Independent Auditor's Report

To the Members of Triveni Turbine Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Triveni Turbine Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. 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 financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

4. 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.

5. 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 these standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone 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 financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The audit of standalone financial statements of the Company for the year ended 31 March 2017 included in the standalone financial statements was carried out and reported by J.C. Bhalla and Co., Chartered Accountants vide their unmodified audit report dated 18 May 2017, whose audit report has been furnished to us and which has been relied upon by us for the purpose of our audit of the standalone financial statements. Our audit report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

9. 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 I a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. Further to our comments in Annexure I, 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 purpose of our audit;

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

    c) the standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;

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

    f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 22 May 2018 as per Annexure II expressed unmodified opinion;

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

        i. the Company, as detailed in Note 42 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Vijay Vikram Singh**
Partner
Membership No.: 059139

Place: Noida
Date: 22 May 2018

Annexure I to the Independent Auditor's Report

of even date to the members of Triveni Turbine Limited, on the standalone financial statements for the year ended 31 March 2018

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

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

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company. Immovable property in the nature of land (included under 'Property, plant and equipment' as Freehold Land) whose title deeds have been pledged as security for banking facilities are held in the name of the Company, which is verified from confirmation directly received by us from lenders. In respect of immovable properties in the nature of land (included under 'Property, plant and equipment' as Leasehold Land) that has been taken on lease, as further described in note 3(i) of the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee as per the agreement.

(ii) In our opinion, the management has conducted physical verification of substantial inventory at reasonable intervals during the year, except for stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies between physical inventory and book records were noticed on physical verification of inventory.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of sales-tax, goods and service tax, duty of customs, and value added tax that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax, service-tax, and duty of excise on account of any dispute, are as follows:

Statement of Disputed Dues (Amounts in millions)

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act,1944	Excise duty	7.80	0.09	FY 2007-08	CESTAT, Bengaluru
Finance Act, 1994	Service tax	37.53	1.27	FY 2006-07 to FY 2011-12	CESTAT, Bengaluru
Income Tax Act, 1961	Income Tax	36.62	-	FY 2012-13	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	2.57	-	FY 2013-14	Commissioner of Income Tax (Appeal)

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(ix) In our opinion, the Company has applied moneys raised by way of the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments).

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Vijay Vikram Singh**
Partner
Membership No.: 059139

Place: Noida
Date: 22 May 2018

Annexure II to the Independent Auditor's Report

of even date to the members of Triveni Turbine Limited on the standalone financial statements for the year ended 31 March 2018

Annexure II

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

1. In conjunction with our audit of the standalone financial statements of Triveni Turbine Limited ('the Company') as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Vijay Vikram Singh**
Partner
Membership No.: 059139

Place: Noida
Date: 22 May 2018

Balance Sheet

as at March 31, 2018

(₹ in Million)

	Note No.	31-Mar-18	31-Mar-17
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,209.11	2,265.81
Capital work-in-progress	3	385.10	103.02
Intangible assets	4	47.06	52.86
Investments in subsidiary and joint venture	5 (a)	98.47	98.47
Financial assets			
i. Trade receivables	6	12.42	12.55
ii. Loans	7	0.22	0.35
iii. Other financial assets	8	5.82	5.40
Other non-current assets	9	14.32	190.62
Income tax assets (net)	21	12.85	12.68
Total non-current assets		**2,785.37**	**2,741.76**
Current assets			
Inventories	10	1,807.11	1,458.66
Financial assets			
i. Investments	5 (b)	90.63	40.12
ii. Trade receivables	6	2,058.08	1,489.38
iii. Cash and cash equivalents	11 (a)	40.97	87.33
iv. Bank balances other than cash and cash equivalents	11 (b)	10.86	1.08
v. Loans	7	2.20	2.41
vi. Other financial assets	8	27.16	74.29
Other current assets	9	590.14	392.27
		4,627.15	**3,545.54**
Assets classified as held for sale	12	2.60	6.05
Total current assets		**4,629.75**	**3,551.59**
Total assets		**7,415.12**	**6,293.35**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	329.97	329.97
Other equity	14	4,131.53	3,627.05
Total equity		**4,461.50**	**3,957.02**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	15	0.51	2.38
Provisions	16	37.51	49.93
Deferred tax liabilities (net)	22	77.52	108.81
Total non-current liabilities		**115.54**	**161.12**
Current liabilities			
Financial liabilities			
i. Borrowings	17	-	-
ii. Trade payables	18	1,447.68	921.64
iii. Other financial liabilities	19	90.69	134.98
Other current liabilities	20	1,127.09	957.00
Provisions	16	87.76	94.32
Income tax liabilities (net)	21	84.86	67.27
Total current liabilities		**2,838.08**	**2,175.21**
Total liabilities		**2,953.62**	**2,336.33**
Total equity and liabilities		**7,415.12**	**6,293.35**

The accompanying notes 1 to 47 form an integral part of the standalone financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants

For and on behalf of the Board of Directors of Triveni Turbine Limited

Per **Vijay Vikram Singh**
Partner

Dhruv M. Sawhney
Chairman & Managing Director
DIN: 00102999

Lt. Gen. K K Hazari (Retd.)
Director & Chairman Audit Committee
DIN: 00090909

Place : Noida (U.P.)
Date : May 22, 2018

Deepak Kumar Sen
Executive Vice President & CFO

Rajiv Sawhney
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in Million)

		Note No.	31-Mar-18	31-Mar-17
Revenue from operations		23	7,431.42	7,537.24
Other income		24	87.97	285.67
Total income			**7,519.39**	**7,822.91**
Expenses				
Cost of materials consumed		25	3,783.76	3,865.16
Changes in inventories of finished goods and work-in-progress		26	69.86	33.03
Excise duty on sale of products			22.24	209.63
Employee benefits expense		27	796.21	742.48
Finance costs		28	5.34	3.32
Depreciation and amortisation expense		29	191.08	147.96
Impairment loss on financial assets (including reversals of impairment losses)		30	4.81	6.53
Other expenses		31	1,186.13	1,048.68
Total expenses			**6,059.43**	**6,056.79**
Profit before tax			**1,459.96**	**1,766.12**
Tax expense:				
- Current tax		32	508.38	584.76
- Deferred tax		32	(30.67)	19.50
Total tax expense			**477.71**	**604.26**
Profit for the year			**982.25**	**1,161.86**
Other comprehensive income				
A	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans	35	5.35	(19.94)
			5.35	**(19.94)**
	(ii) Income tax relating to items that will not be reclassified to profit or loss	32	1.86	(6.90)
			3.49	**(13.04)**
B	(i) Items that will be reclassified to profit or loss			
	- Effective portion of loss on designated portion of hedging instruments in a cash flow hedges	38(iii)(b)	(7.16)	-
			(7.16)	**-**
	(ii) Income tax relating to items that may be reclassified to profit or loss	32	(2.48)	-
			(4.68)	**-**
Other comprehensive income for the year, net of tax			**(1.19)**	**(13.04)**
Total comprehensive income for the year			**981.06**	**1,148.82**
Earnings per equity share of ₹ 1 each				
Basic earnings per share		33	2.98	3.52
Diluted earnings per share		33	2.98	3.52

The accompanying notes 1 to 47 form an integral part of the standalone financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants

For and on behalf of the Board of Directors of Triveni Turbine Limited

Per **Vijay Vikram Singh**
Partner

Dhruv M. Sawhney
Chairman & Managing Director
DIN: 00102999

Lt. Gen. K K Hazari (Retd.)
Director & Chairman Audit Committee
DIN: 00090909

Place : Noida (U.P.)
Date : May 22, 2018

Deepak Kumar Sen
Executive Vice President & CFO

Rajiv Sawhney
Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2018

A. Equity share capital

Equity shares of ₹ 1 each issued, subscribed and fully paid up

(₹ in Million)

As at April 1, 2016	329.97
Changes in equity share capital during the year	-
As at March 31, 2017	329.97
Changes in equity share capital during the year	-
As at March 31, 2018	329.97

B. Other equity

(₹ in Million)

	Reserves and surplus				Items of other comprehensive income	Total other equity
	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Cash flow hedging reserve	
Balance as at April 1,2016	**28.00**	**4.69**	**839.23**	**1,785.03**	**-**	**2,656.95**
Profit for the year	-	-	-	1,161.86	-	1,161.86
Other comprehensive loss net of income tax	-	-	-	(13.04)	-	(13.04)
Total comprehensive income for the year	**-**	**-**	**-**	**1,148.82**	**-**	**1,148.82**
Transactions with owners in their capacity as owners:						
Dividends paid	-	-	-	(148.49)	-	(148.49)
Dividend distribution tax (DDT)	-	-	-	(30.23)	-	(30.23)
Balance as at March 31, 2017	**28.00**	**4.69**	**839.23**	**2,755.13**	**-**	**3,627.05**
Profit for the year	-	-	-	982.25	-	982.25
Other comprehensive loss, net of income tax	-	-	-	3.49	(4.68)	(1.19)
Total comprehensive income for the year	**-**	**-**	**-**	**985.74**	**(4.68)**	**981.06**
Transactions with owners in their capacity as owners:						
Dividends paid	-	-	-	(395.97)	-	(395.97)
Dividend distribution tax (DDT)	-	-	-	(80.61)	-	(80.61)
Balance as at March 31, 2018	**28.00**	**4.69**	**839.23**	**3,264.29**	**(4.68)**	**4,131.53**

The accompanying notes 1 to 47 form an integral part of the standalone financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants

For and on behalf of the Board of Directors of Triveni Turbine Limited

Per **Vijay Vikram Singh**
Partner

Dhruv M. Sawhney
Chairman & Managing Director
DIN: 00102999

Lt. Gen. K K Hazari (Retd.)
Director & Chairman Audit Committee
DIN: 00090909

Place : Noida (U.P.)
Date : May 22, 2018

Deepak Kumar Sen
Executive Vice President & CFO

Rajiv Sawhney
Company Secretary

Statement of Cash Flows
for the year ended March 31, 2018

(₹ in Million)

	31-Mar-18	31-Mar-17
Cash flows from operating activities		
Profit before tax	1,459.97	1,766.12
Adjustments for		
Depreciation and amortisation expense	191.08	147.96
Loss on sale/write off of property, plant and equipment	4.23	2.30
Net profit on sale/redemption of current investments	(22.05)	(22.51)
Net fair value (gains)/losses on current investments	(0.29)	0.68
Interest income	(1.71)	(1.37)
Provision for doubtful advances	14.50	-
Amount written off of non financial assets	5.26	3.51
Allowance for non moving inventories	7.68	19.57
Impairment loss on financial assets (including reversals of impairment losses)	4.81	6.53
Finance costs	5.34	3.32
Unrealised foreign exchange (gain)/ losses	(2.11)	18.84
Credit balances written back	(9.10)	(22.06)
Mark-to-market losses/(gains) on derivatives	1.52	(48.93)
Working capital adjustments :		
Change in inventories	(356.12)	89.26
Change in trade receivables	(565.64)	(193.45)
Change in other financial assets	34.94	39.83
Change in other assets	(82.17)	39.86
Change in trade payables	525.01	63.78
Change in other financial liabilities	48.91	(28.86)
Change in other liabilities	177.06	(570.34)
Change in provisions	(13.65)	2.40
Cash generated from operations	**1,427.47**	**1,316.44**
Income tax paid	(490.97)	(572.36)
Net cash inflow from operating activities	**936.50**	**744.08**
Cash flows from investing activities		
Purchase of property, plant and equipment	(477.17)	(833.72)
Proceeds from sale of property, plant and equipment	2.26	0.63
Purchase of current investments	(2,607.50)	(800.00)
Proceeds from sale of current investments	2,579.33	893.22
Proceeds from sale of assets classified as held for sale	3.45	-
Interest received	1.58	0.39
Net cash outflow from investing activities	**(498.05)**	**(739.48)**

Statement of Cash Flows

for the year ended March 31, 2018

(₹ in Million)

	31-Mar-18	31-Mar-17
Cash flows from financing activities		
Repayment of long term borrowings	(3.09)	(3.38)
Interest paid	(5.37)	(3.35)
Dividend paid to Company's shareholders	(395.74)	(148.40)
Dividend distribution tax	(80.61)	(30.23)
Net cash outflow from financing activities	**(484.81)**	**(185.36)**
Net decrease in cash and cash equivalents	(46.36)	(180.76)
Cash and cash equivalents at the beginning of the year (refer note 11 (a))	87.33	268.09
Cash and cash equivalents at the end of the year (refer note 11 (a))	**40.97**	**87.33**

Reconciliation of liabilities arising from financing activities:

	Non-current borrowings (including current maturities)	Interest payable on borrowings	Dividend paid to Company's shareholders (including DDT)
Balance as at March 31, 2017	4.16	0.04	1.07
Cash flows	(3.09)	(5.37)	(476.35)
Finance costs accruals	-	5.34	-
Dividend distributions (including DDT) accruals	-	-	476.58
Balance as at March 31, 2018	**1.07**	**0.01**	**1.30**

The accompanying notes 1 to 47 form an integral part of the standalone financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants

For and on behalf of the Board of Directors of Triveni Turbine Limited

Per **Vijay Vikram Singh**
Partner

Dhruv M. Sawhney
Chairman & Managing Director
DIN: 00102999

Lt. Gen. K K Hazari (Retd.)
Director & Chairman Audit Committee
DIN: 00090909

Place : Noida (U.P.)
Date : May 22, 2018

Deepak Kumar Sen
Executive Vice President & CFO

Rajiv Sawhney
Company Secretary

Notes to the Financial Statements

for the year ended March 31, 2018

CORPORATE INFORMATION

Triveni TurbineLimited ("the Company") is a company limited by shares, incorporated, 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 A-44, Hosiery Complex, Phase II extension, Noida, Uttar Pradesh- 201305. The Company is primarily engaged in business of manufacture and supply of power generating equipment and solutions and has manufacturing facilities at Bengaluru, Karnataka.

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) (Amendment) Rules, 2016 and Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and other relevant provisions of the Act.

(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 accounting policies below.

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 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.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, other similar allowances, value added taxes, service tax, goods and 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 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) 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.

(iv) 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.

(v) Royalties

Income from royalty is recognised as per the contractual arrangement with the Licensee upon supply of turbine manufactured with the technical know-how provided by the Company to the Licensee (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

(vi) Rental income

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

(c) Government grants

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

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

Notes to the Financial Statements

for the year ended March 31, 2018

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 & loss in the period in which they become receivable.

(d) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(i) As a lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 1(g) below).

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases in which case lease expenses are charged to profit or loss on the basis of actual payments to the lessors.

(ii) As a lessor

Lease income from operating leases where the Company is a lessor is recognised 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.

(e) 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 and these are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

(f) Impairment of non-financial assets

Non- financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groupsof assets (cash-generating units). Non- financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

(g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. 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.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(h) Income tax

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

(i) Current tax

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

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax creditsand 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. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) Property, plant and equipment

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

Notes to the Financial Statements

for the year ended March 31, 2018

with the item will flow to the Company and the cost of the item can be measured reliably.

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

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are ready 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 which are as follows:

Class of assets	Useful life
Building	5- 60 Years
Plant and Equipment	15 Years
Office Equipment	5 Years
Furniture and Fixtures	10 Years
Vehicle	10 Years
Computers	3-6 Years

The residual value of property, plant and equipment has been considered 5% or less of the original cost of assets as applicable.

- On the basis of technical assessment involving technology obsolescence and past experience:
  - 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 three to five years.
- Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

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.

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 property, plant and equipment.

(j) 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	3 – 5 Years
Website development cost	3 Years
Designs and drawings	6 Years

Notes to the Financial Statements

for the year ended March 31, 2018

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, are recognised in profit or loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to asset during its development.

The amount initially recognised for intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no intangible assets can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, such intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as of acquired intangible assets.

Transition to Ind AS

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

(k) Inventories

(i) Inventories of raw materials, components, stores and spares are valued at lower of cost and net realizable value. Cost for the purpose of valuation of such inventories is determined on weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Finished goods and work-in-progress are valued at lower of cost and net realizable 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. Post implementation of Goods and Services Tax ("GST") with effect from July 1, 2017, excise duty is included in the value of finished goods upto June 30, 2017.

(l) 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.Non-current assets classified as held for sale are presented separately in the balance sheet."

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

(m) 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, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the

Notes to the Financial Statements

for the year ended March 31, 2018

provision due to the passage of time is recognised as interest expense.

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.

(n) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

Other long-term employee benefits include earned leaves, sick leaves and employee retention bonus.

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 & loss. The obligations are presented as provisions in the balance sheet.

Employee retention bonus

The Company, as a part of retention policy, pays retention bonus to certain employees after completion of specified period of service. The timing of the outflows is expected to be within a period of five years. They are therefore measured at the present value of expected future payments at the end of each annual reporting period in accordance with management best estimates. This cost is included in employee benefit expense in the statement of profit and loss with corresponding provisions in the balance sheet.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plan towards payment of gratuity; and
- defined contribution plans towards provident fund & employee pension scheme, employee state insurance and superannuation scheme.

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 the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligation is determined using projected unit credit method by discounting the estimated future cash outflows by reference to market 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

Notes to the Financial Statements

for the year ended March 31, 2018

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.

- **Superannuation Scheme**

  The Company contributes towards a fund established by the Company 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.

(o) 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.

(p) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three month or less that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

(q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(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.

Notes to the Financial Statements

for the year ended March 31, 2018

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not measured 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 fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in statement of profit and 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 subsidiary and joint venture where the Company has the option to either measure it at cost or fair value. The Company has opted to measure equity investments in subsidiary and joint venture at cost. Where the Company's management elects 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 38 details how the Company determines expected credit loss.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset; or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

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

(v) Effective interest method

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

Notes to the Financial Statements

for the year ended March 31, 2018

(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 measured at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability. Transaction costs of financial liability carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of financial liabilities depends on the classification of financial liabilities. There are two measurement categories into which the 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 remeasurementrecognised in profit or loss.
- **Amortised cost:** Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

(iii) Derecognition

Equity instruments

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

Financial liabilities

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

Notes to the Financial Statements

for the year ended March 31, 2018

(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) Offsetting financial instruments

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

(u) Fair value of financial instruments

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(v) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments i.e. forward currency contracts to hedge its foreign currency risks.These derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, the Company has classified hedges as Cash flow hedges wherein it hedges the exposure to the variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company contemplates to apply hedge accounting and the risk management objective and strategy for undertaking the hedge in compliance with Company's hedge policy. The documentation includes the company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. Any hedge ineffectiveness is calculated and accounted for in Statement of profit or loss at the time of hedge relationship rebalancing.

The effective portion of changes in the fair value of the hedging instruments is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. Such amounts are reclassified in to the profit or loss when the related hedge items affect profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-

Notes to the Financial Statements

for the year ended March 31, 2018

financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

Any ineffective portion of changes in the fair value of the derivative or if the hedging instrument no longer meets the criteria for hedge accounting, is recognised immediately in profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued and the related gain or loss is held in cash flow hedging reserve until the forecast transaction occurs.

NOTE 2: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

(a) Critical accounting judgements

In the process of applying the Company's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the financial statements:

(i) Classification of GE Triveni Limited as a Joint Venture

The Company holds more than 50% stake in the equity share capital (i.e. holding 8,000,001 equity shares out of total 16,000,000 equity shares) of GE Triveni Limited (GETL) and the balance share capital is being held by GE Mauritius Infrastructure Holdings Limited. By virtue of agreements between the shareholders, relevant terms of which are enshrined in the Articles of Association of GETL, it has been considered that the Company has joint control over GETL alongwith the other shareholder since unanimous consent of both the shareholders is required in respect of significant financial, operating, strategic and managerial decisions. Accordingly investments in equity shares of GETL is classified as investment in joint venture.

(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) 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.

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 35 for further disclosures.

(ii) 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

Notes to the Financial Statements

for the year ended March 31, 2018

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.

(iii) Provision for liquidated damages

It represents the potential liability which may arise from contractual obligation towards customers with respect to matters relating to delivery and performance of the Company's products.The provision represents the amount estimated to meet the cost of such obligations based on best estimate considering the historical trends, merits of the case and apportionment of delays between the contracting parties.

(iv) 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.

(v) Useful life and residual value of plant, property and equipment and intangible assets

The useful life and residual value of plant, property and 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.

(vi) Tax charge on intangible assets recognised at time of vesting of turbine business

The Company has been claiming allowance for depreciation on written down value method on certain intangibles recognised upon vesting of the steam turbine business in earlier years pursuant to a scheme of demerger. While such claims for certain years have been adjudicated in favor of the Company at the first appellate stage, the Revenue department has consistently disallowed the same in tax assessments. In view of uncertainty with regard to the ultimate decision in such matter at higher judicial forums, the Company has not considered the benefit of the aforesaid favorable decisions and has continued to recognise charge for tax without considering depreciation benefits on such intangible assets, the tax effect of which aggregates to ₹187.44 Million till March 31, 2018 (March 31, 2017: ₹187.19 Million)

Notes to the Financial Statements

for the year ended March 31, 2018

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

(₹ in Million)

	Property, plant and equipment									Capital work-in- progress
	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total	
Year ended March 31, 2017										
Gross carrying amount										
Opening gross carrying amount	36.42	388.65	241.16	643.24	10.79	20.02	28.46	27.68	1,396.42	328.78
Additions	-	-	842.34	221.60	5.67	30.35	21.30	15.16	1,136.42	848.14
Disposals	-	-	-	(0.45)	(0.33)	-	(1.56)	(1.21)	(3.55)	(1,073.90)
Other adjustments (see (v) below)	-	-	-	(8.68)	-	-	-	-	(8.68)	-
Closing gross carrying amount	**36.42**	**388.65**	**1,083.50**	**855.71**	**16.13**	**50.37**	**48.20**	**41.63**	**2,520.61**	**103.02**
Accumulated depreciation										
Opening accumulated depreciation	-	-	7.99	103.81	3.09	5.99	4.50	7.33	132.71	-
Depreciation charge during the year	-	-	11.53	92.90	2.79	3.74	5.47	8.92	125.35	-
Disposals	-	-	-	(0.01)	(0.04)	-	(0.39)	(0.19)	(0.63)	-
Other adjustments (see (v) below)	-	-	-	(2.63)	-	-	-	-	(2.63)	-
Closing accumulated depreciation	**-**	**-**	**19.52**	**194.07**	**5.84**	**9.73**	**9.58**	**16.06**	**254.80**	**-**
Net carrying amount	**36.42**	**388.65**	**1,063.98**	**661.64**	**10.29**	**40.64**	**38.62**	**25.57**	**2,265.81**	**103.02**
Year ended March 31, 2018										
Gross carrying amount										
Opening gross carrying amount	36.42	388.65	1,083.50	855.71	16.13	50.37	48.20	41.63	2,520.61	103.02
Additions	-	-	22.44	66.26	6.77	6.52	2.24	9.94	114.17	380.19
Disposals	-	-	(0.26)	(1.01)	(0.17)	(0.08)	(7.28)	(0.62)	(9.42)	(98.11)
Other adjustments (see (v) below)	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	**36.42**	**388.65**	**1,105.68**	**920.96**	**22.73**	**56.81**	**43.16**	**50.95**	**2,625.36**	**385.10**
Accumulated depreciation										
Opening accumulated depreciation	-	-	19.52	194.07	5.84	9.73	9.58	16.06	254.80	-
Depreciation charge during the year	-	-	36.86	100.43	3.57	5.51	6.43	11.58	164.38	-
Disposals	-	-	(0.03)	(0.14)	(0.16)	-	(2.54)	(0.06)	(2.93)	-
Other adjustments (see (v) below)	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	**-**	**-**	**56.35**	**294.36**	**9.25**	**15.24**	**13.47**	**27.58**	**416.25**	**-**
Net carrying amount	**36.42**	**388.65**	**1,049.33**	**626.60**	**13.48**	**41.57**	**29.69**	**23.37**	**2,209.11**	**385.10**

(i) Leased assets

The leasehold land above represents land at Sompura, acquired by the Company during financial year 2014-15 from Karnataka Industrial Areas Development Board, on a lease-cum-sale basis. The land is under lease for initial period of ten years thereafter the ownership of the land will be transferred in favour of the Company thus same is considered as land under finance lease (refer note 40(i)).

(ii) Restrictions on Property, plant and equipment

Refer note 15 & 17 for information on charges created on property, plant and equipment.

(iii) Contractual commitments

Refer note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) Capital work-in-progress

Capital work-in-progress mainly comprises plant in the process of being installed at new manufacturing facility at Sompura.

(v) Other adjustments

Represent certain obsolete machines which the Company intends to dispose off thus has been classified as assets held for sale (refer note 12).

Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 4: INTANGIBLE ASSETS

(₹ in Million)

	Computer software	Website	Design and Drawings	Total
Year ended March 31, 2017				
Gross carrying amount				
Opening gross carrying amount	33.90	1.42	37.51	72.83
Additions	23.10	-	-	23.10
Disposals	-	-	-	-
Closing gross carrying amount	**57.00**	**1.42**	**37.51**	**95.93**
Accumulated amortisation				
Opening accumulated amortisation	10.88	0.49	8.85	20.22
Amortisation charge for the year	14.11	0.37	8.37	22.85
Disposals	-	-	-	-
Closing accumulated amortisation	**24.99**	**0.86**	**17.22**	**43.07**
Closing net carrying amount	**32.01**	**0.56**	**20.29**	**52.86**
Year ended March 31, 2018				
Gross carrying amount				
Opening gross carrying amount	57.00	1.42	37.51	95.93
Additions	20.90	-	-	20.90
Disposals	(0.80)	-	-	(0.80)
Closing gross carrying amount	**77.10**	**1.42**	**37.51**	**116.03**
Accumulated amortisation				
Opening accumulated amortisation	24.99	0.86	17.22	43.07
Amortisation charge for the year	18.53	0.41	7.76	26.70
Disposals	(0.80)	-	-	(0.80)
Closing accumulated amortisation	**42.72**	**1.27**	**24.98**	**68.97**
Closing net carrying amount	**34.38**	**0.15**	**12.53**	**47.06**

(i) All intangible assets disclosed above represents acquired intangible assets.

Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 5: INVESTMENTS

(a) Investments in subsidiary and joint venture

(₹ in Million)

	31-Mar-18	31-Mar-17
At Cost		
Unquoted Investments (fully paid-up)		
Investments in Equity Instruments		
- of Subsidiary		
200,000 (March 31, 2017: 200,000) Ordinary shares of GBP 1/- each of Triveni Turbines Europe Private Ltd	18.47	18.47
- of Joint venture		
8,000,001 (March 31, 2017: 8,000,001) Equity shares of ₹10/- each of GE Triveni Limited (refer note 2 (a) (i) and note 17 (ii))	80.00	80.00
Total investments in subsidiary and joint venture	**98.47**	**98.47**
Total investments in subsidiary and joint venture	**98.47**	**98.47**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	98.47	98.47
Aggregate amount of impairment in the value of investments	-	-

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

Name of Subsidiaries / Joint venture	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
		31-Mar-18	31-Mar-17
Subsidiary			
Triveni Turbines Europe Private Ltd	United Kingdom	100%	100%
Joint venture			
GE Triveni Limited	India	50%	50%

(b) Current investments

(₹ in Million)

	31-Mar-18	31-Mar-17
At Fair value through P&L		
Unquoted investments		
Investments in Mutual Funds		
108,003 (March 31, 2017: 153,527) Mutual Funds Units of Birla Sun Life Cash Plus Growth - Direct Plan	30.17	40.12
632,303 (March 31, 2017: Nil) Mutual Funds Units of JM High Liquidity Fund Growth - Direct Plan	30.08	-
5,942 (March 31, 2017: Nil) Mutual Funds Units of HDFC Liquid Fund - Direct Plan	20.34	-
4,756 (March 31, 2017: Nil) Mutual Funds Units of IDFC Cash Fund Growth - Direct Plan	10.04	-
Total current investments	**90.63**	**40.12**
Total current investments	**90.63**	**40.12**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	90.63	40.12
Aggregate amount of impairment in the value of investments	-	-

Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 6: TRADE RECEIVABLES

(₹ in Million)

	31-Mar-18		31-Mar-17	
	Current	Non- current	Current	Non- current
Trade receivables (at amortised cost)				
- Unsecured, considered good	2,058.08	12.42	1,489.38	12.55
- Doubtful	36.65	-	37.94	-
Less: Allowance for bad and doubtful debts	(36.65)	-	(37.94)	-
Total trade receivables	**2,058.08**	**12.42**	**1,489.38**	**12.55**

(i) Refer note 38 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

(ii) Reconciliation of loss allowance provision on trade receivables:

	31-Mar-18	31-Mar-17
Balance at beginning of the year	37.94	35.88
Additional provisions recognised	0.54	15.76
Amounts used during the year	(1.83)	(3.65)
Unused amounts reversed during the year	-	(10.05)
Balance at the end of the year	36.65	37.94

(iii) Current trade receivables include ₹ Nil (March 31, 2017 : ₹ 39.28 Million) expected to be received after twelve months within the operating cycle.

NOTE 7: LOANS

(₹ in Million)

	31-Mar-18		31-Mar-17	
	Current	Non- current	Current	Non- current
Loan to employees (at amortised cost)				
- Unsecured, considered good	2.20	0.22	2.41	0.35
Total loans	**2.20**	**0.22**	**2.41**	**0.35**

NOTE 8: OTHER FINANCIAL ASSETS

(₹ in Million)

	31-Mar-18		31-Mar-17	
	Current	Non- current	Current	Non- current
At amortised cost				
Security deposits	0.29	5.82	0.74	5.17
Earnest money deposits	5.43	-	2.38	-
Interest accrued on bank deposits	0.13	-	-	-
Amount recoverable from banks (related to hedging transactions)	12.50	-	0.68	-
Unbilled revenue	8.81	-	21.56	-
Others	-	-	-	0.23
Total other financial assets at amortised cost [A]	**27.16**	**5.82**	**25.36**	**5.40**
At fair value through P&L				
Derivatives financial instruments carried at fair value				
- Foreign-exchange forward contracts	-	-	48.93	-
Total other financial assets at fair value through P&L [B]	**-**	**-**	**48.93**	**-**
Total other financial assets ([A]+[B])	**27.16**	**5.82**	**74.29**	**5.40**

Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 9: OTHER ASSETS

(₹ in Million)

	31-Mar-18		31-Mar-17	
	Current	Non- current	Current	Non- current
Capital advances	-	9.64	-	50.48
Advances to suppliers	118.74	-	95.21	-
Indirect tax and duties recoverable				
Considered good	360.21	3.73	197.11	138.82
Considered doubtful	-	2.64	-	-
	360.21	**6.37**	**197.11**	**138.82**
Less: Provision for doubtful receivable	-	(2.64)	-	-
	360.21	**3.73**	**197.11**	**138.82**
Export incentives receivable				
Considered good	87.56	-	58.15	-
Considered doubtful	-	11.86	-	-
	87.56	**11.86**	**58.15**	**-**
Less: Provision for doubtful receivable	-	(11.86)	-	-
	87.56	**-**	**58.15**	**-**
Prepaid expenses	19.11	0.95	15.35	1.32
Due from customers (refer note (i) below) (Turbine extended scope turnkey project revenue adjustment)	4.52	-	26.44	-
Others	-	-	0.01	-
Total other assets	**590.14**	**14.32**	**392.27**	**190.62**

(i) Contract assets

(₹ in Million)

	31-Mar-18	31-Mar-17
Contracts in Progress at the end of reporting period		
Construction costs incurred plus profits recognised less losses recognised	2,034.57	1,939.71
Less: Progress Billings	(2,076.06)	(1,992.43)
	(41.49)	**(52.72)**
Recognised and included in Standalone Financial Statements as amounts due		
(i) Amounts due from Customers under construction contracts	4.52	26.44
(ii) Amounts due to Customers under construction contracts	(46.01)	(79.16)
	(41.49)	**(52.72)**
Retentions held by customers	172.93	177.30
Advances received from customers	0.98	3.47

Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 10: INVENTORIES

(₹ in Million)

	31-Mar-18	31-Mar-17
Raw materials & components [includes stock in transit ₹ 5.77 Million (March 31, 2017 :₹ 15.50 Million)]	1,082.12	646.06
Less: Allowance for non moving inventories	(12.79)	(5.08)
Work-in-progress	752.18	752.38
Less: Allowance for non moving inventories	(14.45)	(14.49)
Finished goods [includes stock in transit ₹ Nil (March 31, 2017: ₹ 16.61 Million)]	-	79.74
Others - Scrap & low value patterns	0.05	0.05
Total inventories	**1,807.11**	**1,458.66**

(i) The cost of inventories recognised as an expense during the year was ₹ 4,639.69 Million (March 31, 2017: ₹ 4,624.54 Million)

(ii) The mode of valuation of inventories has been stated in note 1 (k).

(iii) In view of the order-to-dispatch cycle being normally around twelve months, most of the inventories held are expected to be utilized during the next twelve months. However, there may be some exceptions on account of unanticipated cases where the dispatch is held up due to reasons attributable to the customers, slow movement in spares and advance manufacture in anticipation of orders. Accordingly, the same has been considered as current.

(iv) Refer note 17(i) for information of charges created on inventories.

(v) For impairment losses recognised during the year refer note 31.

NOTE 11: CASH AND BANK BALANCES

(a) Cash and cash equivalents

(₹ in Million)

	31-Mar-18	31-Mar-17
At amortised cost		
Balances with banks	40.73	87.14
Cash on hand	0.24	0.19
Total cash and cash equivalents	**40.97**	**87.33**

(b) Bank balances other than cash and cash equivalents

(₹ in Million)

	31-Mar-18	31-Mar-17
At amortised cost		
Balances with banks		
-Deposits with maturity with less than 12 months*	9.55	-
Earmarked balances with banks		
- unpaid dividend account	1.31	1.08
Total other bank balances	**10.86**	**1.08**

* Held as security deposits against bank guarantee

Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 12: ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Million)

	31-Mar-18	31-Mar-17
Plant & equipment	2.60	6.05
Total assets classified as held for sale	**2.60**	**6.05**

The Company intends to dispose off certain old machines not in usable condition, the total book value of these machines as at March 31, 2018 was ₹ 2.60 Million (March 31, 2017 : ₹ 6.05 Million) . No impairment loss is recognized on re-classification of these machines to "Assets held of sale" as the fair value less cost of sale is higher than the carrying amount, as determined from quotations received from potential buyers.

NOTE 13: SHARE CAPITAL

(₹ in Million)

	31-Mar-18		31-Mar-17	
	Number of shares	Amount	Number of shares	Amount
AUTHORISED				
Equity shares of ₹ 1 each	450,000,000	450.00	450,000,000	450.00
8% Cumulative Redeemable Preference Shares of ₹ 10 each	5,000,000	50.00	5,000,000	50.00
		500.00		**500.00**
ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity shares of ₹ 1 each	**329,972,150**	**329.97**	**329,972,150**	**329.97**

(i) Movements in equity share capital

	Number of shares	Amount (₹ in Million)
As at April 1, 2016	**329,972,150**	329.97
Movement during the year	-	-
As at March 31, 2017	**329,972,150**	**329.97**
Movement during the year	-	-
As at March 31, 2018	**329,972,150**	**329.97**

Terms and rights attached to equity shares

The Company has only one class of equity shares with a par value of ₹ 1/- per share. Each 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, 2018

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

	31-Mar-18		31-Mar-17	
	Number of shares	% holding	Number of shares	% holding
Triveni Engineering & Industries Limited	72,000,000	21.82	72,000,000	21.82
Dhruv M. Sawhney	24,924,645	7.55	24,924,645	7.55
Nalanda India Fund Limited	23,740,454	7.19	25,788,000	7.82
Subhadra Trade & Finance Limited	87,330,417	26.47	87,330,417	26.47

(iii) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

The Company has neither issued any bonus shares nor has there been any buy back of shares during five years immediately preceding March 31, 2018. Further, the Company has not issued any shares for consideration other than cash during five years immediately preceding March 31, 2018.

NOTE 14: OTHER EQUITY

(₹ in Million)

	31-Mar-18	31-Mar-17
Capital redemption reserve	28.00	28.00
Securities premium	4.69	4.69
General reserve	839.23	839.23
Retained earnings	3,264.29	2,755.13
Cash flow hedging reserve	(4.68)	-
Total other equity	**4,131.53**	**3,627.05**

(i) Capital redemption reserve

(₹ in Million)

	31-Mar-18	31-Mar-17
Opening balance	28.00	28.00
Movement during the year	-	-
Closing balance	**28.00**	**28.00**

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) Securities premium

(₹ in Million)

	31-Mar-18	31-Mar-17
Opening balance	4.69	4.69
Movement during the year	-	-
Closing balance	**4.69**	**4.69**

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

Notes to the Financial Statements
for the year ended March 31, 2018

(iii) General reserve

(₹ in Million)

	31-Mar-18	31-Mar-17
Opening balance	839.23	839.23
Movement during the year	-	-
Closing balance	**839.23**	**839.23**

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

(iv) Retained earnings

(₹ in Million)

	31-Mar-18	31-Mar-17
Opening balance	2,755.13	1,785.03
Net profit for the year	982.25	1,161.86
Other comprehensive income arising from the remeasurements of defined benefit obligation net of income tax	3.49	(13.04)
Dividends paid	(395.97)	(148.49)
Dividend distribution tax (DDT)	(80.61)	(30.23)
Closing balance	**3,264.29**	**2,755.13**

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

(b) As required under Schedule III (Division II) to the Companies Act, 2013, the Company has recognised remeasurement of defined benefit plans (net of tax) as part of retained earnings.

(c) Details of dividend distributions made and proposed:

(₹ in Million)

	31-Mar-18	31-Mar-17
Cash dividends on equity shares declared and paid:		
First interim dividend for the year ended March 31, 2018: 45% (₹ 0.45 per equity share of ₹ 1/- each) [March 31, 2017: 45% (₹ 0.45 per equity share of ₹ 1/- each)]	148.49	148.49
Dividend distribution tax (DDT) on first interim dividend	30.23	30.23
Final dividend for the year ended March 31, 2017: 75% (₹ 0.75 per equity share of ₹ 1/- each)	247.48	-
Dividend distribution tax (DDT) on final dividend	50.38	-
Total cash dividends on equity shares declared and paid	**476.58**	**178.72**
Proposed dividend on equity shares:		
Final proposed dividend for the year ended March 31, 2018: 55% [March 31, 2017 : 75% (₹ 0.75 per equity share of ₹ 1/- each)]	181.48	247.48
Dividend distribution tax (DDT) on final proposed dividend	37.30	50.38
Total proposed dividend on equity shares	**218.78**	**297.86**

Proposed dividend on equity shares is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares.

Notes to the Financial Statements

for the year ended March 31, 2018

(v) Cash flow hedging reserve

(₹ in Million)

	31-Mar-18	31-Mar-17
Opening balance	-	-
Other comprehensive loss arising from effective portion of loss on designated portion of hedging instruments in a cash flow hedge	(7.16)	-
Income tax on above	(2.48)	-
Closing balance	**(4.68)**	**-**

The Company uses hedging instruments as a part of its management of foreign currency risk associated with its highly probable forecast sale. For hedging foreign currency risk, the Company uses foreign currency forward contracts which are designated as cash flow hedge. To the extent, theses hedge are effective, the changes in fair value of hedging instruments is recognised in the cash flow hedging reserve. Amount recognised in the cash flow hedging reserve is reclassified to profit or loss when hedge items effects profit or loss i.e. sales.

NOTE 15: NON-CURRENT BORROWINGS

(₹ in Million)

	31-Mar-18		31-Mar-17	
	Current	Non- current	Current	Non- current
Secured- at amortised cost				
Term loans				
- from other parties	0.56	0.51	1.78	2.38
	0.56	**0.51**	**1.78**	**2.38**
Less: Amount disclosed under the head "Other financial liabilities" (refer note 19)	(0.56)	-	(1.78)	-
Total non-current borrowings	**-**	**0.51**	**-**	**2.38**

Term loans from other parties represents vehicles loan taken from Kotak Mahindra Prime Ltd. which are secured by hypothecation of vehicles acquired under the respective vehicle loans. These loans carry interest in the range of 9.98% p.a to 11.96%p.a. The loans are repayable in 60 equated monthly instalments.

NOTE 16: PROVISIONS

(₹ in Million)

	31-Mar-18		31-Mar-17	
	Current	Non- current	Current	Non- current
Provision for employee benefits				
Gratuity (refer note 35)	-	11.32	-	27.92
Compensated absences	25.72	-	29.26	-
Employee retention bonus	6.96	6.55	7.71	5.65
Other provisions				
Warranty	42.13	19.64	42.51	16.36
Cost to completion	-	-	-	-
Liquidated damages	12.84	-	14.70	-
Provision for corporate social responsibility	0.11	-	0.14	-
Total provisions	**87.76**	**37.51**	**94.32**	**49.93**

Notes to the Financial Statements

for the year ended March 31, 2018

(i) Information about individual provisions and significant estimates

(a) Compensated absences

Compensated absences comprises earned leaves and sick leaves, the liabilities of which 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 as 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 Company presents the compensated absences as a current liability in the balance sheet wherever it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

(b) Employee retention bonus:

The Company, as a part of retention policy, pays retention bonus to certain employees after completion of specified period of service. The timing of the outflows is expected to be within a period of five years. They are therefore measured as the present value of expected future payments, with management best estimates.

(c) Warranty:

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.

(d) Cost to completion:

The provision represents cost of material and services required to be incurred at project site in respect of goods supplied for which full revenue has been recognised.

(e) Liquidated damages:

Represents the provision on account of contractual obligation towards customers in respect of certain products for matters relating to delivery and performance. The provision represents the amount estimated to meet the cost of such obligations based on best estimate considering the historical liquidated damages claim information and any recent trends that may suggest future claims could differ from historical amounts.

(f) Corporate social responsibility:

Represents provision made for amounts payable under an agreement for CSR activities of the Company. The timing of outflow is expected to be within one year.

(ii) Movement in other provisions

Movement in each class of other provisions during the financial year, are set out below:

(₹ in Million)

	Warranty	Cost of completion	Liquidated damages	Corporate social responsibility
Balance as at April 1, 2016	**42.33**	**20.66**	**29.36**	**-**
Additional provisions recognised	48.77	-	7.08	0.14
Amounts used during the year	(10.35)	(1.61)	(6.96)	-
Unused amounts reversed during the year	(21.88)	(19.05)	(14.78)	-
Balance as at March 31, 2017	**58.87**	**-**	**14.70**	**0.14**
Additional provisions recognised	39.96	-	19.82	0.11
Amounts used during the year	(17.72)	-	(13.37)	(0.14)
Unused amounts reversed during the year	(19.34)	-	(8.31)	-
Balance as at March 31, 2018	**61.77**	**-**	**12.84**	**0.11**

Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 17: CURRENT BORROWINGS

(₹ in Million)

	31-Mar-18	31-Mar-17
Secured- at amortised cost		
Repayable on demand		
- Cash credits from banks#	-	-
Total current borrowings	**-**	**-**

As at March 31, 2018 and March 31, 2017, cash credit has a favourable bank balances, hence the same has been disclosed under cash and cash equivalent.

(i) Cash credit from banks is secured by hypothecation of entire current assets inclusive of stock-in-trade, raw materials, stores & spares, work-in-progress and trade receivables and a second charge on entire movable fixed assets of the Company and immovable fixed assets situated at Peenya Industrial Area, Bengaluru both present and future on a pari-passu basis. Interest rates ranges from 8.50% to 9.90% per annum.

(ii) In respect of working capital facilities sanctioned by a bank to the joint venture company, M/s GE Triveni Ltd (GETL), the Company has given an undertaking not to dispose of its investments in the equity shares of GETL aggregating to ₹ 80.00 Million (March 31, 2017: ₹ 80.00 Million) during the tenure of the facilities.

NOTE 18: TRADE PAYABLES

(₹ in Million)

	31-Mar-18	31-Mar-17
Trade payables (at amortised cost)		
- Total outstanding dues of micro enterprises and small enterprises (refer note 43)	96.53	90.49
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,351.15	831.15
Total trade payables	**1,447.68**	**921.64**

NOTE 19: OTHER FINANCIAL LIABILITIES

(₹ in Million)

	31-Mar-18	31-Mar-17
At amortised cost		
Current maturities of long-term borrowings (refer note 15)	0.56	1.78
Interest accrued	0.01	0.04
Capital creditors	12.50	113.37
Employee benefits & other dues payable	67.64	18.62
Unpaid dividends (see (i) below)	1.30	1.07
Others	-	0.10
Total other financial liabilities at amortised cost [A]	**82.01**	**134.98**
At fair value through Other Comprehensive Income (OCI)		
Derivatives financial instruments carried at fair value		
- Foreign-exchange forward contracts	8.68	-
Total other financial liabilities at fair value through OCI [B]	**8.68**	**-**
Total other financial liabilities ([A]+ [B])	**90.69**	**134.98**

(i) 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.

Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 20: OTHER CURRENT LIABILITIES

(₹ in Million)

	31-Mar-18	31-Mar-17
Advance from customers	1,023.71	809.60
Deferred income	30.21	32.64
Amount due to customers (Turbine extended scope turnkey project revenue adjustment) (refer note 9(i))	46.01	79.16
Statutory remittances	27.16	35.60
Total other liabilities	**1,127.09**	**957.00**

NOTE 21: INCOME TAX BALANCES

(₹ in Million)

	31-Mar-18		31-Mar-17	
	Current	Non- current	Current	Non- current
Income tax assets				
Tax refund receivable (net)	-	12.85	-	12.68
	-	**12.85**	**-**	**12.68**
Income tax liabilities				
Provision for income tax (net)	84.86	-	67.27	-
	84.86	**-**	**67.27**	**-**

NOTE 22: DEFERRED TAX BALANCES

(₹ in Million)

	31-Mar-18	31-Mar-17
Deferred tax assets	69.24	51.66
Deferred tax liabilities	(146.76)	(160.47)
Net deferred tax liabilities	**(77.52)**	**(108.81)**

(i) Movement in deferred tax balances

For the year ended March 31, 2018

(₹ in Million)

	Opening balance	Recognised in Profit or loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets/ (liabilities)				
Liabilities and provisions tax deductible only upon payment/ actual crystallisation				
- Employee benefits	19.33	(2.30)	(1.86)	15.17
- Statutory taxes and duties	0.52	(0.52)	-	0.00
- Other contractual provisions	11.91	9.29	-	21.20

Notes to the Financial Statements
for the year ended March 31, 2018

(₹ in Million)

	Opening balance	Recognised in Profit or loss	Recognised in OCI	Closing balance
Impairment provisions on financial/other assets made in books, but tax deductible only on actual write-off	19.90	7.50	-	27.40
Fair valuation of financial assets/(liabilities)	(22.86)	24.81	2.48	4.43
Difference in carrying values of property, plant & equipment and intangible assets	(137.60)	(9.16)	-	(146.76)
Other temporary differences	(0.01)	1.05	-	1.04
Net deferred tax assets/(liabilities)	**(108.81)**	**30.67**	**0.62**	**(77.52)**

For the year ended March 31, 2017

(₹ in Million)

	Opening balance	Recognised in Profit or loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets/ (liabilities)				
Liabilities and provisions tax deductible only upon payment/ actual crystallisation				
- Employee benefits	9.99	2.44	6.90	19.33
- Statutory taxes and duties	5.83	(5.31)	-	0.52
- Other contractual provisions	11.26	0.65	-	11.91
Impairment provisions on financial/other assets made in books, but tax deductible only on actual write-off	12.42	7.48	-	19.90
Fair valuation of financial assets/(liabilities)	(15.48)	(7.38)	-	(22.86)
Difference in carrying values of property, plant & equipment and intangible assets	(120.23)	(17.37)	-	(137.60)
Other temporary differences	-	(0.01)	-	(0.01)
Net deferred tax assets/(liabilities)	**(96.21)**	**(19.50)**	**6.90**	**(108.81)**

NOTE 23: REVENUE FROM OPERATIONS

(₹ in Million)

	31-Mar-18	31-Mar-17
Sale of products (including excise duty) (refer note 46(i))		
Finished goods		
- Turbines (including related equipments and supplies)	4,719.22	4,924.38
- Spares	1,736.82	1,660.53
Sale of Services		
Servicing, operation and maintenance	598.01	531.42
Erection and commissioning	143.98	92.88
Turbine extended scope turnkey project	94.86	242.50
Other operating revenue		
Sale of scrap	4.40	3.07
Royalty	1.64	-
Export incentives	132.49	82.46
Total revenue from operations	**7,431.42**	**7,537.24**

Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 24: OTHER INCOME

(₹ in Million)

	31-Mar-18	31-Mar-17
Interest income (at amortised cost)		
Interest income from bank deposits	0.15	-
Interest income from customers	1.56	0.39
Interest income from financial assets	-	0.98
	1.71	**1.37**
Other non-operating income (net of expenses directly attributable to such income)		
Rental income	7.54	7.14
Government grant (refer note (i) below)	3.60	-
Miscellaneous income	3.02	4.35
	14.16	**11.49**
Other gains/ (losses)		
Net profit on sale/redemption of current investments	22.05	22.51
Net fair value gains/(losses) on current investments	0.29	(0.68)
Net gains/(losses) on derivatives (including fair value changes) (refer note 46 (ii))	-	184.89
Net foreign exchange rate fluctuation gains/(losses)	40.66	17.28
Credit balances written back	9.10	22.06
Excess provision for cost to completion reversed (net) (refer note 16)	-	19.05
Excess provision for liquidated damages reversed (net) (refer note 16)	-	7.70
	72.10	**272.81**
Total other income	**87.97**	**285.67**

(i) Government grant

During the year, the Company has received grant of ₹ 3.6 Million from Ministry of New & Renewal Energy, Government of India, in respect of a scientific project undertaken jointly in collaboration with Indian Institute of Science, Bengaluru (IISc). As per agreement with IISc, the Company's commitment towards this project is ₹ 15.00 Million out of which the Company will receive grant of ₹ 8.00 Million over a period of three years from Government of India. The amount of ₹ 3.6 Million received during the year is grant received for the first year.

NOTE 25: COST OF MATERIALS CONSUMED

(₹ in Million)

	31-Mar-18	31-Mar-17
Stock at the beginning of the year	646.06	685.63
Add: Purchases	4,219.82	3,825.59
Less: Stock at the end of the year	(1,082.12)	(646.06)
Total cost of materials consumed	**3,783.76**	**3,865.16**

Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 26: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Million)

	31-Mar-18	31-Mar-17
Inventories at the beginning of the year:		
Work-in progress	752.38	719.49
Finished goods	79.74	160.92
Total inventories at the beginning of the year	**832.12**	**880.41**
Inventories at the end of the year:		
Work-in progress	752.18	752.38
Finished goods	-	79.74
Total inventories at the end of the year	**752.18**	**832.12**
Add/(Less): Impact of excise duty on finished goods	(10.08)	(15.26)
Total changes in inventories of finished goods and work-in-progress	**69.86**	**33.03**

NOTE 27: EMPLOYEE BENEFIT EXPENSE

(₹ in Million)

	31-Mar-18	31-Mar-17
Salaries and wages	706.71	676.81
Contribution to provident and other funds (refer note 35)	52.41	48.20
Staff welfare expenses	37.09	27.02
	796.21	**752.03**
Less : Amount capitalised	-	(9.55)
Total employee benefit expense	**796.21**	**742.48**

NOTE 28: FINANCE COSTS

(₹ in Million)

	31-Mar-18	31-Mar-17
Interest costs		
- Interest on borrowings	0.15	0.61
- other interest expense	4.06	1.14
Other borrowing costs		
- Processing/renewal fees	1.13	1.57
Total finance costs	**5.34**	**3.32**

NOTE 29: DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Million)

	31-Mar-18	31-Mar-17
Depreciation of property, plant and equipment (refer note 3)	164.38	125.35
Less : Amount capitalised	-	(0.24)
	164.38	**125.11**
Amortisation of intangible assets (refer note 4)	26.70	22.85
Total depreciation and amortisation expense	**191.08**	**147.96**

Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 30: IMPAIRMENT LOSS ON FINANCIAL ASSETS (INCLUDING REVERSALS OF IMPAIRMENT LOSSES)

(₹ in Million)

	31-Mar-18	31-Mar-17
Bad debts written off of trade receivables and other financial assets carried at amortised cost	4.27	4.47
Impairment loss allowance on trade receivables (net of reversals) (refer note 6)	0.54	2.06
Total impairment loss on financial assets (including reversal of impairment losses)	**4.81**	**6.53**

NOTE 31: OTHER EXPENSES

(₹ in Million)

	31-Mar-18	31-Mar-17
Stores, spares and tools consumed	136.54	107.31
Power and fuel	34.92	22.25
Design and engineering charges	8.92	4.40
Repairs and maintenance		
- Machinery	31.80	23.60
- Building	14.93	4.16
- Others	22.75	14.30
Travelling and conveyance	170.42	154.54
Rent and hire charges	11.29	6.78
Rates and taxes	5.08	7.34
Insurance	10.82	6.60
Directors' fee	2.04	2.38
Directors' commission	6.00	6.40
Certification and consultation charges	62.52	60.09
Group shared service cost	43.42	43.93
Bank charges and guarantee commission	16.47	13.65
Amount written off of non financial assets	5.26	3.51
Provision for doubtful advances	14.50	-
Warranty expenses [includes provision for warranty (net) ₹ 20.62 Million (March 31, 2017: ₹ 26.89 Million) (refer note 16)]	42.71	35.15
Provision for liquidated damages	11.51	-
Payment to auditors (see (i) below)	3.21	3.17
Corporate social responsibility expenses (see (ii) below)	30.92	25.96
Allowance for non moving inventories	7.68	19.57
Loss on sale / write off of property, plant and equipment	4.23	2.30
Packing expenses	43.48	24.32
Freight outward	131.19	145.78
Selling commission	59.09	70.50
Marketing support expenses and incentives	131.30	118.69
Miscellaneous expenses	123.13	125.63
Less : Amount capitalised	-	(3.63)
Total other expenses	**1,186.13**	**1,048.68**

Notes to the Financial Statements

for the year ended March 31, 2018

(i) Detail of payment to auditors*

(₹ in Million)

	31-Mar-18	31-Mar-17
Statutory Auditor		
Audit fee	2.05	0.91
Tax audit fee	-	0.33
Limited review fee	0.52	0.51
Certification charges	0.08	0.60
Reimbursement of expenses	0.27	0.52
	2.92	**2.87**
Cost Auditor		
Audit fee	0.08	0.08
	0.08	**0.08**
Tax Auditor		
Audit fee	0.21	-
	0.21	**-**
Total payment to auditors	**3.21**	**2.95**

* Excluding service tax of ₹ Nil (March 31, 2017: ₹0.22 Million) charged to statement of profit and loss.

(ii) Corporate Social Responsibility (CSR)

(a) The Company has incurred CSR expenses mainly towards promoting education and healthcare, ensuring environmental sustainability and contributing to technological institutions which are specified in Schedule VII of the Companies Act, 2013.

(ii) Details of CSR expenses

(₹ in Million)

	31-Mar-18	31-Mar-17
a) Gross amount required to be spent during the year #	**30.91**	**25.95**
b) Amount spent during the year	**30.92**	**25.96**
In cash		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	30.81	25.82
Yet to be paid in cash		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	0.11	0.14

Amounts computed is based upon profits as per relevant GAAP applicable for the respective years.

Notes to the Financial Statements
for the year ended March 31, 2018

NOTE 32: INCOME TAX EXPENSE

(i) Income tax recognised in profit or loss

(₹ in Million)

	31-Mar-18	31-Mar-17
Current tax		
In respect of the current year	497.61	584.14
In respect of the prior years	10.77	0.62
Total current tax expense	**508.38**	**584.76**
Deferred tax		
In respect of current year	7.60	16.78
In respect of prior years	(38.27)	2.72
Total deferred tax (income)/expense	**(30.67)**	**19.50**
Total income tax expense recognised in profit or loss	**477.71**	**604.26**

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

(₹ in Million)

	31-Mar-18	31-Mar-17
Profit before tax from continuing operations	1,459.96	1,766.12
Income tax expense calculated @ 34.608%	505.27	611.22
Effect of expenses that is non-deductible in determining taxable profit	10.17	15.65
Effect of tax incentives and concessions (research and development and other allowances)	(10.23)	(25.95)
	505.21	**600.92**
Adjustments recognised in the current year in relation to the current tax of prior years	10.77	0.62
Adjustments recognised in the current year in relation to the deferred tax of prior years	(38.27)	2.72
Total income tax expense	**477.71**	**604.26**

(ii) Income tax recognised in other comprehensive income

(₹ in Million)

	31-Mar-18	31-Mar-17
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	1.86	(6.90)
Effective portion of loss on designated portion of hedging instruments in a cash flow hedge	(2.48)	-
Total income tax expense recognised in other comprehensive income	**(0.62)**	**(6.90)**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to statement of profit & loss	1.86	(6.90)
Items that will be reclassified to statement of profit & loss	(2.48)	-
Total income tax expense recognised in other comprehensive income	**(0.62)**	**(6.90)**

Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 33: EARNINGS PER SHARE

(₹ in Million)

	31-Mar-18	31-Mar-17
Profit for the year attributable to owners of the Company [A]	982.25	1,161.86
Weighted average number of equity shares for the purposes of basic EPS/ diluted EPS [B]	329,972,150	329,972,150
Basic earning per share (face value of ₹ 1 per share) [A/B]	2.98	3.52
Diluted earning per share (face value of ₹ 1 per share) [A/B]	2.98	3.52

NOTE 34: SEGMENT INFORMATION

The Company primarily operates in one business segment- Power generating equipment and solutions.

The Company is domiciled in India and all its non-current assets are located in/relates to India except following:

(i) Investment in foreign subsidiary of ₹ 18.47 Million as at March 31, 2018 (March 31, 2017 : ₹ 18.47 Million)

The amount of Company's revenue from external customers based on geographical area and nature of the products/ services are shown below:

Revenue by geographical area

(₹ in Million)

	31-Mar-18	31-Mar-17
India	4,156.73	3,742.79
Rest of the world	3,136.16	3,708.92
Total	**7,292.89**	**7,451.71**

Revenue by nature of products / services (refer note 23)

(₹ in Million)

	31-Mar-18	31-Mar-17
Sale of products (including excise duty) (refer note 46(i))		
Finished goods		
- Turbines (including related equipments and supplies)	4,719.22	4,924.38
- Spares	1,736.82	1,660.53
Sale of Services		
Servicing, operation and maintenance	598.01	531.42
Erection and commissioning	143.98	92.88
Turbine extended scope turnkey project	94.86	242.50
Total	**7,292.89**	**7,451.71**

There is no single customer who has contributed 10% or more to the Company's revenue for both the years ended March 31, 2018 and March 31, 2017.

Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 35: 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.

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.

(b) The expense recognised during the period towards defined contribution plans are as follows:

(₹ in Million)

	31-Mar-18	31-Mar-17
Company's contribution to Employee's Provident Fund	31.04	28.12
Administrative charges on above	1.73	2.02
Company's contribution to Employee State Insurance	1.04	0.61
Company's contribution to Superannuation Scheme	7.12	7.24

Out of above expense towards defined contributions plans, ₹ Nil (March 31, 2017: ₹ 0.37 Million) is capitalised.

(ii) Defined benefit plans

(a) 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.

(b) Risk exposure

These plans typically expose the Company to a 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 Plan assets comprise principally Group Gratuity Plans offered by the life insurance companies. Majority of the funds invested are under the traditional platform where the insurance companies declare a return at the end of each year based upon its performance. Certain investments are also made in funds (growth plans) managed by the life insurance companies under which the returns are based upon the accretion to the net asset value (NAV) of the particular fund, which are declared on a daily basis. The NAV based funds of the insurance companies are approved and regulated by the Insurance Regulatory and Development Authority of India and the investment risk is mitigated by investment in funds where the asset allocation is primarily in sovereign and debt 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 plans' debt instruments.

Notes to the Financial Statements

for the year ended March 31, 2018

Life expectancy: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase 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 decrease in the attrition rate of the plan participants will increase the plan's liability.

(c) The significant actuarial assumptions used for the purposes of the actuarial valuation of gratuity were as follows:

	Valuation as at	
	31-Mar-18	31-Mar-17
Discounting rate	7.78%	7.33%
Future salary growth rate	8.00%	8.00%
Life expectancy/ Mortality rate	*	*
Attrition rate	- Below 31 years - 10.00% - 31-44 years - 7.00% - Above 44 years - 4.00%	- Below 31 years - 7.00% - 31-44 years - 4.00% - Above 44 years - 5.00%
Method used	Projected unit credit method	Projected unit credit method

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

(d) Amounts recognised in statement of profit & loss in respect of defined benefit plan (Gratuity Plan) are as follows:

(₹ in Million)

	31-Mar-18	31-Mar-17
Current service cost	9.87	10.12
Net interest expense	1.62	0.09
Components of defined benefit costs recognised in statement of profit or loss	**11.49**	**10.21**
Remeasurement on the net defined benefit liability		
- Return on plan assets (excluding amount included in net interest expense)	0.71	(0.79)
- Actuarial (gain)/ loss arising form changes in financial assumptions	(5.68)	16.81
- Actuarial (gain) / loss arising form changes in demographic assumptions	(0.29)	0.02
- Actuarial (gain) / loss arising form experience adjustments	(0.09)	3.90
Components of defined benefit costs recognised in other comprehensive income	**(5.35)**	**19.94**
Total	**6.14**	**30.15**

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.

Notes to the Financial Statements

for the year ended March 31, 2018

(e) Amounts included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan (Gratuity Plan) is as follows:

(₹ in Million)

	31-Mar-18	31-Mar-17
Present value of defined benefit obligation as at the end of the year	111.87	107.95
Fair value of plan assets	100.55	80.03
Funded status	**(11.32)**	**(27.92)**
Net liability arising from defined benefit obligation recognised in the balance sheet	**(11.32)**	**(27.92)**

(f) Movement in the present value of the defined benefit obligation (Gratuity Plan obligation) are as follows:

(₹ in Million)

	31-Mar-18	31-Mar-17
Present value of defined benefit obligation at the beginning of the year	107.95	78.41
Expenses recognised in statement of profit and loss		
- Current service cost	9.87	10.12
- Interest expense (income)	7.85	5.50
Remeasurement (gains)/ losses recognised in other comprehensive income		
- Actuarial (gain)/loss arising from:		
i. Demographic assumptions	(0.29)	0.02
ii. Financial assumptions	(5.68)	16.81
iii. Experience adjustments	(0.09)	3.90
Benefit payments	(7.74)	(6.81)
Present value of defined benefit obligation at the end of the year	**111.87**	**107.95**

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

(₹ in Million)

	31-Mar-18	31-Mar-17
Fair value of plan assets at the beginning of the year	80.03	73.83
Expenses recognised in statement of profit and loss		
- Expected return on plan assets	6.23	5.41
Remeasurement gains / (losses) recognised in other comprehensive income		
- Actual Return on plan assets in excess of the expected return	(0.71)	0.79
Contributions by employer	22.65	6.81
Benefit payments	(7.65)	(6.81)
Fair value of plan assets at the end of the year	**100.55**	**80.03**

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

(₹ in Million)

	31-Mar-18			31-Mar-17		
	Quoted	**Unquoted**	**Total**	Quoted	Unquoted	Total
Cash and cash equivalents	-	0.56	0.56	-	0.53	0.53
Group Gratuity Plans with Insurance Companies	-	99.99	99.99	-	79.50	79.50
Total plan assets	**-**	**100.55**	**100.55**	**-**	**80.03**	**80.03**

Notes to the Financial Statements

for the year ended March 31, 2018

The Plan assets comprise principally Group Gratuity Plans offered by the life insurance companies. Majority of the funds invested are under the traditional platform where the insurance companies declare a return at the end of each year based upon its performance. Certain investments are also made in funds (growth plans) managed by the life insurance companies under which the returns are based upon the accretion to the net asset value (NAV) of the particular fund, which are declared on a daily basis. The NAV based funds of the insurance companies are approved and regulated by the Insurance Regulatory and Development Authority of India and the investment risk is mitigated by investment in funds where the asset allocation is primarily in sovereign and debt securities. 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:

	Change in assumption by		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
			31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Discounting rate	0.5%	₹ in Million	(5.88)	(7.30)	6.41	7.59
		in %	-5.26%	-6.77%	5.73%	7.03%
Future salary growth rate	0.5%	₹ in Million	6.32	4.45	(5.85)	(4.57)
		in %	5.65%	4.12%	-5.23%	-4.24%
Mortality rate	10%	₹ in Million	(0.04)	(0.59)	0.01	0.59
		in %	-0.03%	-0.54%	0.00%	0.54%
Attrition rate	0.5%	₹ in Million	(0.07)	(1.15)	0.04	1.14
		in %	-0.07%	-1.07%	0.04%	1.06%

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. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(i) Defined benefit liability and employer contributions

The Company shall strive to bridge the deficit in defined benefit gratuity plan in the next year.

The Company expects to contribute ₹ 15.00 Million to the defined benefit plan during the year ending March 31, 2019.

The weighted average duration of the defined obligation as at March 31, 2018 is 13.1 years.

The expected maturity analysis of undiscounted defined benefit obligation as at March 31, 2018 is as follows:

(₹ in Million)

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligation (Gratuity)	13.44	8.77	14.26	309.20	345.67

Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 36: RELATED PARTY TRANSACTIONS

(i) Related parties where control exists

Subsidiaries

Triveni Turbines Europe Private Limited (wholly owned subsidiary)

Triveni Turbines DMCC (step-down subsidiary)

Triveni Turbines Africa Pty. Ltd. (step-down subsidiary)*

(ii) Related parties with whom transactions have taken place during the year :

(a) Investing company holding substantial interest

Triveni Engineering & Industries Limited (TEIL)

(b) Subsidiaries

Triveni Turbines Europe Private Limited (wholly owned subsidiary) (TTEPL)

Triveni Turbines DMCC (step-down subsidiary) (TTD)

Triveni Turbines Africa Pty. Ltd. (step-down subsidiary) (TTAPL)

(c) Joint Venture

GE Triveni Limited (GETL)

(d) Key Management Personnel (KMP)

Mr. D.M. Sawhney, Chairman & Managing Director (DMS)

Mr. Nikhil Sawhney, Vice Chairman and Managing Director (NS)

Mr. Arun Mote, Executive Director (AM)

Mr. Deepak Kumar Sen, Executive Vice President & CFO (DKS)

Mr. Tarun Sawhney, Promoter Non Executive Director (TS)

Lt. General Kanwal Kishan Hazari (Retired), Independent Non Executive Director (KKH)

Mr. Amal Ganguli, Independent Non Executive Director (AG)**

Mrs. Vasantha Bharucha, Independent Non Executive Director (VB)

Mr. Shekhar Datta, Independent Non Executive Director (SD)

Dr. Santosh Pande, Independent Non Executive Director (SP)***

(e) Parties in which key management personnel or their relatives have significant influence

Subhadra Trade & Finance Limited (STFL)

Tirath Ram Shah Charitable Trust (TRSCT)

(f) Post employment benefit plans

Triveni Turbine Limited Officers Pension Scheme (TTLOPS)

Triveni Turbine Limited Employees Gratuity Trust (TTLEGT)

*w.e.f. August 29, 2017

** Ceased to be KMP, due to his death, w.e.f. May 8, 2017

*** w.e.f July 19, 2017

(iii) Details of transactions between the Company and related parties during the year and outstanding balances as on March 31, 2018:

(₹ in Million)

	Financial year	Investing company holding substantial interest	Subsidiary			Joint Venture	KMP										Parties in which KMP or their relatives have significant influence		Post employment benefit plans		Total
		TEIL*	TTEPL	TTD	TTAPL	GETL*	DMS	NS	AM	DKS	TS	KKH	AG	VB	SD	SP	STFL	TRSCT	TTLOPS	TTLEGT	
Nature of transactions with Related Parties																					
Sales and rendering of services*	31-Mar-18	38.25	33.47	36.11	5.86	549.53	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**663.22**
	31-Mar-17	107.97	5.71	3.89	-	26.94	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**144.51**
Purchases and receiving services*	31-Mar-18	430.40	131.17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**561.57**
	31-Mar-17	322.94	118.69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**441.63**
Rent & other charges income	31-Mar-18	-	-	-	-	8.84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**8.84**
	31-Mar-17	-	-	-	-	8.21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**8.21**
Royalty Income*	31-Mar-18	-	-	-	-	1.94	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1.94**
	31-Mar-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Rent expenditure*	31-Mar-18	2.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**2.04**
	31-Mar-17	1.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1.60**
Remuneration expenditure	31-Mar-18	-	-	-	-	-	-	36.50	24.30	5.18	-	-	-	-	-	-	-	-	-	-	**65.98**
	31-Mar-17	-	-	-	-	-	-	30.20	20.77	5.23	-	-	-	-	-	-	-	-	-	-	**56.20**
Directors fee expenditure	31-Mar-18	-	-	-	-	-	-	-	-	-	0.37	0.47	-	0.50	0.35	0.35	-	-	-	-	**2.04**
	31-Mar-17	-	-	-	-	-	-	-	-	-	0.44	0.62	0.45	0.47	0.40	-	-	-	-	-	**2.38**
Directors commission expenditure	31-Mar-18	-	-	-	-	-	-	-	-	-	1.12	1.32	-	1.32	1.12	1.12	-	-	-	-	**6.00**
	31-Mar-17	-	-	-	-	-	-	-	-	-	1.20	1.40	1.20	1.40	1.20	-	-	-	-	-	**6.40**
Corporate social responsibility expenditure	31-Mar-18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.81	-	-	**9.81**
	31-Mar-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.89	-	-	**8.89**
Contribution to post employment benefit plans	31-Mar-18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.12	7.65	**14.77**
	31-Mar-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.24	6.81	**14.05**
Expenses incurred by the Company on behalf of party (net of expenses incurred by party on behalf of the Company)	31-Mar-18	1.88	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1.88**
	31-Mar-17	(0.28)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**(0.28)**
Dividend Paid	31-Mar-18	86.40	-	-	-	-	29.91	18.09	0.09	-	17.12	-	-	-	0.01	-	104.80	-	-	-	**256.42**
	31-Mar-17	32.40	-	-	-	-	11.22	6.78	0.03	-	6.42	-	-	-	-	-	7.34	-	-	-	**64.19**
Deposit received	31-Mar-18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
	31-Mar-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.10	-	-	-	**0.10**
Outstanding balances																					
Receivable	31-Mar-18	131.05	3.88	-	5.93	182.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**322.88**
	31-Mar-17	187.82	4.83	3.89	-	104.91	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**301.45**
Payable	31-Mar-18	108.20	15.14	-	-	35.41	0.52	0.21	0.64	-	1.12	1.32	-	1.32	1.12	1.12	-	-	-	-	**166.12**
	31-Mar-17	46.03	10.64	-	-	63.14	0.26	1.34	1.20	0.03	1.20	1.40	1.20	1.40	1.20	-	0.10	-	-	-	**129.14**
Guarantees outstanding (see (vi) below)	31-Mar-18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
	31-Mar-17	149.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**149.05**

* Including taxes

Notes to the Financial Statements

for the year ended March 31, 2018

(iv) Compensation of key managerial personnel:

(₹ in Million)

	31-Mar-18	31-Mar-17
Short-term employee benefits	60.03	50.85
Post-employment benefits	5.95	5.35
Total	**65.98**	**56.20**

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

(v) Terms & conditions:

The sales to and purchases from related parties, including rendering / availment of services, are made on terms which are on arm's length after taking into consideration market considerations, external benchmarks and adjustment thereof, terms of Joint Venture agreement and methodology of sharing common group costs. There has not been any transactions with key management personnel other than the approved remuneration having regards to the performance and market trends. The outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Company has not recorded any impairment of receivables relating to amounts owned by related parties for the year ended March 31, 2018 and March 31, 2017.

(vi) Guarantees outstanding comprises a corporate guarantee of ₹ Nil (March 31, 2017: ₹ 149.05 Million) equivalent to GBP Nil (March 31, 2017: GBP 1.76 Million) given by TEIL on behalf of the Company as a surety for due performance of the Company's obligations under a contract awarded by an overseas customer and in respect of which, the Company has fully indemnified TEIL against any claims, damages or expenses, including legal costs.

(vii) In respect of figures disclosed above:

(a) the amount of transactions/ balances are without giving effect to the Ind AS adjustments on account of fair valuation/ amortisation.

(b) Remuneration and outstanding balances of KMP does not include long term benefits by way of gratuity and compensated absences, which are currently not payable and are provided on the basis of actuarial valuation by the Company.

(c) TRSCT's outstanding balance does not include provision made for amounts payable by the Company under an agreement with TRSCT in respect of CSR obligation of the Company of ₹ Nil (March 31, 2017: ₹ 0.14 Million).

(viii) There are no reportable transactions/balances as required under regulation 34(3) of SEBI (Listing and Other Disclosure Requirements) Regulations, 2015.

NOTE 37: CAPITAL MANAGEMENT

For the purpose of capital management, capital includes total equity of the Company. The primary objective of the capital management is to maximize shareholder value. The Company is by and large debt free.

The business model of the Company is not capital intensive and being in the engineered-to-order capital goods space, the working capital is largely funded by advances from customers. The Company, therefore, prefers low gearing ratio. The Company manages its capital structure and makes adjustments in light of changes in economic conditions which may be in the form of payment of dividend subject to benchmark pay-out ratio, return capital to the shareholders or issue of new shares. Currently, the Company is cash positive and does not require any equity infusion or borrowings.

(₹ in Million)

	31-Mar-18	31-Mar-17
Non-current borrowings (note 15)	0.51	2.38
Current borrowings (note 17)	-	-
Trade payables (note 18)	1,447.68	921.64
Other financial liabilities (note 19)	90.69	134.98
Total debt	**1,538.88**	**1,059.00**
Less: Cash and cash equivalent (note 11(a))	(40.97)	(87.33)
Net debt (A)	**1,497.91**	**971.67**
Total equity (note 13 & note 14)	**4,461.50**	**3,957.02**
Total equity and net debt (B)	**5,959.41**	**4,928.69**
Gearing ratio (A/B)	**25%**	**20%**

Further, no changes were made in the objectives, policies or process for managing capital during the years ended March 31, 2018 and March 31, 2017.

The Company is not subject to any externally imposed capital requirements.

NOTE 38: FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprises trade payables and other payables and by and large there are no borrowings, other than necessitated by temporary mismatch. The main purpose of the financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, other receivables and cash and bank balances that derive directly from its operations. The Company also holds FVTPL investments and loans. The Company has substantial exports and is exposed to foreign currencies fluctuations during the contractual delivery period which is normally in the range of one year. The Company uses extensive derivatives to hedge its foreign exchange exposures which arise from export orders.

The Company's activities expose it mainly to market risk, liquidity risk and credit risk. The monitoring and management of such risks is undertaken by the senior management of the Company and there are appropriate policies and procedures in place through which such financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company has specialized 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 such 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 risk 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 only nominal.

(a) Credit risk management

The customer credit risk is managed subject to the Company's established policy, procedure and controls relating to customer credit risk management. In order to contain the business risk, prior to acceptance of an order from a customer, 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 limit risks of delays and default. Further, in most of the cases, the Company prescribes stringent payment terms including ensuring full payments before delivery of goods. Retention amounts, if applicable, are payable after satisfactory commissioning and performance. In view of the industry

Notes to the Financial Statements

for the year ended March 31, 2018

practice and being in a position to prescribe the desired commercial terms, 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 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 5, 6, 7, 8 and 11.

The trade receivables position is provided here below:

(₹ in Million)

	31-Mar-18	31-Mar-17
Total receivables	2,070.50	1,501.93
Receivables individually in excess of 10% of the total receivables	481.79	466.90
Percentage of above receivables to the total receivables of the Company	23%	31%

From the above table, it can be observed that the concentration of risk in respect of trade receivables is well spread out and moderate. Further, its customers are located in several jurisdictions and industries and operate in largely independent markets.

(b) Provision for expected credit losses

Basis as explained above, apart from specific provisioning against impairment on an individual basis for major customers, the Company provides for expected credit losses (ECL) for other receivables based on historical data of losses, current conditions and forecasts and future economic conditions, including loss of time value of money due to delays. In view of the business model of the Company, engineered-to-order products and the prescribed commercial terms, 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. Considering all such factors, ECL (net of specific provisioning) for trade receivables as at year end worked out as follows:

	31-Mar-18	31-Mar-17
Expected credit loss (%)	0.35%	0.53%
Expected credit loss (₹ in Million)	3.81	3.39

(ii) Liquidity risk

The Company uses liquidity forecast tools to manage its liquidity. As per the business model of the Company, the requirement of working capital is not intensive. The Company is able to substantially fund its working capital from advances from customers and from internal accruals and hence, its reliance on funding through borrowings is negligible. In view of free cash flows, the Company has even been able to fund substantial capital expenditure from internal accruals.

Notes to the Financial Statements

for the year ended March 31, 2018

(₹ in Million)

	31-Mar-18	31-Mar-17
Current financial assets (CFA) (refer note 5, 6, 7, 8 & 11)	2,229.90	1,694.61
Non-current financial assets (NCFA) (refer note 6, 7 & 8)	18.46	18.30
Total financial assets (FA)	**2,248.36**	**1,712.91**
Current financial liabilities (CFL) (note 17, 18 & 19)	1,538.37	1,056.62
Non-current financial liabilities (NCFL) (note 15)	0.51	2.38
Total financial liabilities (FL)	**1,538.88**	**1,059.00**
Ratios		
CFA/ CFL	1.45	1.58
NCFA/NCFL	36.20	7.70
FA/FL	1.46	1.60

Above ratios indicates fair liquidity. The Company invests surplus funds in bank deposits or liquid mutual funds for appropriate tenures in consonance with cash flow forecasts.

Maturities analysis of financial liabilities:

(₹ in Million)

	on demand	< 1 year	1-5 years	Total	Carrying amount
As at March 31, 2018					
Non-current borrowings	-	-	0.51	0.51	0.51
Trade payables	-	1,447.68		1,447.68	1,447.68
Other financial liabilities	-	90.69	-	90.69	90.69
	-	**1,538.37**	**0.51**	**1,538.88**	**1,538.88**
As at March 31, 2017					
Non-current borrowings	-	-	2.38	2.38	2.38
Trade payables	-	921.64	-	921.64	921.64
Other financial liabilities	-	134.98	-	134.98	134.98
	-	**1,056.62**	**2.38**	**1,059.00**	**1,059.00**

(iii) Market risk

The Company is virtually debt free and is largely insulated from interest rate risks. Even with respect to investments in mutual funds, the impact of interest rate risk is nominal as the investment is carried in liquid or substantially liquid funds. The Company is essentially exposed to currency risks as export sales forms substantial part of the total sales of the Company. While the Company is mainly exposed to US Dollars, the Company also deals in other currencies, such as, Euro, GBP etc.

The cycle from booking order to collection extends to about a year and the Company is exposed to foreign exchange fluctuation risks during this period. As a policy, the Company remains substantially hedged through forward exchange contracts or other simple structures. It considerably mitigates the risk and the Company is also benefitted in view of incidental forward premium. The policy of substantial hedging insulates the Company from the exchange rate fluctuation and the impact of sensitivity is nominal.

Notes to the Financial Statements

for the year ended March 31, 2018

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

		USD	EURO	GBP	JPY	CHF
As at March 31, 2018						
Financial assets						
- Trade receivables	in foreign currency (Million)	7.80	2.38	0.12	-	-
	in equivalent ₹ (Million)	501.49	187.12	10.86	-	-
Derivatives (in respect of underlying financial assets)						
- Foreign exchange forward contracts	in foreign currency (Million)	6.65	1.78	-	-	-
sell foreign currency	in equivalent ₹ (Million)	427.30	139.89	-	-	-
Net exposure to foreign currency risk (assets)	in foreign currency (Million)	**1.15**	**0.60**	**0.12**	**-**	**-**
	in equivalent ₹ (Million)	**74.19**	**47.23**	**10.86**	**-**	**-**
Financial liabilities						
- Trade payables	in foreign currency (Million)	0.45	0.37	0.34	11.26	-
	in equivalent ₹ (Million)	29.71	29.85	31.60	7.00	-
Net exposure to foreign currency risk (liabilities)	in foreign currency (Million)	**0.45**	**0.37**	**0.34**	**11.26**	**-**
	in equivalent ₹ (Million)	**29.71**	**29.85**	**31.60**	**7.00**	**-**
As at March 31, 2017						
Financial assets						
- Trade receivables	in foreign currency (Million)	3.93	4.04	0.12	-	-
	in equivalent ₹ (Million)	251.64	275.25	9.92	-	-
Derivatives (in respect of underlying financial assets)						
- Foreign exchange forward contracts	in foreign currency (Million)	3.74	3.95	-	-	-
sell foreign currency	in equivalent ₹ (Million)	239.69	268.69	-	-	-
Net exposure to foreign currency risk (assets)	in foreign currency (Million)	**0.19**	**0.09**	**0.12**	**-**	**-**
	in equivalent ₹ (Million)	**11.95**	**6.56**	**9.92**	**-**	**-**
Financial liabilities						
- Trade payables	in foreign currency (Million)	0.40	0.11	0.05	12.40	0.01
	in equivalent ₹ (Million)	25.95	7.45	3.84	7.28	0.33
Net exposure to foreign currency risk (liabilities)	in foreign currency (Million)	**0.40**	**0.11**	**0.05**	**12.40**	**0.01**
	in equivalent ₹ (Million)	**25.95**	**7.45**	**3.84**	**7.28**	**0.33**

Notes to the Financial Statements

for the year ended March 31, 2018

The Company's foreign currency derivatives outstanding (including for firm commitments) at the end of the reporting period are as follows:

		USD	EURO	GBP	JPY	CHF
As at March 31, 2018						
Foreign exchange forward contracts to sell foreign currency	in foreign currency (Million)	25.37	5.95	-	-	-
	in equivalent ₹ (Million)	1,631.58	468.39	-	-	-
Foreign exchange forward contracts to buy foreign currency	in foreign currency (Million)	-	-	-	-	-
	in equivalent ₹ (Million)	-	-	-	-	-
As at March 31, 2017						
Foreign exchange forward contracts to sell foreign currency	in foreign currency (Million)	9.69	10.49	-	-	-
	in equivalent ₹ (Million)	620.82	714.22	-	-	-
Foreign exchange forward contracts to buy foreign currency	in foreign currency (Million)	-	0.25	-	-	-
	in equivalent ₹ (Million)	-	17.59	-	-	-

All the above contracts are maturing within one year.

(b) Impact of hedging activities

(a) Disclosure of effects of cash flow hedge accounting on financial position towards hedging foreign currency risk through foreign currency forward contracts.

	31-Mar-18	31-Mar-17
Carrying amount of hedging instruments		
-Assets/ (Liabilities) (₹ in Million)	(8.68)	*
Line item affected in the Balance sheet	Other financial liabilities	*
Maturity Date	April 2018 - February 2019	*
Hedge Ratio	77%	*
weighted average strike price/rate	US$ 1= INR 65.91 EURO 1= INR 79.97	*
Changes in fair value of hedging instruments (₹ in Million)	15.30	*
Change in the value of hedged item used as the basis for recognising hedge effectiveness (₹ in Million)	(15.30)	*

* Not applicable (Refer note 46(ii))

Notes to the Financial Statements

for the year ended March 31, 2018

(b) Disclosure of effects of cash flow hedge accounting on financial performance

(₹ in Million)

	31-Mar-18	31-Mar-17
Changes in the value of the hedging instrument recognised in other comprehensive income	15.30	*
Hedge ineffectiveness recognised in profit or loss	(15.02)	*
Amount reclassified from cash flow hedging reserve to profit or loss	(7.43)	*
Line item affected in statement of profit and loss because of the reclassification	Revenue	*

* Not applicable (Refer note 46(ii))

(c) Movements in cash flow hedging reserve

(₹ in Million)

	31-Mar-18	31-Mar-17
Opening Balance	-	*
Add: Changes in discounted spot element of foreign exchange forward contracts, net	15.30	*
Less: Hedge ineffectiveness recognised in profit or loss	(15.02)	*
Less: Amount reclassified from cash flow hedging reserve to profit or loss	(7.43)	*
	(7.16)	*
Less: Deferred tax relating to above	2.48	*
Closing balance	**(4.68)**	

* Not applicable (Refer note 46(ii))

(c) Sensitivity

The following table demonstrate the sensitivity of net unhedged foreign currency exposures to a reasonably possible changes in foreign currency exchange rates, with all other variables held constant.

	Change in FC exchange rate by	Impact on profit or loss and equity (in ₹ in Million)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
USD sensitivity	5%	2.22	(0.70)	(2.22)	0.70
EURO sensitivity	5%	0.87	(0.04)	(0.87)	0.04
GBP sensitivity	5%	(1.04)	0.30	1.04	(0.30)
JPY sensitivity	5%	(0.35)	(0.36)	0.35	0.36
CHF sensitivity	5%	-	(0.02)	-	0.02

Further, the change in foreign currency rates will impact the fair value of the derivatives and correspondingly impact the profit or loss, but there will not be any impact over the hedge period as the derivatives will enable capturing the hedged rates and the budgeted profitability would remain unchanged.

Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 39: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

(₹ in Million)

	31-Mar-18			31-Mar-17		
	FVTPL *	**FVOCI**	**Amortised cost**	FVTPL *	FVOCI	Amortised cost
Financial assets						
Investments in mutual funds	90.63	-	-	40.12	-	-
Trade receivables	-	-	2,070.50	-	-	1,501.93
Unbilled revenue	-	-	8.81	-	-	21.56
Loans	-	-	2.42	-	-	2.76
Cash and bank balances	-	-	51.83	-	-	88.41
Security deposits	-	-	6.11	-	-	5.91
Earnest money deposits	-	-	5.43	-	-	2.38
Derivative financial assets	-	-	-	48.93	-	-
Other receivables	-	-	12.63	-	-	0.91
Total financial assets	**90.63**	**-**	**2,157.73**	**89.05**	**-**	**1,623.86**
Financial liabilities						
Borrowings	-	-	1.07	-	-	4.16
Trade payables	-	-	1,447.68	-	-	921.64
Capital creditors	-	-	12.50	-	-	113.37
Derivative financial liabilities	-	8.68	-	-	-	-
Other payables	-	-	68.95	-	-	19.83
Total financial liabilities	**-**	**8.68**	**1,530.20**	**-**	**-**	**1,059.00**

* Mandatorily 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

(₹ in Million)

	Note No.	Level 1	Level 2	Level 3	Total
As at 31 March 2018					
Financial assets					
- Investments in mutual funds (Unquoted)	5 (b)	-	90.63	-	90.63
- Foreign exchange forward contracts at FVTPL	8	-	-	-	-
		-	**90.63**	**-**	**90.63**
Financial liabilities					
- Foreign exchange forward contracts at FVOCI	19	-	8.68	-	8.68
		-	**8.68**	**-**	**8.68**
As at 31 March 2017					
Financial assets					
- Investments in mutual funds (Unquoted)	5 (b)	-	40.12	-	40.12
- Foreign exchange forward contracts at FVTPL	8	-	48.93	-	48.93
		-	**89.05**	**-**	**89.05**
Financial liabilities					
- Foreign exchange forward contracts at FVOCI		-	-	-	-
		-	**-**	**-**	**-**

Notes to the Financial Statements

for the year ended March 31, 2018

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. No assets are classified in this category.

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. No assets are classified in this category.

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 the mutual funds is determined using daily NAV as declared for the particular scheme by the Asset Management Company.
- 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.

  All of the resulting fair value estimates are included in level 2.

(iv) Valuation processes

The Corporate finance team has requisite knowledge and skills. The team headed by group CFO directly reports to the audit committee to arrive at 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

(₹ in Million)

	31-Mar-18		31-Mar-17	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Trade receivables	-	-	1,501.93	1,496.70
	-	**-**	**1,501.93**	**1,496.70**

Fair value hierarchy

(₹ in Million)

	Level 1	Level 2	Level 3	Total
As at 31 March 2018				
Financial assets				
Trade receivables	-	-	-	-
	-	**-**	**-**	**-**
As at 31 March 2017				
Financial assets				
Trade receivables	-	-	1,496.70	1,496.70
	-	**-**	**1,496.70**	**1,496.70**

The fair values for trade receivables which are expected to be received after twelve months (though 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 are considered to be the same as their fair values, due to their short-term nature.

Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 40: LEASES

(i) Obligations under finance leases

During financial year 2014-15, the Company had acquired land at Sompura from Karnataka Industrial Areas Development Board (KIADB) on a lease-cum-sale basis. The land is under lease for initial period of ten years thereafter the ownership of the land will be transferred in favour of the Company thus same is considered as land under finance lease (refer note 3(i)). Initial upfront lease payment (including slum cess and process fee) of ₹ 365.81 Million was made to the KIADB for acquisition of land and thereafter, the Company's obligations under finance lease is yearly recurring maintenance charges of ₹ 0.14 Million during the lease period. 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 premises and certain office equipment under operating leases. These leases are generally not non-cancellable, except in the case of some office equipment. The unexpired period of the leases ranges between one month to less than five years and these are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest- free security deposits under certain agreements. There is no contingent rent, sublease payments or restriction imposed in the lease agreement.

Payments recognised as expense

(₹ in Million)

	31-Mar-18	31-Mar-17
Minimum lease payments (refer note 31)	11.29	6.78
	11.29	**6.78**

Non-cancellable operating lease commitments

(₹ in Million)

	31-Mar-18	31-Mar-17
Not later than one year	5.78	0.83
Later than one year and not later than five years	14.25	1.33
Later than five years	-	-
	20.03	**2.16**

As Lessor

The Company has given certain portions of its office premises under operating leases. 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 recognized 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 24). Initial direct costs incurred, if any, to earn revenues from an operating lease are recognised as an expense in the statement of profit and loss in the period in which they are incurred

NOTE 41: COMMITMENTS

(₹ in Million)

		31-Mar-18	31-Mar-17
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (against which advances paid aggregating to ₹ 9.68 Million (March 31, 2017: ₹ 50.48 Million)	77.39	175.65
(ii)	Other commitments:		
(a)	Operating leases commitments	Refer note 40 (ii)	
(b)	Derivative instruments	Refer note 38 (iii) (a) (b)	
(c)	Non-disposal of investments in joint venture	Refer note 17 (ii)	

Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 42: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities

(₹ in Million)

	31-Mar-18	31-Mar-17
Claims against the Company not acknowledged as debts:		
Claims which are being contested by the company and in respect of which the company has paid amounts aggregating to ₹ 1.36 Million (March 31, 2017: ₹ 4.93 Million), excluding interest, under protest pending final adjudication of the cases:	67.39	133.76

Sl. No.	Particulars	Amount of contingent liability		Amount paid	
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
1	Excise duty	7.80	7.40	0.09	0.09
2	Service tax	37.53	47.48	1.27	4.84
3	VAT *	-	61.96	-	-
4	Income tax	15.04	15.03	-	-
5	Others	7.02	1.89	-	-

* Against the VAT demand, the Commercial Taxes Department has withheld the refund of ₹ Nil (March 31, 2017: ₹48.37 Million)

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 reputedprofessional advisors to protect its interests and has been advised that it has strong legal position against such disputes.

Contingent assets

Based on management analysis, there are no material contingent assets as on March 31, 2018 (March 31, 2017: ₹ Nil).

NOTE 43: 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:

(₹ in Million)

	31-Mar-18	31-Mar-17
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year; as at the end of the year		
(i) Principal amount	96.53	90.49
(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 of 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	-	-

Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 44: RESEARCH & DEVELOPMENT EXPENSES

During the year, the Company has incurred expenditure of ₹ 85.80 Million (March 31, 2017: ₹ 97.78 Million) on research and development activities as per following details:

(₹ in Million)

	31-Mar-18	31-Mar-17
Revenue Expenses	63.08	86.92
Less: Scrap value	-	(1.07)
Capital Expenditure	22.72	11.93
Total	**85.80**	**97.78**

NOTE 45: STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 issuing the following standard:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e., an asset) to a customer (i.e., when (or as) the customer obtains control of that asset) at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for accounting periods commencing on or after April 1, 2018. The Company is in the process of evaluating the requirements of the said standard and its impact on its financial statements.

NOTE 46: COMPARATIVES

(i) Post implementation of Goods and Services Tax ("GST") with effect from July 1, 2017, revenue from operations is disclosed net of GST. Revenue from operations for the year ended March 31, 2017 included excise duty which is now subsumed in the GST. Revenue from operations for the year ended March 31, 2018 includes excise duty up to June 30, 2017. Accordingly, revenue from operations for the year ended March 31, 2018 are not comparable with those of the previous year presented.

(ii) Profit after taxes of current year is not comparable due to adoption of hedge accounting in the current financial year as a result hedging gain/losses have been considered in Other Comprehensive Income as against other income/expenses reported in previous year.

(iii) The Company has reclassified certain items of balance sheet of comparative period to confirm this year's classification, however, impact of these re-classification are not material.

NOTE 47. APPROVAL OF STANDALONE FINANCIAL STATEMENTS

The Standalone financial Statements were approved for issue by the Board of Directors of the Company on May 22, 2018 subject to approval of shareholders.

For Walker Chandiok & Co LLP
Chartered Accountants

For and on behalf of the Board of Directors of Triveni Turbine Limited

Per **Vijay Vikram Singh**
Partner

Dhruv M. Sawhney
Chairman & Managing Director
DIN: 00102999

Lt. Gen. K K Hazari (Retd.)
Director & Chairman Audit Committee
DIN: 00090909

Place : Noida (U.P.)
Date : May 22, 2018

Deepak Kumar Sen
Executive Vice President & CFO

Rajiv Sawhney
Company Secretary

Independent Auditor's Report

To the Members of Triveni Turbine Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Triveni Turbine Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and joint venture, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement 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.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group and its joint venture are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group and its joint venture company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. 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.

5. 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 these consolidated financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated 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 financial statements.

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. 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 the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group and joint venture as at 31 March 2018, and their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

9. We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 159.04 million and net assets of ₹ 66.08 million as at 31 March 2018, total revenues of ₹ 409.49 million and net cash outflows amounting to ₹ 25.66 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 34.45 million for the year ended 31 March 2018, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, to the extent applicable, in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on the reports of the other auditors.

   Further, of these subsidiaries and joint venture, three subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

   Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, to the extent applicable, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

10. The audit of consolidated financial statements of the Company for the year ended 31 March 2017 included in the consolidated financial statements was carried out and reported by J.C. Bhalla and Co., Chartered Accountants vide their unmodified audit report dated 18 May 2017, whose audit report has been furnished to us and which has been relied upon by us for the purpose of our audit of the consolidated financial statements. Our audit report is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and joint venture, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and joint venture company covered under the Act, none of the directors of the Group companies and its joint venture company covered under the Act, are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and joint venture company covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure I';

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture as detailed in Note 44 to the consolidated financial statements.

(ii) Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and joint venture company covered under the Act during the year ended 31 March 2018;

(iv) The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Vijay Vikram Singh**
Partner
Membership No.: 059139

Place: Noida
Date: 22 May 2018

Annexure I to the Independent Auditor's Report

of even date to the members of Triveni Turbine Limited on the consolidated financial statements for the year ended 31 March 2018

Annexure I

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

1. In conjunction with our audit of the consolidated financial statements of Triveni Turbine Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and joint venture as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company and its joint venture company, which is a company covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its joint venture company, which is a company covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the company's business, including adherence to the 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its joint venture company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act - to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its joint venture company as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection

of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the report of the other auditor on IFCoFR of the joint venture company, the Holding Company and its joint venture company, which is a company covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

Other Matters

9. The consolidated financial statements include the Group's share of net loss (including other comprehensive income) of ₹ 34.45 million for the year ended 31 March 2018, in respect of one joint venture company, which is a company covered under the Act, whose IFCoFR has not been audited by us. The IFCoFR in so far as it relates to such joint venture company has been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its joint venture company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such joint venture company is based solely on the reports of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditor.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Vijay Vikram Singh**
Partner
Membership No.: 059139

Place: Noida
Date: 22 May 2018

Consolidated Balance Sheet

as at March 31, 2018

(₹ in Million)

	Note No.	31-Mar-18	31-Mar-17
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,209.52	2,266.13
Capital work-in-progress	3	385.10	103.02
Intangible assets	4	47.10	52.90
Investments accounted for using the equity method	5 (a)	106.58	131.48
Financial assets			
i. Trade receivables	6	12.42	12.55
ii. Loans	7	0.22	0.35
iii. Other financial assets	8	5.82	5.40
Other non-current assets	9	14.32	190.62
Income tax assets (net)	21	13.83	12.68
Total non-current assets		**2,794.91**	**2,775.13**
Current assets			
Inventories	10	1,807.11	1,458.66
Financial assets			
i. Investments	5 (b)	90.63	40.12
ii. Trade receivables	6	2,077.67	1,507.14
iii. Cash and cash equivalents	11 (a)	115.36	176.99
iv. Bank balances other than cash and cash equivalents	11 (b)	10.86	1.08
v. Loans	7	2.20	2.41
vi. Other financial assets	8	28.07	74.96
Other current assets	9	597.82	395.84
		4,729.72	**3,657.20**
Assets classified as held for sale	12	2.60	6.05
Total current assets		**4,732.32**	**3,663.25**
Total assets		**7,527.23**	**6,438.38**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	329.97	329.97
Other equity	14	4,191.33	3,704.63
Total equity		**4,521.30**	**4,034.60**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
i. Borrowings	15	0.51	2.38
Provisions	16	43.44	54.10
Deferred tax liabilities (net)	22	77.52	108.81
Total non-current liabilities		**121.47**	**165.29**
Current liabilities			
Financial liabilities			
i. Borrowings	17	-	-
ii. Trade payables	18	1,464.48	943.74
iii. Other financial liabilities	19	95.58	141.59
Other current liabilities	20	1,150.31	985.85
Provisions	16	87.76	94.32
Income tax liabilities (net)	21	86.33	72.99
Total current liabilities		**2,884.46**	**2,238.49**
Total liabilities		**3,005.93**	**2,403.78**
Total equity and liabilities		**7,527.23**	**6,438.38**

The accompanying notes 1 to 49 form an integral part of the consolidated financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants

For and on behalf of the Board of Directors of Triveni Turbine Limited

Per **Vijay Vikram Singh**
Partner

Dhruv M. Sawhney
Chairman & Managing Director
DIN: 00102999

Lt. Gen. K K Hazari (Retd.)
Director & Chairman Audit Committee
DIN: 00090909

Place : Noida (U.P.)
Date : May 22, 2018

Deepak Kumar Sen
Executive Vice President & CFO

Rajiv Sawhney
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in Million)

	Note No.	31-Mar-18	31-Mar-17
Revenue from operations	23	7,533.17	7,655.70
Other income	24	81.36	289.89
Total income		**7,614.53**	**7,945.59**
Expenses			
Cost of materials consumed	25	3,782.68	3,865.39
Changes in inventories of finished goods and work-in-progress	26	69.86	33.03
Excise duty on sale of products		22.24	209.63
Employee benefits expense	27	880.60	809.24
Finance costs	28	5.34	3.32
Depreciation and amortisation expense	29	191.24	147.98
Impairment loss on financial assets (including reversals of impairment losses)	30	4.81	6.53
Other expenses	31	1,194.96	1,067.98
Total expenses		**6,151.73**	**6,143.10**
Profit before share of net profit of investments accounted for using equity method and tax		**1,462.80**	**1,802.49**
Share of net (loss)/profit of joint venture accounted for using the equity method		(24.99)	43.50
Profit before tax		**1,437.81**	**1,845.99**
Tax expense:			
- Current tax	32	508.79	590.95
- Deferred tax	32	(30.67)	19.50
Total tax expense		**478.12**	**610.45**
Profit for the year		**959.69**	**1,235.54**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans	35	5.35	(19.94)
- Share of other comprehensive income of joint venture accounted for using the equity method	40	0.08	0.01
		5.43	**(19.93)**
(ii) Income tax relating to items that will not be reclassified to profit or loss	32	1.86	(6.90)
		3.57	**(13.03)**
B (i) Items that will be reclassified to profit or loss			
- Exchange differences arising on translating the foreign operations		4.70	(3.21)
- Effective portion of loss on designated portion of hedging instruments in a cash flow hedge	38 (iii)(b)	(7.16)	**-**
		(2.46)	**(3.21)**
(ii) Income tax relating to items that will be reclassified to profit or loss	32	(2.48)	-
		0.02	**(3.21)**
Other comprehensive income/(loss) for the year, net of tax		**3.59**	**(16.24)**
Total comprehensive income for the year		**963.28**	**1,219.30**
Earnings per equity share of ₹ 1 each			
Basic earnings per share	33	2.91	3.74
Diluted earnings per share	33	2.91	3.74

The accompanying notes 1 to 49 form an integral part of the consolidated financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants

Per **Vijay Vikram Singh**
Partner

Place : Noida (U.P.)
Date : May 22, 2018

For and on behalf of the Board of Directors of Triveni Turbine Limited

Dhruv M. Sawhney
Chairman & Managing Director
DIN: 00102999

Lt. Gen. K K Hazari (Retd.)
Director & Chairman Audit Committee
DIN: 00090909

Deepak Kumar Sen
Executive Vice President & CFO

Rajiv Sawhney
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2018

A. Equity share capital

Equity shares of ₹ 1 each issued, subscribed and fully paid up

(₹ in Million)

As at April 1, 2016	329.97
Changes in equity share capital during the year	-
As at March 31, 2017	**329.97**
Changes in equity share capital during the year	-
As at March 31, 2018	**329.97**

B. Other equity

(₹ in Million)

	Reserves and surplus				Items of other comprehensive income		Total other equity
	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Foreign currency translation reserve	Cash flow hedging reserve	
Balance as at April 1, 2016	**28.00**	**4.69**	**839.23**	**1,791.53**	**0.60**	**-**	**2,664.05**
Profit for the year	-	-	-	1,235.54	-	-	1,235.54
Other comprehensive income /(loss), net of income tax	-	-	-	(13.03)	(3.21)	-	(16.24)
Total comprehensive income for the year	**-**	**-**	**-**	**1,222.51**	**(3.21)**	**-**	**1,219.30**
Transactions with owners in their capacity as owners:							
Dividends paid	-	-	-	(148.49)	-	-	(148.49)
Dividend distribution tax (DDT)	-	-	-	(30.23)	-	-	(30.23)
Balance as at March 31, 2017	**28.00**	**4.69**	**839.23**	**2,835.32**	**(2.61)**	**-**	**3,704.63**
Profit for the year	-	-	-	959.69	-	-	959.69
Other comprehensive income /(loss) , net of income tax	-	-	-	3.57	4.70	(4.68)	3.59
Total comprehensive income for the year	**-**	**-**	**-**	**963.26**	**4.70**	**(4.68)**	**963.28**
Transactions with owners in their capacity as owners:							
Dividends paid	-	-	-	(395.97)	-	-	(395.97)
Dividend distribution tax (DDT)	-	-	-	(80.61)	-	-	(80.61)
Balance as at March 31, 2018	**28.00**	**4.69**	**839.23**	**3,322.00**	**2.09**	**(4.68)**	**4,191.33**

The accompanying notes 1 to 49 form an integral part of the consolidated financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants

Per **Vijay Vikram Singh**
Partner

Place : Noida (U.P.)
Date : May 22, 2018

For and on behalf of the Board of Directors of Triveni Turbine Limited

Dhruv M. Sawhney
Chairman & Managing Director
DIN: 00102999

Lt. Gen. K K Hazari (Retd.)
Director & Chairman Audit Committee
DIN: 00090909

Deepak Kumar Sen
Executive Vice President & CFO

Rajiv Sawhney
Company Secretary

Consolidated Statement of Cash Flows

for the year ended March 31, 2018

(₹ in Million)

	31-Mar-18	31-Mar-17
Cash flows from operating activities		
Profit before tax	1,437.82	1,845.99
Adjustments for		
Share of net loss(profit) of joint venture accounted for using the equity method	24.99	(43.50)
Depreciation and amortisation expense	191.24	147.98
Loss on sale/write off of property, plant and equipment	4.23	2.30
Net profit on sale/redemption of current investments	(22.05)	(22.51)
Net fair value (gains)/losses on current investments	(0.29)	0.68
Interest income	(1.71)	(1.39)
Provision for doubtful advances	14.50	-
Amount written off of non financial assets	5.26	3.51
Allowance for non moving inventories	7.68	19.57
Impairment loss on financial assets (including reversals of impairment losses)	4.81	6.53
Finance costs	5.34	3.32
Unrealised foreign exchange (gain)/ losses	(2.13)	18.59
Credit balances written back	(9.10)	(22.06)
Mark-to-market losses/(gains) on derivatives	1.52	(48.93)
Working capital adjustments :		
Change in inventories	(356.12)	89.26
Change in trade receivables	(564.53)	(208.67)
Change in other financial assets	34.71	61.01
Change in other assets	(85.76)	53.35
Change in trade payables	508.72	72.47
Change in other financial liabilities	53.76	(29.56)
Change in other liabilities	168.77	(559.22)
Change in provisions	(11.92)	4.60
Cash generated from operations	**1,409.74**	**1,393.32**
Income tax paid	(497.00)	(573.04)
Net cash inflow from operating activities	**912.74**	**820.28**
Cash flows from investing activities		
Purchase of property, plant and equipment	(477.42)	(834.11)
Proceeds from sale of property, plant and equipment	2.26	0.63
Purchase of current investments	(2,607.50)	(800.00)
Proceeds from sale of current investments	2,579.33	893.22
Proceeds from sale of assets classified as held for sale	3.45	-
Interest received	1.58	0.41
Net cash outflow from investing activities	**(498.30)**	**(739.85)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2018

(₹ in Million)

	31-Mar-18	31-Mar-17
Cash flows from financing activities		
Repayment of long term borrowings	(3.09)	(3.38)
Interest paid	(5.37)	(3.35)
Dividend paid to Company's shareholders	(395.74)	(148.40)
Dividend distribution tax	(80.61)	(30.23)
Net cash outflow from financing activities	**(484.81)**	**(185.36)**
Increase/(decrease) in cash and cash equivalents due to foreign exchange variation	8.74	(7.62)
Net increase/(decrease) in cash and cash equivalents	(61.63)	(112.55)
Cash and cash equivalents at the beginning of the year (refer note 11 (a))	176.99	289.54
Cash and cash equivalents at the end of the year (refer note 11 (a))	**115.36**	**176.99**

Reconciliation of liabilities arising from financing activities:

	Non-current borrowings (including current maturities)	Interest payable on borrowings	Dividend paid to Company's shareholders (including DDT)
Balance as at March 31, 2017	4.16	0.04	1.07
Cash flows	(3.09)	(5.37)	(476.35)
Finance costs accruals	-	5.34	-
Dividend distributions (including DDT) accruals	-	-	476.58
Balance as at March 31, 2018	**1.07**	**0.01**	**1.30**

The accompanying notes 1 to 49 form an integral part of the consolidated financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants

Per **Vijay Vikram Singh**
Partner

Place : Noida (U.P.)
Date : May 22, 2018

For and on behalf of the Board of Directors of Triveni Turbine Limited

Dhruv M. Sawhney
Chairman & Managing Director
DIN: 00102999

Lt. Gen. K K Hazari (Retd.)
Director & Chairman Audit Committee
DIN: 00090909

Deepak Kumar Sen
Executive Vice President & CFO

Rajiv Sawhney
Company Secretary

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

CORPORATE INFORMATION

The Consolidated financial statements comprises of financial statements of Triveni Turbine Limited and its subsidiaries (collectively the "Group") and Group's interest in joint venture. Triveni Turbine Limited ("the Company" or the "Parent") is a company limited by shares, incorporated, 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 A-44, Hosiery Complex, Phase II extension, Noida, Uttar Pradesh- 201305. The Group is primarily engaged in business of manufacture and supply of power generating equipment and solutions and has manufacturing facilities at Bengaluru, Karnataka.

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) (Amendment) Rules, 2016 and Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and other relevant provisions of the Act.

(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 accounting policies below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 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. Intercompany transactions, balances and unrealized 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.

Joint Ventures

Interests in joint ventures 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 and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures 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 joint ventures 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.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, other similar allowances, value added taxes, service tax, goods and 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 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) 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.

(iv) 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

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.

(v) Royalties

Income from royalty is recognised as per the contractual arrangement with the Licensee upon supply of turbine manufactured with the technical know-how provided by the Group to the Licensee (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

(vi) Rental income

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

(c) Government grants

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

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

Government grants 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 & loss in the period in which they become receivable.

(d) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(i) As a lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see note 1(g) below).

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases in which case lease expenses are charged to profit or loss on the basis of actual payments to the lessors.

(ii) As a lessor

Lease income from operating leases where the Group is a lessor is recognised 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.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

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 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 and these are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the 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 approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(f) Impairment of non-financial assets

Non- financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non- financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

(g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. 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.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(h) Income tax

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

(i) Current tax

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

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

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 joint ventures, except where 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 difference associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) Property, plant and equipment

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

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.

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are ready 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 which are as follows:

Class of assets	Useful life
Building	5- 60 Years
Plant and Equipment	15 Years
Office Equipment	5 Years
Furniture and Fixtures	10 Years
Vehicle	10 Years
Computers	3-6 Years

The residual value of property, plant and equipment has been considered 5% or less of the original cost of assets as applicable.

- On the basis of technical assessment involving technology obsolescence and past experience:
  - mobile phones costing ₹ 5,000/- or more are depreciated over two years.
  - patterns, tools, jigs, fixtures etc. are depreciated over three years.
  - machinery spares are depreciated over a life ranging from three to five years.
- Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

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

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

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 property, plant and equipment.

(j) 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	3 – 5 Years
Website development cost	3 Years
Designs and drawings	6 Years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

- the ability to measure reliably the expenditure attributable to asset during its development.

The amount initially recognised for intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no intangible assets can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, such intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as of acquired intangible assets.

Transition to Ind AS

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

(k) Inventories

(i) Inventories of raw materials, components, stores and spares are valued at lower of cost and net realizable value. Cost for the purpose of valuation of such inventories is determined on weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Finished goods and work-in-progress are valued at lower of cost and net realizable 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. Post implementation of Goods and Services Tax ("GST") with effect from July 1, 2017, excise duty is included in the value of finished goods upto June 30, 2017.

(l) 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. Non-current assets classified as held for sale are presented separately in the balance sheet."

"Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

(m) 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, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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.

(n) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

Other long-term employee benefits include earned leaves, sick leaves and employee retention bonus.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

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 & loss. The obligations are presented as provisions in the balance sheet.

Employee retention bonus

The Group, as a part of retention policy, pays retention bonus to certain employees after completion of specified period of service. The timing of the outflows is expected to be within a period of five years. They are therefore measured at the present value of expected future payments at the end of each annual reporting period in accordance with management best estimates. This cost is included in employee benefit expense in the statement of profit and loss with corresponding provisions in the balance sheet.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

- defined benefit plan towards payment of gratuity; and
- defined contribution plans towards provident fund & employee pension scheme, employee state insurance and superannuation scheme.

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 the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligation in respect of employees of the Parent 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. In view of short duration of employment contracts, obligations under defined benefits plan for the employees of foreign subsidiary companies of the Parent is determined using management estimates based upon the laws applicable of the concerned country.

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 consolidated balance sheet.

Defined contribution plans

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

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

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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2018

- **Employee State Insurance**

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

- **Superannuation Scheme**

  The Group contributes towards a fund established by the Group 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.

- **Other defined contribution plans**

  The Group, in respect of employees engaged in foreign countries, contributes towards employee benefit plans, in accordance with prevailing laws in such countries, to funds which are administered and managed by the respective government authorities

(o) Dividends

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

(p) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three month or less that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

(q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(r) 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 measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

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

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

- **Fair value through other comprehensive income (FVTOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in statement of profit and 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 measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value, except for equity investments in joint venture where the Group has the option to either measure it at cost or fair value. The Group has opted to measure equity investments in joint venture at cost. Where the Group's management elects 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 38 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

for the year ended March 31, 2018

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.

(s) Financial liabilities and equity instruments

(i) Classification

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

Equity instruments

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

Financial liabilities

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

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

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

(ii) Measurement

Equity instruments

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

Financial liabilities

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

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

- **Fair value through profit or loss (FVTPL):** Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

- **Amortised cost:** Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

(iii) Derecognition

Equity instruments

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

Financial liabilities

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

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

(u) Fair value of financial instruments

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

(v) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments i.e. forward currency contracts to hedge its foreign currency risks. These derivative financial instruments are initially recognised at fair value on the date on which a derivative

Notes to the Consolidated Financial Statements
for the year ended March 31, 2018

contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, the Group has classified hedges as Cash flow hedges wherein it hedges the exposure to the variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group contemplates to apply hedge accounting and the risk management objective and strategy for undertaking the hedge in compliance with Group's hedge policy. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. Any hedge ineffectiveness is calculated and accounted for in Statement of profit or loss at the time of hedge relationship rebalancing.

The effective portion of changes in the fair value of the hedging instruments is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. Such amounts are reclassified in to the profit or loss when the related hedge items affect profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

Any ineffective portion of changes in the fair value of the derivative or if the hedging instrument no longer meets the criteria for hedge accounting, is recognised immediately in profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued and the related gain or loss is held in cash flow hedging reserve until the forecast transaction occurs

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 judgements

In the process of applying the Group's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the financial statements:

(i) Classification of GE Triveni Limited as a Joint Venture

The Group holds more than 50% stake in the equity share capital (i.e. holding 8,000,001 equity shares out of total 16,000,000 equity shares) of GE Triveni Limited (GETL) and the balance share capital is being held by GE Mauritius Infrastructure Holdings Limited. By virtue of agreements between the shareholders, relevant terms of which are enshrined in the Articles of Association of GETL, it has been considered that the Group has joint control over GETL alongwith the other shareholder since unanimous consent of both the shareholders is required in respect of significant financial, operating, strategic and managerial decisions. Accordingly investments in equity shares of GETL is classified as investment in joint venture and has been accounted for under equity method of accounting in the consolidated financial statements.

(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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(i) 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.

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 35 for further disclosures.

(ii) 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.

(iii) Provision for liquidated damages

It represents the potential liability which may arise from contractual obligation towards customers with respect to matters relating to delivery and performance of the Group's products. The provision represents the amount estimated to meet the cost of such obligations based on best estimate considering the historical trends, merits of the case and apportionment of delays between the contracting parties.

(iv) 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.

(v) Useful life and residual value of plant, property and equipment and intangible assets

The useful life and residual value of plant, property and 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.

(vi) Tax charge on intangible assets recognised at time of vesting of turbine business

The Group has been claiming allowance for depreciation on written down value method on certain intangibles recognised upon vesting of the steam turbine business in earlier years pursuant to a scheme of demerger. While such claims for certain years have been adjudicated in favor of the Group at the first appellate stage, the Revenue department has consistently disallowed the same in tax assessments. In view of uncertainty with regard to the ultimate decision in such matter at higher judicial forums, the Group has not considered the benefit of the aforesaid favorable decisions and has continued to recognise charge for tax without considering depreciation benefits on such intangible assets, the tax effect of which aggregates to ₹ 187.44 Million till March 31, 2018 (March 31, 2017: ₹ 187.19 Million)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

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

(₹ in Million)

	Property, plant and equipment									
	Freehold Land	Leasehold Land	Buildings	Plant and Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total	Capital work-in- progress
Year ended March 31, 2017										
Gross carrying amount										
Opening gross carrying amount	36.42	388.65	241.16	643.24	10.79	20.02	28.46	27.68	1,396.42	328.78
Additions	-	-	842.34	221.60	5.76	30.35	21.30	15.41	1,136.76	848.14
Disposals	-	-	-	(0.45)	(0.33)	-	(1.56)	(1.21)	(3.55)	(1,073.90)
Other adjustments (see (v) below)	-	-	-	(8.68)	-	-	-	-	(8.68)	-
Closing gross carrying amount	**36.42**	**388.65**	**1,083.50**	**855.71**	**16.22**	**50.37**	**48.20**	**41.88**	**2,520.95**	**103.02**
Accumulated depreciation										
Opening accumulated depreciation	-	-	7.99	103.81	3.09	5.99	4.50	7.33	132.71	-
Depreciation charge during the year	-	-	11.53	92.90	2.79	3.74	5.47	8.94	125.37	-
Disposals	-	-	-	(0.01)	(0.04)	-	(0.39)	(0.19)	(0.63)	-
Other adjustments (see (v) below)	-	-	-	(2.63)	-	-	-	-	(2.63)	-
Closing accumulated depreciation	**-**	**-**	**19.52**	**194.07**	**5.84**	**9.73**	**9.58**	**16.08**	**254.82**	**-**
Net carrying amount	**36.42**	**388.65**	**1,063.98**	**661.64**	**10.38**	**40.64**	**38.62**	**25.80**	**2,266.13**	**103.02**
Year ended March 31, 2018										
Gross carrying amount										
Opening gross carrying amount	36.42	388.65	1,083.50	855.71	16.22	50.37	48.20	41.88	2,520.95	103.02
Additions	-	-	22.44	66.26	7.02	6.52	2.24	9.94	114.42	380.19
Disposals	-	-	(0.26)	(1.01)	(0.17)	(0.08)	(7.28)	(0.62)	(9.42)	(98.11)
Other adjustments (see (v) below)	-	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	**36.42**	**388.65**	**1,105.68**	**920.96**	**23.07**	**56.81**	**43.16**	**51.20**	**2,625.95**	**385.10**
Accumulated depreciation										
Opening accumulated depreciation	-	-	19.53	194.07	5.83	9.73	9.58	16.08	254.82	-
Depreciation charge during the year	-	-	36.86	100.43	3.73	5.51	6.43	11.58	164.54	-
Disposals	-	-	(0.03)	(0.14)	(0.16)	-	(2.54)	(0.06)	(2.93)	-
Other adjustments (see (v) below)	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	**-**	**-**	**56.36**	**294.36**	**9.40**	**15.24**	**13.47**	**27.60**	**416.43**	**-**
Net carrying amount	**36.42**	**388.65**	**1,049.32**	**626.60**	**13.67**	**41.57**	**29.69**	**23.60**	**2,209.52**	**385.10**

Notes:

(i) Leased assets

The leasehold land above represents land at Sompura, acquired by the Group during financial year 2014-15 from Karnataka Industrial Areas Development Board, on a lease-cum-sale basis. The land is under lease for initial period of ten years thereafter the ownership of the land will be transferred in favour of the Group thus same is considered as land under finance lease (refer note 42(i)).

(ii) Restrictions on Property, plant and equipment

Refer note 15 & 17 for information on charges created on property, plant and equipment.

(iii) Contractual commitments

Refer note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) Capital work-in-progress

Capital work-in-progress mainly comprises plant in the process of being installed at new manufacturing facility at Sompura.

(v) Other adjustments

Represent certain obsolete machines which the Company intends to dispose off thus has been classified as assets held for sale (refer note 12).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 4: INTANGIBLE ASSETS

(₹ in Million)

	Computer software	Website	Design and Drawings	Total
Year ended March 31, 2017				
Gross carrying amount				
Opening gross carrying amount	33.90	1.42	37.51	72.83
Additions	23.14	-	-	23.14
Disposals	-	-	-	-
Closing gross carrying amount	**57.04**	**1.42**	**37.51**	**95.97**
Accumulated amortisation				
Opening accumulated amortisation	10.88	0.49	8.85	20.22
Amortisation charge for the year	14.11	0.37	8.37	22.85
Disposals	-	-	-	-
Closing accumulated amortisation	**24.99**	**0.86**	**17.22**	**43.07**
Closing net carrying amount	**32.05**	**0.56**	**20.29**	**52.90**
Year ended March 31, 2018				
Gross carrying amount				
Opening gross carrying amount	57.04	1.42	37.51	95.97
Additions	20.90	-	-	20.90
Disposals	(0.80)	-	-	(0.80)
Closing gross carrying amount	**77.14**	**1.42**	**37.51**	**116.07**
Accumulated amortisation				
Opening accumulated amortisation	24.99	0.86	17.22	43.07
Amortisation charge for the year	18.53	0.41	7.76	26.70
Disposals	(0.80)	-	-	(0.80)
Closing accumulated amortisation	**42.72**	**1.27**	**24.98**	**68.97**
Closing net carrying amount	**34.42**	**0.15**	**12.53**	**47.10**

(i) All intangible assets disclosed above represents acquired intangible assets.

NOTE 5: INVESTMENTS

(a) Investments accounted for using the equity method

(₹ in Million)

	31-Mar-18	31-Mar-17
At Cost		
Unquoted Investments (fully paid-up)		
Investments in Equity Instruments		
- of Joint venture		
8,000,001 (March 31, 2017: 8,000,001) Equity shares of ₹ 10/- each of GE Triveni Limited (refer note 2 (a) (i) and note 17 (ii) and note 40(ii))	106.58	131.48
Total investments accounted for using the equity method	**106.58**	**131.48**
Total investments accounted for using the equity method	**106.58**	**131.48**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	106.58	131.48
Aggregate amount of impairment in the value of investments	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(b) Current investments

(₹ in Million)

	31-Mar-18	31-Mar-17
At Fair value through P&L		
Unquoted investments		
Investments in Mutual Funds		
108,003 (March 31, 2017: 153,527) Mutual Funds Units of Birla Sun Life Cash Plus Growth - Direct Plan	30.17	40.12
632,303 (March 31, 2017: Nil) Mutual Funds Units of JM High Liquidity Fund Growth - Direct Plan	30.08	-
5,942 (March 31, 2017: Nil) Mutual Funds Units of HDFC Liquid Fund - Direct Plan	20.34	-
4,756 (March 31, 2017: Nil) Mutual Funds Units of IDFC Cash Fund Growth - Direct Plan	10.04	-
Total current investments	**90.63**	**40.12**
Total current investments	**90.63**	**40.12**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	90.63	40.12
Aggregate amount of impairment in the value of investments	-	-

NOTE 6: TRADE RECEIVABLES

(₹ in Million)

	31-Mar-18		31-Mar-17	
	Current	Non- current	Current	Non- current
Trade receivables (at amortised cost)				
- Unsecured, considered good	2,077.67	12.42	1,507.14	12.55
- Doubtful	36.65	-	37.94	-
Less: Allowance for bad and doubtful debts	(36.65)	-	(37.94)	-
Total trade receivables	**2,077.67**	**12.42**	**1,507.14**	**12.55**

(i) Refer note 38 for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

(ii) Reconciliation of loss allowance provision on trade receivables:

(₹ in Million)

	31-Mar-18	31-Mar-17
Balance at beginning of the year	37.94	35.88
Additional provisions recognised	0.54	15.76
Amounts used during the year	(1.83)	(3.65)
Unused amounts reversed during the year	-	(10.05)
Balance at the end of the year	36.65	37.94

(iii) Current trade receivables include ₹ Nil (March 31, 2017 : ₹ 39.28 Million) expected to be received after twelve months within the operating cycle.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 7: LOANS

(₹ in Million)

	31-Mar-18		31-Mar-17	
	Current	Non- current	Current	Non- current
Loan to employees (at amortised cost)				
- Unsecured, considered good	2.20	0.22	2.41	0.35
Total loans	**2.20**	**0.22**	**2.41**	**0.35**

NOTE 8: OTHER FINANCIAL ASSETS

(₹ in Million)

	31-Mar-18		31-Mar-17	
	Current	Non- current	Current	Non- current
At amortised cost				
Security deposits	1.20	5.82	1.41	5.17
Earnest money deposits	5.43	-	2.38	-
Interest accrued on bank deposits	0.13	-	-	-
Amount recoverable from banks (related to hedging transactions)	12.50	-	0.68	-
Unbilled revenue	8.81	-	21.56	-
Others	-	-	-	0.23
Total other financial assets at amortised cost [A]	**28.07**	**5.82**	**26.03**	**5.40**
At fair value through P&L				
Derivatives financial instruments carried at fair value				
- Foreign-exchange forward contracts	-	-	48.93	-
Total other financial assets at fair value through P&L [B]	**-**	**-**	**48.93**	**-**
Total other financial assets ([A]+[B])	**28.07**	**5.82**	**74.96**	**5.40**

NOTE 9: OTHER ASSETS

(₹ in Million)

	31-Mar-18		31-Mar-17	
	Current	Non- current	Current	Non- current
Capital advances	-	9.64	-	50.48
Advances to suppliers	118.74	-	95.21	-
Indirect tax and duties recoverable				
Considered good	364.73	3.73	198.05	138.82
Considered doubtful	-	2.64	-	-
	364.73	**6.37**	**198.05**	**138.82**
Less: Provision for doubtful receivable	-	(2.64)	-	-
	364.73	**3.73**	**198.05**	**138.82**
Export incentives receivable				
Considered good	87.56	-	58.16	-
Considered doubtful	-	11.86	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(₹ in Million)

	31-Mar-18		31-Mar-17	
	Current	Non- current	Current	Non- current
	87.56	**11.86**	**58.16**	**-**
Less: Provision for doubtful receivable	-	(11.86)	-	-
	87.56	**-**	**58.16**	**-**
Prepaid expenses	21.83	0.95	17.51	1.32
Due from customers (refer note (i) below) (Turbine extended scope turnkey project revenue adjustment)	4.52	-	26.44	-
Others	0.44	-	0.47	-
Total other assets	**597.82**	**14.32**	**395.84**	**190.62**

(i) Contract assets

(₹ in Million)

	31-Mar-18	31-Mar-17
Contracts in Progress at the end of reporting year		
Construction costs incurred plus profits recognised less losses recognised	2,034.57	1,939.71
Less: Progress Billings	(2,076.06)	(1,992.43)
	(41.49)	**(52.72)**
Recognised and included in Consolidated Financial Statements as amounts due		
(i) Amounts due from Customers under construction contracts	4.52	26.44
(ii) Amounts due to Customers under construction contracts	(46.01)	(79.16)
	(41.49)	**(52.72)**
Retentions held by customers	172.93	177.30
Advances received from customers	0.98	3.47

NOTE 10: INVENTORIES

(₹ in Million)

	31-Mar-18	31-Mar-17
Raw materials & components [includes stock in transit ₹ 5.77 Million (March 31, 2017: ₹ 15.50 Million)]	1,082.12	646.06
Less: Allowance for non moving inventories	(12.79)	(5.08)
Work-in-progress	752.18	752.38
Less: Allowance for non moving inventories	(14.45)	(14.49)
Finished goods [includes stock in transit ₹ Nil (March 31, 2017: ₹ 16.61 Million)]	-	79.74
Others - Scrap & low value patterns	0.05	0.05
Total inventories	**1,807.11**	**1,458.66**

(i) The cost of inventories recognised as an expense during the year was ₹ 4,639.69 Million (March 31, 2017: ₹ 4,624.54 Million)

(ii) The mode of valuation of inventories has been stated in note 1 (k).

(iii) In view of the order-to-dispatch cycle being normally around twelve months, most of the inventories held are expected to be utilized during the next twelve months. However, there may be some exceptions on account of unanticipated cases where the dispatch is held up due to reasons attributable to the customers, slow movement in spares and advance manufacture in anticipation of orders. Accordingly, the same has been considered as current.

(iv) Refer note 17(i) for information of charges created on inventories.

(v) For impairment losses recognised during the year refer note 31.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 11: CASH AND BANK BALANCES

(a) Cash and cash equivalents

(₹ in Million)

	31-Mar-18	31-Mar-17
At amortised cost		
Balances with banks	115.12	176.80
Cash on hand	0.24	0.19
Total cash and cash equivalents	**115.36**	**176.99**

(b) Bank balances other than cash and cash equivalents

(₹ in Million)

	31-Mar-18	31-Mar-17
At amortised cost		
Balances with banks		
- Deposits with maturity with less than 12 months*	9.55	-
Earmarked balances with banks		
- unpaid dividend account	1.31	1.08
Total other bank balances	**10.86**	**1.08**

* Held as security deposits against bank guarantee

NOTE 12: ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Million)

	31-Mar-18	31-Mar-17
Plant & equipment	2.60	6.05
Total assets classified as held for sale	**2.60**	**6.05**

The Group intends to dispose off certain old machines not in usable condition, the total book value of these machines as at March 31, 2018 was ₹ 2.60 Million (March 31, 2017 : ₹ 6.05 Million) . No impairment loss is recognized on re-classification of these machines to "Assets held of sale" as the fair value less cost of sale is higher than the carrying amount, as determined from quotations received from potential buyers.

NOTE 13: SHARE CAPITAL

	31-Mar-18		31-Mar-17	
	Number of shares	Amount (₹ in Million)	Number of shares	Amount (₹ in Million)
AUTHORISED				
Equity shares of ₹ 1 each	450,000,000	450.00	450,000,000	450.00
8% Cumulative Redeemable Preference Shares of ₹ 10 each	5,000,000	50.00	5,000,000	50.00
		500.00		**500.00**
ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity shares of ₹ 1 each	**329,972,150**	**329.97**	**329,972,150**	**329.97**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(i) Movements in equity share capital

	Number of shares	Amount (₹ in Million)
As at April 1, 2016	**329,972,150**	329.97
Movement during the year	-	-
As at March 31, 2017	**329,972,150**	**329.97**
Movement during the year	-	-
As at March 31, 2018	**329,972,150**	**329.97**

Terms and rights attached to equity shares

The Company has only one class of equity shares with a par value of ₹ 1/- per share. Each 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

	31-Mar-18		31-Mar-17	
	Number of shares	% holding	Number of shares	% holding
Triveni Engineering & Industries Limited	72,000,000	21.82	72,000,000	21.82
Dhruv M. Sawhney	24,924,645	7.55	24,924,645	7.55
Nalanda India Fund Limited	23,740,454	7.19	25,788,000	7.82
Subhadra Trade & Finance Limited	87,330,417	26.47	87,330,417	26.47

(iii) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

The Company has neither issued any bonus shares nor has there been any buy back of shares during five years immediately preceding March 31, 2018. Further, the Company has not issued any shares for consideration other than cash during five years immediately preceding March 31, 2018.

NOTE 14: OTHER EQUITY

(₹ in Million)

	31-Mar-18	31-Mar-17
Capital redemption reserve	28.00	28.00
Securities premium	4.69	4.69
General reserve	839.23	839.23
Retained earnings	3,322.00	2,835.32
Cash flow hedging reserve	(4.68)	-
Foreign currency translation reserve	2.09	(2.61)
Total other equity	**4,191.33**	**3,704.63**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(i) Capital redemption reserve

(₹ in Million)

	31-Mar-18	31-Mar-17
Opening balance	28.00	28.00
Movement during the year	-	-
Closing balance	**28.00**	**28.00**

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) Securities premium

(₹ in Million)

	31-Mar-18	31-Mar-17
Opening balance	4.69	4.69
Movement during the year	-	-
Closing balance	**4.69**	**4.69**

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

(iii) General reserve

(₹ in Million)

	31-Mar-18	31-Mar-17
Opening balance	839.23	839.23
Movement during the year	-	-
Closing balance	**839.23**	**839.23**

It represents amount kept separately by the Group out of its profits for future purposes. It is not earmarked for special purpose.

(iv) Retained earnings

(₹ in Million)

	31-Mar-18	31-Mar-17
Opening balance	2,835.32	1,791.53
Net profit for the year	959.69	1,235.54
Other comprehensive income arising from the remeasurement of defined benefit obligation net of income tax	3.57	(13.03)
Dividends paid	(395.97)	(148.49)
Dividend distribution tax (DDT)	(80.61)	(30.23)
Closing balance	**3,322.00**	**2,835.32**

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

(b) As required under Schedule III (Division II) to the Companies Act, 2013, the Group has recognised remeasurement of defined benefit plans (net of tax) as part of retained earnings.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(c) Details of dividend distributions made and proposed:

(₹ in Million)

	31-Mar-18	31-Mar-17
Cash dividends on equity shares declared and paid:		
First interim dividend for the year ended March 31, 2018: 45% (₹ 0.45 per equity share of ₹ 1/- each) [March 31, 2017: 45% (₹ 0.45 per equity share of ₹ 1/- each)]	148.49	148.49
Dividend distribution tax (DDT) on first interim dividend	30.23	30.23
Final dividend for the year ended March 31, 2017: 75% (₹ 0.75 per equity share of ₹ 1/- each)	247.48	-
Dividend distribution tax (DDT) on final dividend	50.38	-
Total cash dividends on equity shares declared and paid	**476.58**	**178.72**
Proposed dividend on equity shares:		
Final proposed dividend for the year ended March 31, 2018: 55% [March 31, 2017 : 75% (₹ 0.75 per equity share of ₹ 1/- each)]	181.48	247.48
Dividend distribution tax (DDT) on final proposed dividend	37.30	50.38
Total proposed dividend on equity shares	**218.78**	**297.86**

Proposed dividend on equity shares is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares.

(v) Cash flow hedging reserve

(₹ in Million)

	31-Mar-18	31-Mar-17
Opening balance	-	-
Other comprehensive loss arising from effective portion of loss on designated portion of hedging instruments in a cash flow hedge	(7.16)	-
Income tax on above	(2.48)	-
Closing balance	**(4.68)**	**-**

The Group uses hedging instruments as a part of its management of foreign currency risk associated with its highly probable forecast sale. For hedging foreign currency risk, the Group uses foreign currency forward contracts which are designated as cash flow hedge. To the extent, theses hedge are effective, the changes in fair value of hedging instruments is recognised in the cash flow hedging reserve. Amount recognised in the cash flow hedging reserve is reclassified to profit or loss when hedge items effects profit or loss i.e. sales.

(vi) Foreign currency translation reserve

(₹ in Million)

	31-Mar-18	31-Mar-17
Opening balance	(2.61)	0.60
Exchange differences arising on translating the foreign operations	4.70	(3.21)
Closing balance	**2.09**	**(2.61)**

Exchange differences relating to the translation of the foreign operations are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 15: NON-CURRENT BORROWINGS

(₹ in Million)

	31-Mar-18		31-Mar-17	
	Current	Non- current	Current	Non- current
Secured- at amortised cost				
Term loans				
- from other parties	0.56	0.51	1.78	2.38
	0.56	**0.51**	**1.78**	**2.38**
Less: Amount disclosed under the head "Other financial liabilities" (refer note 19)	(0.56)	-	(1.78)	-
Total non-current borrowings	**-**	**0.51**	**-**	**2.38**

Term loans from other parties represents vehicles loan taken from Kotak Mahindra Prime Ltd. which are secured by hypothecation of vehicles acquired under the respective vehicle loans. These loans carry interest in the range of 9.98% p.a to 11.96%p.a. The loans are repayable in 60 equated monthly installments.

NOTE 16: PROVISIONS

(₹ in Million)

	31-Mar-18		31-Mar-17	
	Current	Non- current	Current	Non- current
Provision for employee benefits				
Gratuity (refer note 35)	-	17.25	-	32.09
Compensated absences	25.72	-	29.26	-
Employee retention bonus	6.96	6.55	7.71	5.65
Other provisions				
Warranty	42.13	19.64	42.51	16.36
Cost to completion	-	-	-	-
Liquidated damages	12.84	-	14.70	-
Provision for corporate social responsibility	0.11	-	0.14	-
Total provisions	**87.76**	**43.44**	**94.32**	**54.10**

(i) Information about individual provisions and significant estimates

(a) Compensated absences

Compensated absences comprises earned leaves and sick leaves, the liabilities of which 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 as 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 Group presents the compensated absences as a current liability in the balance sheet wherever it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2018

(b) Employee retention bonus:

The Group, as a part of retention policy, pays retention bonus to certain employees after completion of specified period of service. The timing of the outflows is expected to be within a period of five years. They are therefore measured as the present value of expected future payments, with management best estimates.

(c) Warranty:

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.

(d) Cost to completion:

The provision represents cost of material and services required to be incurred at project site in respect of goods supplied for which full revenue has been recognised.

(e) Liquidated damages:

Represents the provision on account of contractual obligation towards customers in respect of certain products for matters relating to delivery and performance. The provision represents the amount estimated to meet the cost of such obligations based on best estimate considering the historical liquidated damages claim information and any recent trends that may suggest future claims could differ from historical amounts.

(f) Corporate social responsibility:

Represents provision made for amounts payable under an agreement for CSR activities of the Company. The timing of outflow is expected to be within one year.

(ii) Movement in other provisions

Movement in each class of other provisions during the financial year, are set out below:

(₹ in Million)

	Warranty	Cost of completion	Liquidated damages	Corporate social responsibility
Balance as at April 1, 2016	**42.33**	**20.66**	**29.36**	**-**
Additional provisions recognised	48.77	-	7.08	0.14
Amounts used during the year	(10.35)	(1.61)	(6.96)	-
Unused amounts reversed during the year	(21.88)	(19.05)	(14.78)	-
Balance as at March 31, 2017	**58.87**	**-**	**14.70**	**0.14**
Additional provisions recognised	39.96	-	19.82	0.11
Amounts used during the year	(17.72)	-	(13.37)	(0.14)
Unused amounts reversed during the year	(19.34)	-	(8.31)	-
Balance as at March 31, 2018	**61.77**	**-**	**12.84**	**0.11**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 17: CURRENT BORROWINGS

(₹ in Million)

	31-Mar-18	31-Mar-17
Secured- at amortised cost		
Repayable on demand		
- Cash credits from banks#	-	-
Total current borrowings	**-**	**-**

As at March 31, 2018 and March 31, 2017, cash credit has a favourable bank balances, hence the same has been disclosed under cash and cash equivalent.

(i) Cash credit from banks is secured by hypothecation of entire current assets inclusive of stock-in-trade, raw materials, stores & spares, work-in-progress and trade receivables and a second charge on entire movable fixed assets of the Company and immovable fixed assets situated at Peenya Industrial Area, Bengaluru both present and future on a pari-passu basis. Interest rates ranges from 8.50% to 9.90% per annum.

(ii) In respect of working capital facilities sanctioned by a bank to the joint venture company, M/s GE Triveni Ltd (GETL), the Company has given an undertaking not to dispose of its investments in the equity shares of GETL aggregating to ₹ 80.00 Million (March 31, 2017: ₹ 80.00 Million) during the tenure of the facilities.

NOTE 18: TRADE PAYABLES

(₹ in Million)

	31-Mar-18	31-Mar-17
Trade payables (at amortised cost)		
- Total outstanding dues of micro enterprises and small enterprises (refer note 45)	96.53	90.49
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,367.95	853.25
Total trade payables	**1,464.48**	**943.74**

NOTE 19: OTHER FINANCIAL LIABILITIES

(₹ in Million)

	31-Mar-18	31-Mar-17
At amortised cost		
Current maturities of long-term borrowings (refer note 15)	0.56	1.78
Interest accrued	0.01	0.04
Capital creditors	12.50	113.37
Employee benefits & other dues payable	72.53	25.23
Unpaid dividends (see (i) below)	1.30	1.07
Others	-	0.10
Total other financial liabilities at amortised cost [A]	**86.90**	**141.59**
At fair value through Other Comprehensive Income (OCI)		
Derivatives financial instruments carried at fair value		
- Foreign-exchange forward contracts	8.68	-
Total other financial liabilities at fair value through OCI [B]	**8.68**	**-**
Total other financial liabilities ([A]+ [B])	**95.58**	**141.59**

(i) 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 20: OTHER CURRENT LIABILITIES

(₹ in Million)

	31-Mar-18	31-Mar-17
Advance from customers	1,040.74	809.60
Deferred income	34.18	60.83
Amount due to customers (Turbine extended scope turnkey project revenue adjustment) (refer note 9(i))	46.01	79.16
Statutory remittances	29.38	36.26
Total other liabilities	**1,150.31**	**985.85**

NOTE 21: INCOME TAX BALANCES

(₹ in Million)

	31-Mar-18		31-Mar-17	
	Current	Non- current	Current	Non- current
Income tax assets				
Tax refund receivable (net)	-	13.83	-	12.68
	-	**13.83**	**-**	**12.68**
Income tax liabilities				
Provision for income tax (net)	86.33	-	72.99	-
	86.33	**-**	**72.99**	**-**

NOTE 22: DEFERRED TAX BALANCES

(₹ in Million)

	31-Mar-18	31-Mar-17
Deferred tax assets	69.24	51.66
Deferred tax liabilities	(146.76)	(160.47)
Net deferred tax liabilities	**(77.52)**	**(108.81)**

(i) Movement in deferred tax balances

For the year ended March 31, 2018

(₹ in Million)

	Opening balance	Recognised in Profit or loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets/ (liabilities)				
Liabilities and provisions tax deductible only upon payment/actual crystallisation				
- Employee benefits	19.33	(2.30)	(1.86)	15.17
- Statutory taxes and duties	0.52	(0.52)	-	-
- Other contractual provisions	11.91	9.29	-	21.20
Impairment provisions on financial/other assets made in books, but tax deductible only on actual write-off	19.90	7.50	-	27.40
Fair valuation of financial assets/(liabilities)	(22.86)	24.81	2.48	4.43

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(₹ in Million)

	Opening balance	Recognised in Profit or loss	Recognised in OCI	Closing balance
Difference in carrying values of property, plant & equipment and intangible assets	(137.60)	(9.16)	-	(146.76)
Other temporary differences	(0.01)	1.05	-	1.04
Net deferred tax assets/(liabilities)	**(108.81)**	**30.67**	**0.62**	**(77.52)**

For the year ended March 31, 2017

(₹ in Million)

	Opening balance	Recognised in Profit or loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax assets/ (liabilities)				
Liabilities and provisions tax deductible only upon payment/actual crystallisation				
- Employee benefits	9.99	2.44	6.90	19.33
- Statutory taxes and duties	5.83	(5.31)	-	0.52
- Other contractual provisions	11.26	0.65	-	11.91
Impairment provisions on financial/other assets made in books, but tax deductible only on actual write-off	12.42	7.48	-	19.90
Fair valuation of financial assets/(liabilities)	(15.48)	(7.38)	-	(22.86)
Difference in carrying values of property, plant & equipment and intangible assets	(120.23)	(17.37)	-	(137.60)
Other temporary differences	-	(0.01)	-	(0.01)
Net deferred tax assets/(liabilities)	**(96.21)**	**(19.50)**	**6.90**	**(108.81)**

NOTE 23: REVENUE FROM OPERATIONS

(₹ in Million)

	31-Mar-18	31-Mar-17
Sale of products (including excise duty) (refer note 48(i))		
Finished goods		
- Turbines (including related equipments and supplies)	4,719.22	4,924.38
- Spares	1,751.64	1,660.83
Sale of Services		
Servicing, operation and maintenance	684.94	649.58
Erection and commissioning	143.98	92.88
Turbine extended scope turnkey project	94.86	242.50
Other operating revenue		
Sale of scrap	4.40	3.07
Royalty	1.64	-
Export incentives	132.49	82.46
Total revenue from operations	**7,533.17**	**7,655.70**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 24: OTHER INCOME

(₹ in Million)

	31-Mar-18	31-Mar-17
Interest income (at amortised cost)		
Interest income from bank deposits	0.15	0.02
Interest income from customers	1.56	0.39
Interest income from financial assets	-	0.98
	1.71	**1.39**
Other non-operating income (net of expenses directly attributable to such income)		
Rental income	7.54	7.14
Government grant (refer note (i) below)	3.60	-
Miscellaneous income	3.03	4.35
	14.17	**11.49**
Other gains/ (losses)		
Net profit on sale/redemption of current investments	22.05	22.51
Net fair value gains/(losses) on current investments	0.29	(0.68)
Net gains on derivatives (including fair value changes) (refer note 48 (ii))	-	184.89
Net foreign exchange rate fluctuation gains	34.04	21.48
Credit balances written back	9.10	22.06
Excess provision for cost to completion reversed (net) (refer note 16)	-	19.05
Excess provision for liquidated damages reversed (net) (refer note 16)	-	7.70
	65.48	**277.01**
Total other income	**81.36**	**289.89**

(i) Government grant

During the year, the Group has received grant of ₹ 3.6 Million from Ministry of New & Renewal Energy, Government of India, in respect of a scientific project undertaken jointly in collaboration with Indian Institute of Science, Bengaluru (IISc). As per agreement with IISc, the Group's commitment towards this project is ₹ 15.00 Million out of which the Group will receive grant of ₹ 8.00 Million over a period of three years from Government of India. The amount of ₹ 3.6 Million received during the year is grant received for the first year.

NOTE 25: COST OF MATERIALS CONSUMED

(₹ in Million)

	31-Mar-18	31-Mar-17
Stock at the beginning of the year	646.06	685.63
Add: Purchases	4,218.74	3,825.82
Less: Stock at the end of the year	(1,082.12)	(646.06)
Total cost of materials consumed	**3,782.68**	**3,865.39**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 26: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Million)

	31-Mar-18	31-Mar-17
Inventories at the beginning of the year:		
Work-in progress	752.38	719.49
Finished goods	79.74	160.92
Total inventories at the beginning of the year	**832.12**	**880.41**
Inventories at the end of the year:		
Work-in progress	752.18	752.38
Finished goods	-	79.74
Total inventories at the end of the year	**752.18**	**832.12**
Add/(Less): Impact of excise duty on finished goods	(10.08)	(15.26)
Total changes in inventories of finished goods and work-in-progress	**69.86**	**33.03**

NOTE 27: EMPLOYEE BENEFIT EXPENSE

(₹ in Million)

	31-Mar-18	31-Mar-17
Salaries and wages	788.25	738.80
Contribution to provident and other funds (refer note 35)	54.09	51.07
Staff welfare expenses	38.26	28.92
	880.60	**818.79**
Less : Amount capitalised	-	(9.55)
Total employee benefit expense	**880.60**	**809.24**

NOTE 28: FINANCE COSTS

(₹ in Million)

	31-Mar-18	31-Mar-17
Interest costs		
- Interest on borrowings	0.15	0.61
- other interest expense	4.06	1.14
Other borrowing costs		
- Processing/Renewal fees	1.13	1.57
Total finance costs	**5.34**	**3.32**

NOTE 29: DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Million)

	31-Mar-18	31-Mar-17
Depreciation of property, plant and equipment (refer note 3)	164.54	125.37
Less : Amount capitalised	-	(0.24)
	164.54	**125.13**
Amortisation of intangible assets (refer note 4)	26.70	22.85
Total depreciation and amortisation expense	**191.24**	**147.98**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 30: IMPAIRMENT LOSS ON FINANCIAL ASSETS (INCLUDING REVERSALS OF IMPAIRMENT LOSSES)

(₹ in Million)

	31-Mar-18	31-Mar-17
Bad debts written off of trade receivables and other financial assets carried at amortised cost	4.27	4.47
Impairment loss allowance on trade receivables (net of reversals) (refer note 6)	0.54	2.06
Total impairment loss on financial assets (including reversal of impairment losses)	**4.81**	**6.53**

NOTE 31: OTHER EXPENSES

(₹ in Million)

	31-Mar-18	31-Mar-17
Stores, spares and tools consumed	136.54	107.31
Power and fuel	34.92	22.25
Design and engineering charges	8.92	4.40
Erection and commissioning expenses	82.50	82.73
Repairs and maintenance		
- Machinery	31.80	23.60
- Building	14.93	4.16
- Others	22.75	14.33
Travelling and conveyance	196.48	173.04
Rent and hire charges	17.05	10.29
Rates and taxes	5.65	8.90
Insurance	11.23	6.81
Directors' fee	2.04	2.38
Directors' commission	6.00	6.40
Certification and consultation charges	82.07	60.09
Group shared service cost	43.42	43.93
Bank charges and guarantee commission	17.48	14.28
Amount written off of non financial assets	5.26	3.51
Provision for doubtful advances	14.50	-
Warranty expenses [includes provision for warranty (net) ₹ 20.62 Million (March 31, 2017: ₹ 26.89 Million) (refer note 16)]	42.71	35.15
Provision for liquidated damages	11.51	-
Payment to auditors (see (i) below)	5.17	4.80
Corporate social responsibility expenses (see (ii) below)	30.92	25.96
Allowance for non moving inventories	7.68	19.57
Loss on sale / write off of property, plant and equipment	4.23	2.30
Packing expenses	43.48	24.39
Freight outward	131.19	145.78
Selling commission	59.09	70.50
Miscellaneous expenses	125.44	154.75
Less : Amount capitalised	-	(3.63)
Total other expenses	**1,194.96**	**1,067.98**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(i) Detail of payment to auditors*

(₹ in Million)

	31-Mar-18	31-Mar-17
Statutory Auditor		
Audit fee	4.01	2.54
Tax audit fee		0.33
Limited review fee	0.52	0.51
Certification charges	0.08	0.60
Reimbursement of expenses	0.27	0.52
Total payment to statutory auditors	**4.88**	**4.50**
Cost Auditor		
Audit fee	0.08	0.08
	0.08	**0.08**
Tax Auditor		
Audit fee	0.21	-
	0.21	**-**
Total payment to auditors	**5.17**	**4.58**

* Excluding service tax of ₹ Nil (March 31, 2017: ₹ 0.22 Million) charged to statement of profit and loss.

(ii) Corporate Social Responsibility (CSR)

(a) The Company has incurred CSR expenses mainly towards promoting education and healthcare, ensuring environmental sustainability and contributing to technological institutions which are specified in Schedule VII of the Companies Act, 2013.

(iii) Details of CSR expenses

(₹ in Million)

	31-Mar-18	31-Mar-17
a) Gross amount required to be spent during the year #	30.91	25.95
b) Amount spent during the year	**30.92**	**25.96**
In cash		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	30.81	25.82
Yet to be paid in cash		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	0.11	0.14

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

Amounts computed is based upon profits as per relevent GAAP appplicable for the respective years.

NOTE 32: INCOME TAX EXPENSE

(i) Income tax recognised in profit or loss

(₹ in Million)

	31-Mar-18	31-Mar-17
Current tax		
In respect of the current year	498.02	590.33
In respect of the prior years	10.77	0.62
Total current tax expense	**508.79**	**590.95**
Deferred tax		
In respect of current year	7.60	16.78
In respect of prior years	(38.27)	2.72
Total deferred tax (income)/ expense	**(30.67)**	**19.50**
Total income tax expense recognised in profit or loss	**478.12**	**610.45**

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

(₹ in Million)

	31-Mar-18	31-Mar-17
Profit before tax from continuing operations	1,437.81	1,845.99
Income tax expense calculated @ 34.608%	497.60	638.86
Effect of expenses that are non-deductible in determining taxable profit	10.18	15.70
Effect of tax incentives and concessions (research & development and other allowances)	(10.23)	(25.97)
Effect of tax on share of net profit/(loss) of joint venture	8.65	(15.06)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(0.56)	(6.35)
Others	(0.02)	(0.07)
	505.62	**607.11**
Adjustments recognised in the current year in relation to the current tax of prior years	10.77	0.62
Adjustments recognised in the current year in relation to the deferred tax of prior years	(38.27)	2.72
Total income tax expense	**478.12**	**610.45**

(ii) Income tax recognised in other comprehensive income

(₹ in Million)

	31-Mar-18	31-Mar-17
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	1.86	(6.90)
Effective portion of loss on designated portion of hedging instruments in a cash flow hedge	(2.48)	-
Total income tax expense recognised in other comprehensive income	**(0.62)**	**(6.90)**
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to statement of profit & loss	1.86	(6.90)
Items that will be reclassified to statement of profit & loss	(2.48)	-
Total income tax expense recognised in other comprehensive income	**(0.62)**	**(6.90)**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2018

NOTE 33: EARNINGS PER SHARE

(₹ in Million)

	31-Mar-18	31-Mar-17
Profit for the year attributable to owners of Triveni Turbine Limited [A]	959.69	1,235.54
Weighted average number of equity shares for the purposes of basic EPS/ diluted EPS [B]	329,972,150	329,972,150
Basic earning per share (face value of ₹ 1 per share) [A/B]	2.91	3.74
Diluted earning per share (face value of ₹ 1 per share) [A/B]	2.91	3.74

NOTE 34: SEGMENT INFORMATION

The Group primarily operates in one business segment- Power generating equipment and solutions.

The Group's non-current assets are located in/relates to India (Country of domicile of the Company) except following:

(i) PPE of foreign subsidiaries having net carrying value of ₹ 0.45 Million as at March 31, 2018 (March 31, 2017: ₹ 0.36 Million)

The amount of Group's revenue from external customers based on geographical area and nature of the products/ services are shown below:

Revenue by geographical area

(₹ in Million)

	31-Mar-18	31-Mar-17
India	4,156.73	3,742.79
Rest of the world	3,237.91	3,827.38
Total	**7,394.64**	**7,570.17**

Revenue by nature of products / services (refer note 23)

(₹ in Million)

	31-Mar-18	31-Mar-17
Sale of products (including excise duty) (refer note 48(i))		
Finished goods		
- Turbines (including related equipments and supplies)	4,719.22	4,924.38
- Spares	1,751.64	1,660.83
Sale of Services		
Servicing, operation and maintenance	684.94	649.58
Erection and commissioning	143.98	92.88
Turbine extended scope turnkey project	94.86	242.50
Total	**7,394.64**	**7,570.17**

There is no single customer who has contributed 10% or more to the Groups revenue for both the years ended March 31, 2018 and March 31, 2017.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 35: 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.

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.

Other defined contribution plans: The Group makes contributions to certain schemes for the benefit of employees in United Kingdom, Africa and Indonesia which are administered and managed by respective government authorities.

(b) The expense recognised during the period towards defined contribution plans are as follows:

(₹ in Million)

	31-Mar-18	31-Mar-17
Group's contribution to Employee's Provident Fund	31.04	28.12
Administrative charges on above	1.73	2.02
Group's contribution to Employee State Insurance	1.04	0.61
Group's contribution to Superannuation Scheme	7.12	7.24
Group's contribution to other Defined Contribution Plan	1.69	0.67

Out of above expense towards defined contributions plans, ₹ Nil (March 31, 2017: ₹ 0.37 Million) is capitalised

(ii) Defined benefit plans

(a) 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 Company. In respect of certain employees of the foreign subsidiaries, the gratuity benefit is accrued on the basis of their current salary and length of service as per the extant rules of the particular jurisdiction where such subsidiaries operate. The gratuity plan in respect of the employees of such foreign subsidiaries is unfunded. The disclosures mentioned herein below do not include the gratuity obligation of ₹ 5.93 Million as at March 31, 2018 (March 31, 2017: ₹ 4.17 Million) and gratuity expenses of ₹ 1.15 Million for the year ended March 31, 2018 (March 31, 2017: ₹ 2.20 Million) which pertains to employees of such foreign subsidiaries.

(b) Risk exposure

These plans typically expose the Group to a number of actuarial risks, the most significant of which are detailed below:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

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 the deficit. The Plan assets comprise principally Group Gratuity Plans offered by the life insurance companies. Majority of the funds invested are under the traditional platform where the insurance companies declare a return at the end of each year based upon its performance. Certain investments are also made in funds (growth plans) managed by the life insurance companies under which the returns are based upon the accretion to the net asset value (NAV) of the particular fund, which are declared on a daily basis. The NAV based funds of the insurance companies are approved and regulated by the Insurance Regulatory and Development Authority of India and the investment risk is mitigated by investment in funds where the asset allocation is primarily in sovereign and debt securities. The Group has a risk management strategy which defines exposure limits and acceptable credit risk rating.

Interest risk: A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's debt instruments.

Life expectancy: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. A change in the life expectancy of the plan participants will impact 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 decrease in the attrition rate of the plan participants will increase the plan's liability.

(c) The significant actuarial assumptions used for the purposes of the actuarial valuation of gratuity were as follows:

	Valuation as at	
	31-Mar-18	31-Mar-17
Discounting rate	7.78%	7.33%
Future salary growth rate	8.00%	8.00%
Life expectancy/ Mortality rate	*	*
Attrition rate	- Below 31 years - 10.00% - 31-44 years - 7.00% - Above 44 years - 4.00%	- Below 31 years - 7.00% - 31-44 years - 4.00% - Above 44 years - 5.00%
Method used	Projected unit credit method	Projected unit credit method

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(d) In addition to the expense related to employees of foreign subsidiaries as mentioned in (ii) (a) above, amounts recognised in statement of profit & loss in respect of defined benefit plan (Gratuity Plan) are as follows :

(₹ in Million)

	31-Mar-18	31-Mar-17
Current service cost	9.87	10.12
Net interest expense	1.62	0.09
Components of defined benefit costs recognised in statement of profit or loss	**11.49**	**10.21**
Remeasurement on the net defined benefit liability		
- Return on plan assets (excluding amount included in net interest expense)	0.71	(0.79)
- Actuarial (gain)/ loss arising form changes in financial assumptions	(5.68)	16.81
- Actuarial (gain) / loss arising form changes in demographic assumptions	(0.29)	0.02
- Actuarial (gain) / loss arising form experience adjustments	(0.09)	3.90
Components of defined benefit costs recognised in other comprehensive income	**(5.35)**	**19.94**
Total	**6.14**	**30.15**

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) In addition to the obligation related to employees of foreign subsidiaries as mentioned in (ii) (a) above, amounts included in the balance sheet arising from the Group's obligation in respect of its defined benefit plan (Gratuity Plan) is as follows:

(₹ in Million)

	31-Mar-18	31-Mar-17
Present value of defined benefit obligation as at the end of the year	111.87	107.95
Fair value of plan assets	100.55	80.03
Funded status	**(11.32)**	**(27.92)**
Net liability arising from defined benefit obligation recognised in the balance sheet	**(11.32)**	**(27.92)**

(f) Movement in the present value of the defined benefit obligation (Gratuity Plan obligation), in respect of Group's employees other than employees of foreign subsidiaries as mentioned in (ii) (a) above, are as follows:

(₹ in Million)

	31-Mar-18	31-Mar-17
Present value of defined benefit obligation at the beginning of the year	107.95	78.41
Expenses recognised in statement of profit and loss		
- Current service cost	9.87	10.12
- Interest expense	7.85	5.50
Remeasurement (gains)/losses recognised in other comprehensive income		
- Actuarial (gain)/ loss arising from:		
i. Demographic assumptions	(0.29)	0.02
ii. Financial assumptions	(5.68)	16.81
iii. Experience adjustments	(0.09)	3.90
Benefit payments	(7.74)	(6.81)
Present value of defined benefit obligation at the end of the year	**111.87**	**107.95**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

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

(₹ in Million)

	31-Mar-18	31-Mar-17
Fair value of plan assets at the beginning of the year	80.03	73.83
Expenses recognised in statement of profit and loss		
- Expected return on plan assets	6.23	5.41
Remeasurement gains / (losses) recognised in other comprehensive income		
- Actual Return on plan assets in excess of the expected return	(0.71)	0.79
Contributions by employer	22.65	6.81
Benefit payments	(7.65)	(6.81)
Fair value of plan assets at the end of the year	**100.55**	**80.03**

The fair value of the plan assets at the end of the reporting period for each category, are as follows:

(₹ in Million)

	31-Mar-18			31-Mar-17		
	Quoted	**Unquoted**	**Total**	Quoted	Unquoted	Total
Cash and cash equivalents	-	0.56	0.56	-	0.53	0.53
Group Gratuity Plans with Insurance Companies	-	99.99	99.99	-	79.50	79.50
Total plan assets	**-**	**100.55**	**100.55**	**-**	**80.03**	**80.03**

The Plan assets comprise principally Group Gratuity Plans offered by the life insurance companies. Majority of the funds invested are under the traditional platform where the insurance companies declare a return at the end of each year based upon its performance. Certain investments are also made in funds (growth plans) managed by the life insurance companies under which the returns are based upon the accretion to the net asset value (NAV) of the particular fund, which are declared on a daily basis. The NAV based funds of the insurance companies are approved and regulated by the Insurance Regulatory and Development Authority of India and the investment risk is mitigated by investment in funds where the asset allocation is primarily in sovereign and debt securities. 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, in respect of Group's employees other than employees of foreign subsidiaries as mentioned in (ii) (a) above, to changes in the weighted principal assumptions is:

	Change in assumption by		**Impact on defined benefit obligation**			
			Increase in assumption		**Decrease in assumption**	
			31-Mar-18	31-Mar-17	**31-Mar-18**	31-Mar-17
Discounting rate	0.5%	₹ in Million	(5.88)	(7.30)	6.41	7.59
		in %	-5.26%	-6.77%	5.73%	7.03%
Future salary growth rate	0.5%	₹ in Million	6.32	4.45	(5.85)	(4.57)
		in %	5.65%	4.12%	-5.23%	-4.24%
Mortality rate	10%	₹ in Million	(0.04)	(0.59)	0.01	0.59
		in %	-0.03%	-0.54%	0.00%	0.54%
Attrition rate	0.5%	₹ in Million	(0.07)	(1.15)	0.04	1.14
		in %	-0.07%	-1.07%	0.04%	1.06%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

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. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(i) Defined benefit liability and employer contributions

The Group shall strive to bridge the deficit in defined benefit gratuity plan in the next year.

The Group expects to contribute ₹ 15.00 Million to the defined benefit plan during the year ending March 31, 2019.

The weighted average duration of the defined obligation as at March 31, 2018 is 13.1 years.

The expected maturity analysis of undiscounted defined benefit obligation as at 31 March 2018 is as follows:

(₹ in Million)

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Defined benefit obligation (Gratuity)	13.44	8.77	14.26	309.20	345.67

NOTE 36: RELATED PARTY TRANSACTIONS

(i) Related parties with whom transactions have taken place during the year :

(a) Investing company holding substantial interest

Triveni Engineering & Industries Limited (TEIL)

(b) Joint Venture

GE Triveni Limited (GETL)

(c) Key Management Personnel (KMP)

Mr. D.M. Sawhney, Chairman & Managing Director (DMS)

Mr. Nikhil Sawhney, Vice Chairman and Managing Director (NS)

Mr. Arun Mote, Executive Director (AM)

Mr. Deepak Kumar Sen, Executive Vice President & CFO (DKS)

Mr. Tarun Sawhney, Promoter Non Executive Director (TS)

Lt. General Kanwal Kishan Hazari (Retired), Independent Non Executive Director (KKH)

Mr. Amal Ganguli, Independent Non Executive Director (AG)**

Mrs. Vasantha Bharucha, Independent Non Executive Director (VB)

Mr. Shekhar Datta, Independent Non Executive Director (SD)

Dr. Santosh Pande, Independent Non Executive Director (SP)***

(d) Parties in which key management personnel or their relatives have significant influence

Subhadra Trade & Finance Limited (STFL)

Tirath Ram Shah Charitable Trust (TRSCT)

(e) Post employment benefit plans

Triveni Turbine Limited Officers Pension Scheme (TTLOPS)

Triveni Turbine Limited Employees Gratuity Trust (TTLEGT)

* Ceased to be KMP, due to his death, w.e.f. May 8, 2017

** w.e.f July 19, 2017

(iii) Details of transactions between the Company and related parties during the year and outstanding balances as on March 31, 2018:

(₹ in Million)

	Financial year	Investing company holding substantial interest	Joint Venture	KMP										Parties in which KMP or their relatives have significant influence		Post employment benefit plans		Total
		TEIL*	GETL*	DMS	NS	AM	DKS	TS	KKH	AG	VB	SD	SP	STFL	TRSCT	TTLOPS	TTLEGT	
Nature of transactions with Related Parties																		
Sales and rendering of services*	31-Mar-18	38.25	549.53	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**587.78**
	31-Mar-17	107.97	26.94	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**134.91**
Purchases and receiving services*	31-Mar-18	430.40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**430.40**
	31-Mar-17	322.94	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**322.94**
Rent & other charges income	31-Mar-18	-	8.84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**8.84**
	31-Mar-17	-	8.21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**8.21**
Royalty Income*	31-Mar-18	-	1.94	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1.94**
	31-Mar-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Rent expenditure	31-Mar-18	2.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**2.04**
	31-Mar-17	1.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1.60**
Remuneration expenditure	31-Mar-18	-	-	36.59	36.50	24.30	5.18	-	-	-	-	-	-	-	-	-	-	**102.57**
	31-Mar-17	-	-	38.20	30.20	20.77	5.23	-	-	-	-	-	-	-	-	-	-	**94.40**
Directors fee expenditure	31-Mar-18	-	-	-	-	-	-	0.37	0.47	-	0.50	0.35	0.35	-	-	-	-	**2.04**
	31-Mar-17	-	-	-	-	-	-	0.44	0.62	0.45	0.47	0.40	-	-	-	-	-	**2.38**
Directors commission expenditure	31-Mar-18	-	-	-	-	-	-	1.12	1.32	-	1.32	1.12	1.12	-	-	-	-	**6.00**
	31-Mar-17	-	-	-	-	-	-	1.20	1.40	1.20	1.40	1.20	-	-	-	-	-	**6.40**
Corporate social responsibility expenditure	31-Mar-18	-	-	-	-	-	-	-	-	-	-	-	-	-	9.81	-	-	**9.81**
	31-Mar-17	-	-	-	-	-	-	-	-	-	-	-	-	-	8.89	-	-	**8.89**
Contribution to post employment benefit plans	31-Mar-18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.12	7.65	**14.77**
	31-Mar-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.24	6.81	**14.05**
Expenses incurred by the Company on behalf of party (net of expenses incurred by party on behalf of the Company)	31-Mar-18	1.88	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1.88**
	31-Mar-17	(0.28)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**(0.28)**
Dividend Paid	31-Mar-18	86.40	-	29.91	18.09	0.09	-	17.12	-	-	-	0.01	-	104.80	-	-	-	**256.42**
	31-Mar-17	32.40	-	11.22	6.78	0.03	-	6.42	-	-	-	-	-	7.34	-	-	-	**64.19**
Deposit received	31-Mar-18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
	31-Mar-17	-	-	-	-	-	-	-	-	-	-	-	-	0.10	-	-	-	**0.10**
Outstanding balances																		
Receivable	31-Mar-18	131.05	182.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**313.07**
	31-Mar-17	187.82	104.91	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**292.73**
Payable	31-Mar-18	108.20	35.41	1.11	0.21	0.64	-	1.12	1.32	-	1.32	1.12	1.12	-	-	-	-	**151.57**
	31-Mar-17	46.03	63.14	5.26	1.34	1.20	0.03	1.20	1.40	1.20	1.40	1.20	-	0.10	-	-	-	**123.50**
Guarantees outstanding (see (vi) below)	31-Mar-18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
	31-Mar-17	149.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**149.05**

* Including taxes

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(iv) Compensation of key managerial personnel:

(₹ in Million)

	31-Mar-18	31-Mar-17
Short-term employee benefits	96.62	89.05
Post-employment benefits	5.95	5.35
Total	**102.57**	**94.40**

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

(v) Terms & conditions:

The sales to and purchases from related parties, including rendering / availment of services, are made on terms which are at arm's length after taking into consideration market considerations, external benchmarks and adjustment thereof, terms of Joint Venture agreement and methodology of sharing common group costs. There has not been any transactions with key management personnel other than the approved remuneration having regard to experience, performance and market trends. The outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Group has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended March 31, 2018 and March 31, 2017.

(vi) Guarantees outstanding comprises a corporate guarantee of ₹ Nil (March 31, 2017: ₹ 149.05 Million) equivalent to GBP Nil (March 31, 2017: GBP 1.76 Million) given by TEIL on behalf of the Company as a surety for due performance of the Company's obligations under a contract awarded by an overseas customer and in respect of which, the Company has fully indemnified TEIL against any claims, damages or expenses, including legal costs.

(vii) In respect of figures disclosed above:

(a) the amount of transactions/ balances are without giving effect to the Ind AS adjustments on account of fair valuation/ amortisation.

(b) Remuneration and outstanding balances of KMP does not include long term benefits by way of gratuity and compensated absences, which are currently not payable and are provided on the basis of actuarial valuation by the Group.

(c) TRSCT's outstanding balance does not include provision made for amounts payable by the Company under an agreement with TRSCT in respect of CSR obligation of the Company of ₹ Nil (March 31, 2017: ₹ 0.14 Million).

NOTE 37: CAPITAL MANAGEMENT

For the purpose of capital management, capital includes total equity of the Group. The primary objective of the capital management is to maximize shareholder value. The Group is by and large debt free.

The business model of the Group is not capital intensive and being in the engineered-to-order capital goods space, the working capital is largely funded by advances from customers. The Group, therefore, prefers low gearing ratio. The Group manages its capital structure and makes adjustments in light of changes in economic conditions which may be in the form of payment of dividend subject to benchmark pay-out ratio, return capital to the shareholders or issue of new shares. Currently, the Group is cash positive and does not require any equity infusion or borrowings.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(₹ in Million)

	31-Mar-18	31-Mar-17
Non-current borrowings (note 15)	0.51	2.38
Current borrowings (note 17)	-	-
Trade payables (note 18)	1,464.48	943.74
Other financial liabilities (note 19)	95.58	141.59
Total debt	**1,560.57**	**1,087.71**
Less: Cash and cash equivalent (note 11(a))	(115.36)	(176.99)
Net debt (A)	**1,445.21**	**910.72**
Total equity (note 13 & note 14)	**4,521.30**	**4,034.60**
Total equity and net debt (B)	**5,966.51**	**4,945.32**
Gearing ratio (A/B)	**24%**	**18%**

Further, no changes were made in the objectives, policies or process for managing capital during the years ended March 31, 2018 and March 31, 2017.

The Group is not subject to any externally imposed capital requirements.

NOTE 38: FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprises trade payables and other payables and by and large there are no borrowings, other than necessitated by temporary mismatch. The main purpose of the financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, other receivables and cash and bank balances that derive directly from its operations. The Group also holds FVTPL investments and loans. The Group has substantial exports and is exposed to foreign currencies fluctuations during the contractual delivery period which is normally in the range of one year. The Group uses extensive derivatives to hedge its foreign exchange exposures which arise from export orders.

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 specialized 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 such 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 risk 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 only nominal.

(a) Credit risk management

The customer credit risk is managed subject to the Group's established policy, procedure and controls relating to customer credit risk management. In order to contain the business risk, prior to acceptance of an order from a customer, 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 limit risks of delays and default. Further, in most of the cases, the Group prescribes stringent payment terms including ensuring full payments before delivery of goods. Retention amounts, if applicable, are payable after satisfactory commissioning and performance. In view of the industry practice and being in a position to prescribe the desired commercial terms, 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 is based on historical data of losses, current conditions and forecasts and future economic conditions. The Group's maximum exposure to credit

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

risk at the reporting date is the carrying amount of each financial asset as detailed in note 5, 6, 7, 8 and 11.

The trade receivables position is provided here below:

(₹ in Million)

	31-Mar-18	31-Mar-17
Total receivables (Note 6)	2,090.09	1,519.69
Receivables individually in excess of 10% of the total receivables	481.79	466.90
Percentage of above receivables to the total receivables of the Group	23%	31%

From the above table, it can be observed that the concentration of risk in respect of trade receivables is well spread out and moderate. Further, its customers are located in several jurisdictions and industries and operate in largely independent markets.

(b) Provision for expected credit losses

Basis as explained above, apart from specific provisioning against impairment on an individual basis for major customers, the Group provides for expected credit losses (ECL) for other receivables based on historical data of losses, current conditions and forecasts and future economic conditions, including loss of time value of money due to delays. In view of the business model of the Group, engineered-to-order products and the prescribed commercial terms, 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. Considering all such factors, ECL (net of specific provisioning) for trade receivables as at year end worked out as follows:

	31-Mar-18	31-Mar-17
Expected credit loss (%)	0.35%	0.53%
Expected credit loss (₹ in Million)	3.81	3.39

(ii) Liquidity risk

The Group uses liquidity forecast tools to manage its liquidity. As per the business model of the Group, the requirement of working capital is not intensive. The Group is able to substantially fund its working capital from advances from customers and from internal accruals and hence, its reliance on funding through borrowings is negligible. In view of free cash flows, the Group has even been able to fund substantial capital expenditure from internal accruals.

(₹ in Million)

	31-Mar-18	31-Mar-17
Current financial assets (CFA) (refer note 5, 6, 7, 8 & 11)	2,324.79	1,802.70
Non-current financial assets (NCFA) (refer note 6, 7 & 8)	18.46	18.30
Total financial assets (FA)	**2,343.25**	**1,821.00**
Current financial liabilities (CFL) (note 17, 18 & 19)	1,560.06	1,085.33
Non-current financial liabilities (NCFL) (note 15)	0.51	2.38
Total financial liabilities (FL)	**1,560.57**	**1,087.71**
Ratios		
CFA/ CFL	1.49	1.66
NCFA/NCFL	36.20	7.69
FA/FL	1.50	1.67

Notes to the Consolidated Financial Statements
for the year ended March 31, 2018

Above ratio indicates fair liquidity. The Group invests surplus funds in bank deposits or liquid mutual funds for appropriate tenures in consonance with cash flow forecasts.

Maturities analysis of financial liabilities:

(₹ in Million)

	on demand	< 1 year	1-5 years	Total	Carrying amount
As at March 31, 2018					
Non-current borrowings	-	-	0.51	0.51	0.51
Trade payables	-	1,464.48	-	1,464.48	1,464.48
Other financial liabilities	-	95.58	-	95.58	95.58
	-	**1,560.06**	**0.51**	**1,560.57**	**1,560.57**
As at March 31, 2017					
Non-current borrowings	-	-	2.38	2.38	2.38
Trade payables	-	943.74	-	943.74	943.74
Other financial liabilities	-	141.59	-	141.59	141.59
	-	**1,085.33**	**2.38**	**1,087.71**	**1,087.71**

(iii) Market risk

The Group is virtually debt free and is largely insulated from interest rate risks. Even with respect to investments in mutual funds, the impact of interest rate risk is nominal as the investment is carried in liquid or substantially liquid funds. The Group is essentially exposed to currency risks as export sales forms substantial part of the total sales of the Group. While the Group is mainly exposed to US Dollars, the Group also deals in other currencies, such as, Euro, GBP etc.

The cycle from booking order to collection extends to about a year and the Group is exposed to foreign exchange fluctuation risks during this period. As a policy, the Group remains substantially hedged through forward exchange contracts or other simple structures. It considerably mitigates the risk and the Group is also benefitted in view of incidental forward premium. The policy of substantial hedging insulates the Group from the exchange rate fluctuation and the impact of sensitivity is nominal.

(a) Foreign currency risk exposure

The Group's exposure to foreign currency risk at the end of the reporting period are as follows:

		USD	EURO	GBP	Other foreign currencies
As at March 31, 2018					
Financial assets					
- Trade receivables	in foreign currency (Million)	7.72	2.35	0.12	-
	in equivalent ₹ (Million)	496.64	185.44	10.86	-
- Cash and bank balances	in foreign currency (Million)	0.38	0.18	-	*
	in equivalent ₹ (Million)	24.47	13.98	-	1.85
- Other financial assets	in foreign currency (Million)	-	-	-	*
	in equivalent ₹ (Million)	-	-	-	1.91
Derivatives (in respect of underlying financial assets)					
- Foreign exchange forward contracts	in foreign currency (Million)	6.65	1.78	-	-
sell foreign currency	in foreign currency (Million)	427.30	139.89	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

		USD	EURO	GBP	Other foreign currencies
Net exposure to foreign currency risk (assets)	in foreign currency (Million)	**1.45**	**0.75**	**0.12**	**-**
	in equivalent ₹ (Million)	**93.81**	**59.53**	**10.86**	**3.76**
Financial liabilities					
- Trade payables	in foreign currency (Million)	0.22	0.50	0.34	*
	in equivalent ₹ (Million)	14.23	39.44	31.60	7.86
- Other financial liabilities	in foreign currency (Million)	-	-	-	*
	in equivalent ₹ (Million)	-	-	-	4.89
Net exposure to foreign currency risk (liabilities)	in foreign currency (Million)	**0.22**	**0.50**	**0.34**	*****
	in equivalent ₹ (Million)	**14.23**	**39.44**	**31.60**	**12.75**
As at March 31, 2017					
Financial assets					
- Trade receivables	in foreign currency (Million)	3.90	4.20	0.12	-
	in equivalent ₹ (Million)	250.03	284.09	9.92	-
- Cash and bank balances	in foreign currency (Million)	0.67	0.04	-	*
	in equivalent ₹ (Million)	43.45	2.58	-	1.25
- Other financial assets	in foreign currency (Million)	-	-	-	*
	in equivalent ₹ (Million)	-	-	-	0.62
Derivatives (in respect of underlying financial assets)					
- Foreign exchange forward contracts	in foreign currency (Million)	3.74	3.95	-	-
sell foreign currency	in equivalent ₹ (Million)	239.69	268.69	-	-
Net exposure to foreign currency risk (assets)	in foreign currency (Million)	**0.83**	**0.29**	**0.12**	*****
	in equivalent ₹ (Million)	**53.79**	**17.98**	**9.92**	**1.87**
Financial liabilities					
- Trade payables	in foreign currency (Million)	0.24	0.30	0.05	*
	in equivalent ₹ (Million)	15.61	19.36	3.84	8.18
- Other financial liabilities	in foreign currency (Million)	-	-	-	*
	in equivalent ₹ (Million)	-	-	-	3.71
Net exposure to foreign currency risk (liabilities)	in foreign currency (Million)	**0.24**	**0.30**	**0.05**	*****
	in equivalent ₹ (Million)	**15.61**	**19.36**	**3.84**	**11.89**

* In view of diversed foreign currencies involved, only the equivalent amount in ₹ has been disclosed

The Group's foreign currency derivatives outstanding (including for firm commitments) at the end of the reporting period are as follows:

		USD	EURO	GBP	Other foreign currencies
As at March 31, 2018					
Foreign exchange forward contracts to sell foreign currency	in foreign currency (Million)	25.37	5.95	-	-
	in equivalent ₹ (Million)	1,631.58	468.39	-	-
Foreign exchange forward contracts to buy foreign currency	in foreign currency (Million)	-	-	-	-
	in equivalent ₹ (Million)	-	-	-	-
As at March 31, 2017					
Foreign exchange forward contracts to sell foreign currency	in foreign currency (Million)	9.69	10.49	-	-
	in equivalent ₹ (Million)	620.82	714.22	-	-
Foreign exchange forward contracts to buy foreign currency	in foreign currency (Million)	-	0.25	-	-
	in equivalent ₹ (Million)	-	17.59	-	-

All the above contracts are maturing within one year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(b) Impact of hedging activities

(a) Disclosure of effects of cash flow hedge accounting on financial position towards hedging foreign currency risk through foreign currency forward contracts.

	31-Mar-18	31-Mar-17
Carrying amount of hedging instruments		
-Assets/ (Liabilities) (₹ in Million)	(8.68)	*
Maturity Date	April 2018 - February 2019	*
Line item affected in the Balance sheet	Other current liabilities	
Hedge Ratio	77%	*
weighted average strike price/rate	US$ 1= INR 65.91 EURO 1= INR 79.97	*
Changes in fair value of hedging instruments (₹ in Million)	15.30	*
Change in the value of hedged item used as the basis for recognising hedge effectiveness (₹ in Million)	(15.30)	*

* Not applicable (Refer note 48(ii))

(b) Disclosure of effects of cash flow hedge accounting on financial performance

(₹ in Million)

	31-Mar-18	31-Mar-17
Changes in the value of the hedging instrument recognised in other comprehensive income	15.30	*
Hedge ineffectiveness recognised in profit or loss	(15.02)	*
Amount reclassified from cash flow hedging reserve to profit or loss	(7.43)	*
Line item affected in statement of profit and loss because of the reclassification	Revenue	*

* Not applicable (Refer note 48(ii))

(c) Movements in cash flow hedging reserve

(₹ in Million)

	31-Mar-18	31-Mar-17
Opening Balance	-	*
Add: Changes in discounted spot element of foreign exchange forward contracts, net	15.30	*
Less: Hedge ineffectiveness recognised in profit or loss	(15.02)	*
Less: Amount reclassified from cash flow hedging reserve to profit or loss	(7.43)	*
	(7.16)	*
Less: Deferred tax relating to above	2.48	*
Closing balance	**(4.68)**	

* Not applicable (Refer note 48(ii))

Notes to the Consolidated Financial Statements
for the year ended March 31, 2018

(c) Sensitivity

The following table demonstrate the sensitivity of net unhedged foreign currency exposures to a reasonably possible changes in foreign currency exchange rates, with all other variables held constant.

	Change in FC exchange rate by	Impact on profit or loss and equity (in ₹ in Million)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
USD sensitivity	5%	3.98	1.91	(3.98)	(1.91)
EURO sensitivity	5%	1.00	(0.07)	(1.00)	0.07
GBP sensitivity	5%	(1.04)	0.30	1.04	(0.30)
Other foreign currencies sensitivity	5%	(0.45)	(0.50)	0.45	0.50

In addition to the above, an increase in exchange rates of subsidiaries' functional currency by 5% will result in increase in foreign currency translation reserve (a component of other equity) for the year ended March 31, 2018 by ₹ 2.78 Million (March 31, 2017: ₹ 4.22 Million). A decrease in such exchange rates will have a reverse impact with equivalent amounts. There is no impact on the profits of the Group.

Further, the change in foreign currency rates will impact the fair value of the derivatives and correspondingly impact the profit or loss, but there will not be any impact over the hedge period as the derivatives will enable capturing the hedged rates and the budgeted profitability would remain unchanged.

NOTE 39: FAIR VALUE MEASUREMENTS

(i) Financial instruments by category

(₹ in Million)

	31-Mar-18			31-Mar-17		
	FVTPL *	FVOCI	Amortised cost	FVTPL *	FVOCI	Amortised cost
Financial assets						
Investments in mutual funds	90.63	-	-	40.12	-	-
Trade receivables	-	-	2,090.09	-	-	1,519.69
Unbilled revenue	-	-	8.81	-	-	21.56
Loans	-	-	2.42	-	-	2.76
Cash and bank balances	-	-	126.22	-	-	178.07
Security deposits	-	-	7.02	-	-	6.58
Earnest money deposits	-	-	5.43	-	-	2.38
Derivative financial assets	-	-	-	48.93	-	-
Other receivables	-	-	12.63	-	-	0.91
Total financial assets	**90.63**	**-**	**2,252.62**	**89.05**	**-**	**1,731.95**
Financial liabilities						
Borrowings	-	-	1.07	-	-	4.16
Trade payables	-	-	1,464.48	-	-	943.74
Capital creditors	-	-	12.50	-	-	113.37
Derivative financial liabilities	-	8.68	-	-	-	-
Other payables	-	-	73.84	-	-	26.44
Total financial liabilities	**-**	**8.68**	**1,551.89**	**-**	**-**	**1,087.71**

* Mandatorily measured at FVTPL, there is no financial instrument which is designated as FVTPL

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(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

(₹ in Million)

	Note No.	Level 1	Level 2	Level 3	Total
As at 31 March 2018					
Financial assets					
- Investments in mutual funds (Unquoted)	5 (b)	-	90.63	-	90.63
- Foreign exchange forward contracts at FVTPL	8	-	-	-	-
		-	**90.63**	**-**	**90.63**
Financial liabilities					
- Foreign exchange forward contracts at FVOCI	19	-	8.68	-	8.68
		-	**8.68**	**-**	**8.68**
As at 31 March 2017					
Financial assets					
- Investments in mutual funds (Unquoted)	5 (b)	-	40.12	-	40.12
- Foreign exchange forward contracts at FVTPL	8	-	48.93	-	48.93
		-	**89.05**	**-**	**89.05**
Financial liabilities					
- Foreign exchange forward contracts at FVOCI	19	-	-	-	-
		-	**-**	**-**	**-**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. No assets are classified in this category.

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. No assets are classified in this category.

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 the mutual funds is determined using daily NAV as declared for the particular scheme by the Asset Management Company.
- 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.

All of the resulting fair value estimates are included in level 2.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(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 to arrive at 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

(₹ in Million)

	31-Mar-18		31-Mar-17	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Trade receivables	-	-	1,519.69	1,514.46
	-	**-**	**1,519.69**	**1,514.46**

Fair value hierarchy

(₹ in Million)

	Level 1	Level 2	Level 3	Total
As at 31 March 2018				
Financial assets				
Trade receivables	-	-	-	-
	-	**-**	**-**	**-**
As at 31 March 2017				
Financial assets				
Trade receivables	-	-	1,514.46	1,514.46
	-	**-**	**1,514.46**	**1,514.46**

The fair values for trade receivables which are expected to be received after twelve months (though 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 are considered to be the same as their fair values, due to their short-term nature.

NOTE 40: INTEREST IN OTHER ENTITIES

(i) Subsidiary

Details of the Group's subsidiary at the end of the reporting period is as follows:

Name of Subsidiary	Principal activities	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group 31-Mar-18	31-Mar-17
Triveni Turbines Europe Private Limited	Trading & services of steam turbines	United Kingdom	100%	100%
Triveni Turbines DMCC (step-down subsidiary)	Trading of steam turbines	Dubai, United Arab Emirates	100%	100%
Triveni Turbines Africa Pvt. Ltd. (step-down subsidiary)*	Trading & services of steam turbines	South Africa	100%	-

* w.e.f August 29, 2017

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

(ii) Interest in joint venture (refer note 2(a)(i))

Details of the Group's joint venture at the end of the reporting period is as follows:

Name of joint venture	Principal activities	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group 31-Mar-18	31-Mar-17
GE Triveni Limited	Trading & services of steam turbines	India	50%	50%

The above joint venture is accounted for using the equity method in these consolidated financial statements.

(a) Summarised financial information for joint venture

The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purposes.

Summarised balance sheet of GE Triveni Limited

(₹ in Million)

	31-Mar-18	31-Mar-17
Current assets		
Cash and cash equivalent	1.19	74.95
Other assets	554.09	776.72
Total current assets	**555.28**	**851.67**
Total non-current assets	**253.28**	**234.19**
Current liabilities		
Financial liabilities (excluding trade payables and provisions)	8.91	2.56
Other liabilities	551.37	750.44
Total current liabilities	**560.28**	**753.00**
Non-current liabilities		
Financial liabilities (excluding trade payables and provisions)	9.26	9.73
Other liabilities	1.41	16.63
Total non-current liabilities	**10.67**	**26.36**
Net assets	**237.61**	**306.50**

Summarised balance sheet of GE Triveni Limited

(₹ in Million)

	31-Mar-18	31-Mar-17
Revenue	949.16	1,213.18
Interest income	0.85	3.01
Depreciation and amortisation	27.78	27.09
Interest expense	0.95	1.96
Income tax expense	(35.60)	54.27
Profit from continuing operations	(69.05)	102.03
Profit from discontinued operations	-	-
Profit for the year	(69.05)	102.03
Other comprehensive income	0.16	0.02
Total comprehensive income	(68.89)	102.05
Dividend received from the joint venture	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in consolidated financial statements:

(₹ in Million)

	31-Mar-18	31-Mar-17
Net assets of GE Triveni Limited	237.61	306.50
Group's share in %	50%	50%
Group's share in ₹ in Million	118.81	153.25
Adjustments:		
Group's share in adjustment for unrealised profits on inter-company transactions (net of tax)	(5.46)	(8.61)
Group's share in adjustment for tax on balance undistributed profits	(6.77)	(13.16)
Carrying amount	**106.58**	**131.48**

NOTE 41: 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 (₹ in Million)	As % of consolidated profit or loss	Amount (₹ in Million)	As % of consolidated other comprehensive income	Amount (₹ in Million)	As % of consolidated total comprehensive income	Amount (₹ in Million)
Parent								
Triveni Turbine Limited								
March 31, 2018	98.39%	4,448.36	102.38%	982.52	29.53%	1.06	102.11%	983.58
March 31, 2017	97.67%	3,940.47	94.05%	1,162.06	98.93%	(16.07)	93.99%	1,145.99
Subsidiaries (Group's share)								
Foreign								
Triveni Turbines Europe Private Ltd								
March 31, 2018	0.80%	36.09	-0.39%	(3.73)	68.25%	2.45	-0.13%	(1.28)
March 31, 2017	0.83%	33.54	2.00%	24.71	1.14%	(0.18)	2.01%	24.53
Triveni Turbines DMCC								
March 31, 2018	-0.06%	(2.81)	0.28%	2.65	-	-	0.28%	2.65
March 31, 2017	0.23%	9.11	0.43%	5.27	-	-	0.43%	5.27
Triveni Turbines Africa Pvt. Ltd.								
March 31, 2018	0.29%	13.09	0.34%	3.24	-	-	0.34%	3.24
March 31, 2017	-	-	-	-	-	-	-	-
Joint ventures (Investments as per the equity method)								
Indian								
GE Triveni Limited								
March 31, 2018	0.58%	26.58	-2.61%	(24.99)	2.23%	0.08	-2.59%	(24.91)
March 31, 2017	1.28%	51.48	3.52%	43.50	-0.07%	0.01	3.57%	43.51
Total								
March 31, 2018	100%	4,521.31	100%	959.69	100%	3.59	100%	963.28
March 31, 2017	100%	4,034.60	100%	1,235.54	100%	(16.24)	100%	1,219.30

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 42: LEASES

(i) Obligations under finance leases

During financial year 2014-15, the Group had acquired land at Sompura from Karnataka Industrial Areas Development Board (KIADB) on a lease-cum-sale basis. The land is under lease for initial period of ten years thereafter the ownership of the land will be transferred in favour of the Group thus same is considered as land under finance lease (refer note 3(i)). Initial upfront lease payment (including slum cess and process fee) of ₹ 365.81 Million was made to the KIADB for acquisition of land and thereafter, the Group's obligations under finance lease is yearly recurring maintenance charges of ₹ 0.14 Million during the lease period. 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 premises and certain office equipment under operating leases. These leases are generally not non-cancellable, except in the case of some office equipment. The unexpired period of the leases ranges between one month to less than five years and these are renewable by mutual consent on mutually agreeable terms. The Group has given refundable interest- free security deposits under certain agreements. There is no contingent rent, sublease payments or restriction imposed in the lease agreement.

Payments recognised as expense

(₹ in Million)

	31-Mar-18	31-Mar-17
Minimum lease payments (refer note 31)	17.05	10.29
	17.05	**10.29**

Non-cancellable operating lease commitments

(₹ in Million)

	31-Mar-18	31-Mar-17
Not later than one year	5.78	0.83
Later than one year and not later than five years	14.25	1.33
Later than five years	-	-
	20.03	**2.16**

As Lessor

The Group has given certain portions of its office premises under operating leases. 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 recognized 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 24). Initial direct costs incurred, if any, to earn revenues from an operating lease are recognised as an expense in the statement of profit and loss in the period in which they are incurred

NOTE 43: COMMITMENTS

(₹ in Million)

		31-Mar-18	31-Mar-17
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (against which advances paid aggregating to ₹ 9.68 Million (March 31, 2017: ₹ 50.48 Million)	77.39	175.65
(ii)	Other commitments:		
	(a) Operating leases commitments	Refer note 42 (ii)	
	(b) Derivative instruments	Refer note 38 (iii) (a), (b)	
	(c) Non-disposal of investments in joint venture	Refer note 17 (ii)	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 44: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities

(₹ in Million)

	31-Mar-18	31-Mar-17
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 ₹ 1.36 Million (March 31, 2017: ₹ 4.93 Million), excluding interest, under protest pending final adjudication of the cases:	67.39	133.76

Sl. No.	Particulars	Amount of contingent liability		Amount paid	
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
1	Excise duty	7.80	7.40	0.09	0.09
2	Service tax	37.53	47.48	1.27	4.84
3	VAT *	-	61.96	-	-
4	Income tax	15.04	15.03	-	-
5	Others	7.02	1.89	-	-

* Against the VAT demand, the Commercial Taxes Department has withheld the refund of ₹ Nil (March 31, 2017: ₹48.37 Million)

	31-Mar-18	31-Mar-17
(ii) Group's share of joint venture's contingent liabilities in regard to sales tax	-	0.21

The amount shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties, possible payments and reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Group or the claimants, as the case may be, and therefore cannot be predicted accurately. The Group engages reputed professional advisors to protect its interests and has been advised that it has strong legal position against such disputes.

Contingent assets

Based on management analysis, there are no material contingent assets as on March 31, 2018 (March 31, 2017: ₹ Nil).

NOTE 45: DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Based on the intimation received by the Group from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act,2006, the relevant information is provided here below:

(₹ in Million)

	31-Mar-18	31-Mar-17
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year; as at the end of the year		
(i) Principal amount	96.53	90.49
(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 of 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	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2018

NOTE 46: RESEARCH & DEVELOPMENT EXPENSES

During the year, the Group has incurred expenditure of ₹ 85.80 Million (March 31, 2017: ₹ 97.78 Million) on research and development activities as per following details:

(₹ in Million)

	31-Mar-18	31-Mar-17
Revenue Expenses	63.08	86.92
Less: Scrap value	-	(1.07)
Capital Expenditure	22.72	11.93
Total	**85.80**	**97.78**

NOTE 47: STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 issuing the following standard:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e., an asset) to a customer (i.e., when (or as) the customer obtains control of that asset) at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for accounting periods commencing on or after April 1, 2018. The Group is in the process of evaluating the requirements of the said standard and its impact on its financial statements.

NOTE 48: COMPARATIVES

(i) Post implementation of Goods and Services Tax ("GST") with effect from July 1, 2017, revenue from operations is disclosed net of GST. Revenue from operations for the year ended March 31, 2017 included excise duty which is now subsumed in the GST. Revenue from operations for the year ended March 31, 2018 includes excise duty up to June 30, 2017. Accordingly, revenue from operations for the year ended March 31, 2017 are not comparable with previous year.

(ii) Profit after taxes of current year is not comparable due to adoption of hedge accounting in the current financial year as a result hedging gain/losses have been considered in Other Comprehensive Income as against other income/expenses reported in previous year.

(iii) The Group has reclassified certain items of balance sheet of comparative period to confirm this year's classification, however, impact of these re-classification are not material .

NOTE 49: APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial Statements were approved for issue by the Board of Directors of the Company on May 22, 2018 subject to approval of shareholders.

For Walker Chandiok & Co LLP
Chartered Accountants

Per **Vijay Vikram Singh**
Partner

Place : Noida (U.P.)
Date : May 22, 2018

For and on behalf of the Board of Directors of Triveni Turbine Limited

Dhruv M. Sawhney
Chairman & Managing Director
DIN: 00102999

Lt. Gen. K K Hazari (Retd.)
Director & Chairman Audit Committee
DIN: 00090909

Deepak Kumar Sen
Executive Vice President & CFO

Rajiv Sawhney
Company Secretary