(2.56)	(20.19)
Borrowings- upfront/processing fee accounted using effective interest rate	C.11	(12.06)	4.77
Leases- derecognition of lease equalisation liability	C.13	4.78	18.64
Impact of Ind AS adjustments in accounts of associates	C.18	(716.87)	(636.37)
Total adjustment to equity		**(6,164.88)**	**(6,447.94)**
Total equity under Ind AS		**58,708.74**	**59,433.93**

B.3 Effect of Ind AS adoption on the consolidated statement of profit and loss for the year ended 31 March 2016

Particulars	Note No.	Year ended 31 March 2016 (Last period presented under previous GAAP)		
		Previous GAAP *	Effect of transition to Ind AS	Ind AS
Revenue from operations	C.13, C.6	200,113.84	(8.78)	200,105.06
Other income	C.6, C.7, C.9	1,344.77	419.85	1,764.62
Total income		**201,458.61**	**411.07**	**201,869.68**
Expenses				
Cost of materials consumed		151,509.03	-	151,509.03
Purchases of stock-in-trade		1,404.43	-	1,404.43
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(14,191.21)	-	(14,191.21)
Excise duty on sale of products	C.13	8,608.79	-	8,608.79
Employee benefits expense	C.14	15,855.34	14.51	15,869.85
Finance costs	C.11	11,480.18	16.82	11,497.00
Depreciation and amortisation expense	C.1	5,807.15	76.34	5,883.49
Impairment loss on financial assets (including reversals of impairment losses)	C.5	1,351.90	7.29	1,359.19
Other expenses	C.1, C.5, C.6, C.12	23,113.20	(45.75)	23,067.46
Total expenses		**204,938.82**	**69.21**	**205,008.03**

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Particulars	Note No.	Year ended 31 March 2016 (Last period presented under previous GAAP)		
		Previous GAAP *	Effect of transition to Ind AS	Ind AS
Profit/(loss) before share of net profits of investments accounted for using equity method and tax		**(3,480.21)**	**341.86**	**(3,138.35)**
Share of net profit of associates accounted for using the equity method		2,327.33	(95.43)	2,231.90
Profit/(loss) before exceptional items and tax		**(1,152.88)**	**246.43**	**(906.45)**
Exceptional items		173.59	-	173.59
Profit/(loss) before tax		**(979.29)**	**246.43**	**(732.86)**
Tax expense:				
- Current tax		1.00	-	1.00
- Deferred tax	C.17	-	(5.02)	(5.02)
Total tax expense		**1.00**	**(5.02)**	**(4.02)**
Profit/(loss) for the year		**(980.29)**	**251.45**	**(728.84)**
Other comprehensive income				
A (i) Items that will not be reclassified to profit or loss				
- Remeasurements of the defined benefit plans	C.14	-	14.51	14.51
- Share of other comprehensive income of associates accounted for using the equity method	C.18	-	5.56	5.56
		-	**20.07**	**20.07**
A (ii) Income tax relating to items that will not be reclassified to profit or loss	C.17	-	5.02	5.02
		-	**15.05**	**15.05**
B (i) Items that may be reclassified to profit or loss				
- Share of other comprehensive income of associates accounted for using the equity method (pertaining to exchange differences arising on translating the foreign operations)	C.18	-	(24.71)	(24.71)
		-	**(24.71)**	**(24.71)**
B (ii) Income tax relating to items that may be reclassified to profit or loss	C.17	-	-	-
		-	**(24.71)**	**(24.71)**
Other comprehensive income for the year, net of tax	**C.16**	**-**	**(9.66)**	**(9.66)**
Total comprehensive income for the year		**(980.29)**	**241.79**	**(738.50)**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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B.4 Reconciliation of total comprehensive income for the year ended 31 March 2016

Particulars	Note No.	Year ended 31 March 2016 (End of last period presented under previous GAAP)
Profit as per previous GAAP		(980.29)
Adjustments:		
Capitalisation of items earlier classified as inventory and assets held for sale	C.1	36.24
Classification of lease hold land into operating lease	C.2	(0.74)
Fair valuation of investments	C.4	(16.23)
Provision for expected credit losses on trade receivables	C.5	(7.29)
Security deposits at amortised cost	C.6	1.55
Government grant accounting	C.7	355.90
Fair valuation of derivatives	C.9	17.63
Borrowings- upfront/processing fee accounted using effective interest rate	C.11	(16.83)
Leases- derecognition of lease equalisation liability	C.12	(13.86)
Remeasurements of post-employment benefit obligations	C.14	(14.51)
Tax effect of adjustments	C.17	5.02
Impact of Ind AS adjustments in accounts of associates	C.18	(95.43)
Total effect of transition to Ind AS		**251.45**
Profit for the year as per Ind AS		**(728.84)**
Other comprehensive for the year (net of tax)	C.14, C.16, C.17, C.18	(9.66)
Total comprehensive income under Ind AS		**(738.50)**

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under previous GAAP..

B.5 Effect of Ind AS adoption on the statement of cash flows for the year ended 31 March 2016

Particulars	Note No.	Year ended 31 March 2016 (End of last period presented under previous GAAP)		
		Previous GAAP *	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	C.1	(9,465.35)	150.31	(9,315.04)
Net cash flows from investing activities	C.1	(2,697.27)	(150.31)	(2,847.58)
Net cash flows from financing activities	C.19	11,940.27	0.00	11,940.27
Net increase (decrease) in cash and cash equivalents		**(222.35)**	**-**	**(222.35)**
Cash and cash equivalents at the beginning of the year		508.89	-	508.89
Cash and cash equivalents at the end of the year		**286.54**	**-**	**286.54**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

C. NOTES TO FIRST-TIME ADOPTION:

C.1 Property, plant and equipment

Under the previous GAAP, the Group has classified and accounted the items of machinery spares, stores, tools etc. as fixed assets or inventory in accordance with AS 10 *Accounting for Fixed Assets* and AS 2 *Valuation of Inventories*. Ind AS 16 *Property, Plant and Equipment* requires tangible assets to be classified as property, plant and equipment (PPE) if they are

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held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and are expected to be used during more than one period. Depreciation charge shall start on such assets upon capitalisation on date of ready to use. Based on the assessment performed by the management, it has been determined that some assets earlier classified as inventories as per previous GAAP qualify to be classified as items of PPE in accordance with Ind AS 16. Further, Ind AS 16 provided clear guidance on accounting of compensation for damage/loss to PPE which was not that clear in the previous GAAP. Under Ind AS 16, such loss, compensation thereof and cost of new item of PPE are required to be accounted separately. Consequent to aforementioned changes and componentisation accounting, inventories is reduced by ₹ 301.74 lakhs as at 31 March 2016 (1 April 2015: ₹ 281.31 lakhs), PPE is increased by ₹ 263.07 lakhs as at 31 March 2016 (1 April 2015: ₹ 180.28 lakhs), other expenses for the year ended 31 March 2016 is decreased by ₹ 92.61 lakhs and depreciation for the year ended 31 March 2016 is increased by ₹ 57.41 lakhs. Total equity is decreased by ₹ 58.26 lakhs as at 31 March 2016 (1 April 2015: ₹ 86.66 lakhs) and loss for the year ended 31 March 2016 is decreased by ₹ 35.59 lakhs. Net cashflow from investing activities decreased by ₹ 150.31 lakhs with an equivalent increase in net cashflow from operating activities for the year ended 31 March 2016.

C.2 Leasehold land

Under Previous GAAP, land was scoped out from the purview of AS 19 *Leases* and hence leasehold land were capitalised by the Group forming part of fixed assets. Ind AS 17 *Leases* covers leasehold land in its scope. Leasehold land were, therefore, identified under finance leases and operating leases based upon the criteria specified in the accounting standard. Leasehold land, which are identified under operating leases, have been decapitalised from PPE and fair value of one time initial payments made against such leases have been considered as prepaid lease charges which shall be charged to the consolidated statement of profit and loss over the tenure of the lease as lease rent. Consequently, PPE is reduced by ₹ 14.47 lakhs as at 31 March 2016 (1 April 2015: ₹ 14.48 lakhs), Other assets (prepaid lease charges) increased by ₹ 5.72 lakhs as at 31 Mar 2016 (1 April 2015 : ₹ 6.47 Lakhs) lease rent for the year ended 31 March 2016 is increased by ₹ 0.75 lakhs depreciation decreased by ₹ 0.01 lakhs. Total equity is decreased by ₹ 8.75 lakhs as at 31 March 2016 (1 April 2015 : ₹ 8.01 lakhs) and loss for the year ended 31 March 2016 is increased by ₹ 0.74 lakhs.

C.3 Investment property

Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or loss as a result of this adjustment.

C.4 Investments

Under the previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, long term investments in equity instruments (other than investments in associates) and bonds have been classified as FVTPL. Fair value changes with respect to these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2016. The effect of these changes is an increase in total equity as at 31 March 2016 by ₹ 239.94 lakhs (1 April 2015: ₹ 256.17 lakhs).

C.5 Trade receivables

As per Ind AS 109, the Group is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts increased by ₹ 146.29 lakhs as at 31 March 2016 (1 April 2015: ₹ 139.00 lakhs). Consequently, the total equity as at 31 March 2016 decreased by ₹ 146.29 lakhs (1 April 2015: ₹ 139.00 lakhs) and profit for the year ended 31 March 2016 decreased by ₹ 7.29 lakhs.

C.6 Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised under other assets as prepaid rent/O&M revenue adjustment, to be amortised over the contractual term. Consequent to this change, the amount of security deposits decreased by ₹ 95.40 lakhs as at 31 March 2016 (1 April 2015: ₹ 77.51 lakhs). Other assets increased by ₹ 85.65 lakhs as at 31 March 2016 (1 April 2015: ₹ 66.21 lakhs). Total equity as at 31 March 2016 decreased by ₹ 9.75 lakhs (1 April 2015 : ₹ 11.30 lakhs). The loss for the year ended 31 March 2016 decreased by ₹ 1.55 lakhs due to recognition of notional interest income of ₹ 27.38 lakhs recognised on security deposits which is partially off set by amortisation of the prepaid rent/O&M revenue adjustment of ₹ 25.83 lakhs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

C.7 Government grants under U.P. Sugar Industry Promotion Policy 2004

Under the previous GAAP, government grant under U.P. Sugar Industry Promotion Policy 2004 was recognised in capital reserve considering it in the nature of promoters' contribution in accordance with AS 12 *Accounting for Government Grants*. Under Ind AS, there is no such concept of grants in the nature of promoters' contribution and such grant are recognised as deferred government grant considering it grant related to assets in accordance with Ind AS 20 *Accounting for Government Grants and Disclosure of Government Assistance*. The deferred grant shall be recognised in the profit or loss in proportionate to the depreciation charge on the related assets. Consequently, capital reserve of ₹ 10,470.00 lakhs as at 31 March 2016 (1 April 2015: ₹ 10,470.00 lakhs) is derecognised with corresponding recognition of deferred government grant with equivalent amount. The deferred government grant is further reduced to the extent of accumulated amortisation of deferred grant of ₹ 4,658.38 lakhs as at 1 April 2015 by crediting retained earnings and recognition of grant to the extent of ₹ 355.90 lakhs in the consolidated statement of profit and loss for the year ended 31 March 2016, in proportion of the depreciation charge on related assets. Total equity as at 31 March 2016 is decreased by ₹ 5,455.72 lakhs (1 April 2015: ₹ 5,811.62 lakhs) and loss for the year ended 31 March 2016 is decreased by ₹ 355.90 lakhs.

C.8 Government grants for loans with interest subvention or below-market rate of interest

Under the previous GAAP, government grant in the form of interest subvention on loans or loans with below-market rate of interest was recognised by way of non recognition of finance cost to the extent of government grant in accordance with AS 12 *Accounting for Government Grants*. Ind AS 20 *Accounting for Government Grants and Disclosure of Government Assistance* requires the benefit of a government loan at a below-market rate of interest to be recognised as deferred government grant wherein the benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109 and proceeds received. Subsequently, the government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses the related costs for which the grants are intended to compensate. Consequently, loans with interest subvention or below-market rate of interest is reduced by ₹ 2,635.22 lakhs as at 31 March 2016 (1 April 2015: ₹ 3,330.48 lakhs) and deferred government grant is recognised of equivalent amount. Further, interest charge is increased by ₹ 1,700.87 lakhs during the year ended at 31 March 2016 which is off set by recognition of grant in the consolidated statement of profit and loss of equivalent amount. through amortisation of deferred government grant

C.9 Derivatives

Under the previous GAAP, in respect of derivative contracts, being foreign exchange forward contracts, relating to firm commitments or highly probable forecast transactions, provision was made for mark to market losses, if any, at the balance sheet date and gains, if any, were not recognised till settlement. Foreign exchange forward contracts (not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculative purposes) were translated at the balance sheet date. Any gain/loss on translation or settlement were recognised in profit or loss. The difference between the forward rate and exchange rate at the inception of foreign exchange forward contracts was amortised as expense or income over the life of the contracts.

Under Ind AS, 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.

Consequently, all balances outstanding as at year end under previous GAAP accounting are required to be reversed and accordingly balances of unamortised premium/discount of ₹ 33.15 lakhs as at 31 March 2016 (1 April 2015: ₹ 20.91 lakhs), provision for mark to market loss of ₹ Nil as at 31 March 2016 (1 April 2015: ₹ 6.65 lakhs), hedging bank payable of ₹ 30.21 lakhs as at 31 March 2016 (1 April 2015: ₹ 48.04 lakhs) have been reversed. All outstanding contracts as at year end are accounted at fair value in accordance with Ind AS 109 and accordingly as at 31 March 2016 derivative asset of ₹ 0.38 lakhs (1 April 2015: derivative liability of ₹ 53.97 lakhs) is recognised. Consequent to this, the total equity as at 31 March 2016 decreased by ₹ 2.56 lakhs (1 April 2015: ₹ 20.19 lakhs) and loss for the year ended 31 March 2016 is decreased by ₹ 17.63 lakhs.

C.10 Assets classified as held for sale

Under the previous GAAP, the Group has disclosed the assets held for sale under 'other current assets' in accordance with AS 10 *Accounting for Fixed Assets*. Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations* requires non-current assets to be identified as held for sale if the carrying amount will be recovered principally through a sale transaction

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FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in ₹ lakhs, unless otherwise stated)

rather than through continuing use and a sale is considered highly probable. Ind AS 105 lays down detailed guidelines and criteria in this regard whereas no such detailed guidelines and criteria were available under previous GAAP. Based on the assessment performed by the management, it has been determined that assets earlier classified as held for sale in previous GAAP accounts do not qualify to be classified as held for sale in accordance with Ind AS 105. Consequent to this adjustment, PPE as at 31 March 2016 increased by ₹ 123.92 lakhs (1 April 2015: ₹ 142.86 lakhs), inventory as on 31 March 2016 increased by ₹ 0.02 lakhs (1 April 2015 : ₹ 0.76 lakhs) total equity as at 31 March 2016 is decreased by ₹ 18.94 lakhs and loss for the year ended 31 March 2016 is increased by the equivalent amount as a result of additional depreciation expense on account of assets reclassified as PPE.

C.11 Borrowings

Ind AS 109 requires that the upfront/processing fees paid in respect of the borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, such fees were charged to profit or loss on straight line basis over the tenure of loan. Accordingly, borrowings as at 31 March 2016 have been reduced by ₹ 128.94 lakhs (1 April 2015: ₹ 133.87 lakhs) and unamortised upfront/processing fees as at 31 March 2016 have been reduced by ₹ 140.98 lakhs (1 April 2015: ₹ 129.10 lakhs) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The loss for the year ended 31 March 2016 increased by ₹ 16.83 lakhs as a result of the additional interest expense.

C.12 Leases

Under the previous GAAP, lease payments under operating lease were recognised as an expense in the consolidated statement of profit and loss on a straight line basis over the lease term in accordance with AS 19 *Leases*. Ind AS 17 *Leases* requires lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Since the Group's operating lease increases are in the range of 5-6% p.a. i.e. in line with general inflation hence impact of straight lining is nullified. Consequently, lease equalisation liability of ₹ 4.78 lakhs as at 31 March 2016 (1 April 2015: ₹ 18.64 lakhs) is derecognised, total equity is increased by ₹ 4.78 lakhs as at 31 March 2016 (1 April 2015: ₹ 18.64 lakhs) and loss for the year ended 31 March 2016 is increased by ₹ 13.86 lakhs.

C.13 Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the consolidated statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2016 by ₹ 8,608.79 lakhs. There is no impact on the total equity or loss for the year ended 31 March 2016.

C.14 Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income net of tax. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the loss for the year ended March 31, 2016 decreased by ₹ 9.49 lakhs (net of tax effect of ₹ 5.02 lakhs). There is no impact on the total equity as at 31 March 2016.

C.15 Retained earnings

Retained earnings as at 1 April 2015 has been adjusted consequent to the above Ind AS transition adjustments.

C.16 Other comprehensive income

Under the previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified item of income, expense, gains, or losses are required to be presented in other comprehensive income.

C.17 Deferred tax

Under the previous GAAP, deferred tax accounting is done using income statement approach, which focuses on timing differences between taxable profits and accounting profits for the period. Ind AS 12 *Income Taxes* requires to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under previous GAAP. In addition, the various transitional adjustments lead to temporary differences. However, there has been no over all impact since the Group has carry forward tax losses and such losses have been recognised as deferred tax assets only to the extent or temporary differences that will result in taxable amount against which such unused tax losses can be utilised in accordance of para 34-36 of Ind AS 12. Consequently, net deferred tax liability/asset as at 31 March 2016 is ₹ Nil (1 April 2015 : ₹ Nil) and there is no impact on total equity as on 31 March 2016.

C.18 Impact of Ind AS adjustments in accounts of associates

Upon implementation of Ind AS, the Group's associates have restated their accounts to incorporate Ind AS adjustments to the amounts reported previously in their financial statements prepared in accordance with the previous GAAP. Consequently, carrying amount of investments in associates is decreased by ₹ 716.87 lakhs as at 31 March 2016 (1 April 2015: ₹ 636.38 lakhs), Group's share of net profit of associates for the year ended 31 March 2016 is decreased by ₹ 95.43 lakhs and Group's share of other comprehensive income associates for the year ended 31 March 2016 is decreased by ₹ 19.15 lakhs. Total equity is decreased by ₹ 716.87 lakhs as at 31 March 2016 (1 April 2015: ₹ 636.38 lakhs), profit for the year ended 31 March 2016 is decreased by ₹ 95.43 lakhs and other comprehensive income for the year ended 31 March 2016 is decreased by ₹ 19.15 lakhs.

C.19 Changes in ownership interests in a subsidiary without loss of control

As per Ind AS 7 Statement of Cash Flows, cash flows arising from changes in ownership interests in a subsidiary that do not result in a loss of control shall be classified as cash flows from financing activities while such cash flows were treated as cash flows from investing activities under previous GAAP. Consequently, net cashflows from investing activities for the year ended 31 March 2016 is decreased by ₹ 0.00 lakhs alongwith increase in net cashflows from financing activities for the year ended 31 March 2016 with the equivalent amount.

NOTE 54: RECENT ACCOUNTING PRONOUNCEMENTS

The Ministry of Corporate Affairs (MCA) vide notification dated 17 March 2017 has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended Ind AS 7 *Statement of Cash Flows*. The amendment to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for accounting periods beginning on or after 1 April 2017. Application of this amendment will not have any recognition and measurement impact. However, it will require additional disclosure in the consolidated financial statements.

NOTE 55: APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved for issue by the Board of Directors of the Company on 20 May 2017 subject to approval of shareholders.

As per our report of even date attached

For **J.C.Bhalla & Company**
Chartered Accountants
Firm's registration No. : **001111N**

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

Sudhir Mallick
Partner
Membership No. : 80051

Dhruv M. Sawhney
Chairman & Managing Director

Homai A. Daruwalla
Director & Chairperson Audit Committee

Place : Noida (U.P.)
Date : May 20, 2017

Suresh Taneja
Group CFO

Geeta Bhalla
Group Vice President & Company Secretary

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INFORMATION ON COMPANY'S BUSINESS LOCATIONS

Registered Office
Deoband, District-Saharanpur
Uttar Pradesh-247 554
STD Code: 01336
Phone: 222497, 222185
Fax: 222220
CIN- L15421UP1932PLC022174

Corporate Office
'Express Trade Towers',
8th Floor, 15-16, Sector- 16A
Noida 201 301(U.P.)
STD Code: 0120
Phone: 4308000
Fax: 4311010-11

Share Department/Investors' Grievances
'Express Trade Towers',
8th Floor, 15-16, Sector- 16A
Noida 201 301(U.P.)
STD Code: 0120
Phone: 4308000
Fax: 4311010-11
Email: shares@trivenigroup.com

Registrar and Share Transfer Agents
For Equity shares held in physical and electronic mode
(Correspondence Address)
M/s Karvy Computershare Pvt. Ltd.,
Unit: Triveni Engineering & Industries Limited
Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad-500 032.
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: 272561 & 272562
Fax: 272309

Deoband Sugar Unit
Deoband, District-Saharanpur
Uttar Pradesh-247 554
STD Code: 01336
Phone: 222497, 222185, 222866
Fax: 222220

Ramkola Sugar Unit
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Uttar Pradesh-247 305
STD Code: 05567
Phone: 256021, 256071-2, 256182
Fax: 256248

Sabitgarh Sugar Unit
P.O. Karora, Tehsil Khurja
District-Bulandshahar,
Uttar Pradesh
STD Code: 05738
Phone: 228894,
Fax: 228893

Rani Nangal Sugar Unit
Rani Nangal, Thakurdwara
District- Moradabad
Uttar Pradesh
STD Code: 0595
Phone: 2564350, 2564627
Fax: 2565002

Milak Narayanpur Sugar Unit
Milak Narayanpur, P.O. Dadiyal
District-Rampur
Uttar Pradesh- 244 925
STD Code: 0595
Phone: 2564350, 2564627, 2564215
Fax: 2565002

Chandanpur Sugar Unit
P.O. Chapna, Tehsil-Hasanpur,
District- Amroha
Uttar Pradesh-244255
STD Code: 05924
Phone: 267002
Fax: 267001

Co-generation Khatauli
Khatauli, District- Muzaffarnagar,
Uttar Pradesh-251 201
STD Code: 01396
Phone: 272561 & 272562
Fax: 272309

Co-generation Deoband
Deoband, District-Saharanpur
Uttar Pradesh-247 554
STD Code: 01336
Phone: 222497, 222185, 222866
Fax: 222220

Alco-Chemical Unit
Village Bhikki Bilaspur,
Jolly Road, District- Muzaffarnagar,
Uttar Pradesh-251 001
STD Code: 0131
Phone: 2600659, 2600684
Fax: 2600569

Branded division
'Express Trade Towers',
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Noida 201 301(U.P.)
STD Code: 0120
Phone: 4308000
Fax: 4311010-11

Gears Business
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Metagalli Post, K.R.S. Road,
Mysore-570 016
STD Code: 0821
Phone: 4280501, 4280502
Fax: 2582694

Water Business
Plot No.44, Block-A,
Phase II Extension,
Hosiery Complex, Noida,
District Gautam Budh Nagar, U.P.
STD Code: 0120 Phone: 4748000
Fax: 4243049

Subsidiary Companies

Triveni Industries Limited
Sugar Unit Deoband,
District-Saharanpur
Uttar Pradesh-247 554
STD Code: 01336
Phone: 222497, 222185
Fax: 222220

Triveni Engineering Limited
'Express Trade Towers',
8th Floor, 15-16, Sector- 16A
Noida 201 301(U.P.)
STD Code: 0120
Phone: 4308000
Fax: 4311010-11

Triveni Energy Systems Limited
'Express Trade Towers',
8th Floor, 15-16, Sector- 16A
Noida 201 301(U.P.)
STD Code: 0120
Phone: 4308000
Fax: 4311010-11

Triveni Entertainment Limited
Grand Plaza, 104, 1st Floor,
99, Old Rajinder Nagar Market,
New Delhi-110060
STD Code: 011
Phone: 25810660

Triveni Sugar Limited
Plot No.44, Block-A,
Phase II Extension,
Hosiery Complex, Noida,
District Gautam Budh Nagar, U.P.
STD Code: 0120
Phone: 4748000
Fax: 4243049

Svastida Projects Limited
Plot No.44, Block-A,
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Hosiery Complex, Noida,
District Gautam Budh Nagar, U.P.
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Phone: 4748000
Fax: 4243049

Corporate Information

Chairman and Managing Director
Mr. Dhruv M. Sawhney (DIN-00102999)

Vice Chairman & Managing Director
Mr. Tarun Sawhney (DIN-00382878)

Directors
Mr. Nikhil Sawhney
(DIN-00029028)
Dr. F.C. Kohli
(DIN-00102878)
Lt. Gen. K.K. Hazari (Retd.)
(DIN-00090909)
Mr. Shekhar Datta
(DIN-00045591)
Ms. Homai A. Daruwalla
(DIN-00365880)
Dr. Santosh Pande
(DIN-01070414)
Mr. Sudipto Sarkar
(DIN-00048279)

Group Chief Financial Officer
Mr. Suresh Taneja

Group Vice President & Company Secretary
Ms. Geeta Bhalla

Bankers
Axis Bank Ltd.
Canara Bank
Central Bank of India
IDBI Bank Ltd.
Indusind Bank Ltd.
Oriental Bank of Commerce
Punjab National Bank
State Bank of India
State Bank of Patiala
Yes Bank Ltd

Auditors
M/s J.C. Bhalla & Co.

Branch Auditors
M/s Virmani & Associates

Triveni Group Website
www.trivenigroup.com

Triveni
ENGINEERING & INDUSTRIES LTD.

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