

## Current Assets

### Inventories

Total inventory at the year end was ₹ 1,807.1 million, as against ₹ 1,458.7 million in the previous year, an increase by ₹ 348.4 million. Higher inventories are commensurate with the increased orders in hand and have been procured/built up to meet higher production requirements.

### Trade Receivables

Current trade receivables are at ₹ 2,058.1 million as on March 31, 2018 as against ₹ 1,489.4 million as on March 31, 2017, an increase by ₹ 568.7 million. Increase in current trade receivable is on account record sales made in the last quarter of the year and some of the sales under Letter of Credit could not be collected by the year end.

Non-current trade receivables, however remains in the same level as previous year, that is ₹ 12.4 million as against ₹ 12.6 million in previous year. These are contractually not due for collection in the next 12 months.

### Other Current Assets

Other current assets have increased by ₹ 197.8 million from ₹ 392.3 million to ₹ 590.1 million. The major component of increase is GST recoverable, representing unutilised input credit on bought out material for exports, which could not be utilised as the final export products are not subject to GST. The Company has taken steps to secure refund of such unutilised input credit.

During the year, the Company received a refund of disputed VAT of ₹ 219.3 million consequent to a Court Order in favour of the Company.

### Current Liabilities

Current liabilities mainly consist of trade payable for goods and services and advances from customers. Trade payable has increased to ₹ 1,447.7 million as on March 31, 2018 from ₹ 921.6 million as on March 31, 2017 on account of higher purchase of raw material in the last quarter of the year to meet the increased production requirements, which are due for payment subsequent to the year.

Advances from Customers forms the other major component and it has increased by 26.4% to ₹ 1,023.7 million commensurate with increased order booking.

### Consolidated Financial Statements

Consolidated financial statements have been prepared consolidating the results of a wholly-owned foreign subsidiary, Triveni Turbines Europe Pvt. Ltd. (TTEPL), UK and step down subsidiaries, Triveni Turbines DMCC (TTDMCC), Dubai and its wholly-owned subsidiary in South Africa called Triveni Turbines Africa (Pty) Ltd (TTAPL), which was incorporated during the year. The Consolidation is made by adding line by line items complying relevant provisions of Ind AS. In addition, the Company has a domestic subsidiary company namely GE Triveni Ltd. (GETL) which, in accordance with Ind AS, been considered as a Joint Venture and accordingly accounted by using equity method for preparation of consolidated financial statements.

Headline figures for consolidated financial statements duly compared with standalone are provided hereunder:

(₹ in Million)

	Financial Statements	
	Consolidated	Standalone
1 Revenue from operations (gross)	7,533.2	7,431.4
2 Profit before tax	1,462.8	1,460.0
3 Share of income of joint venture	-25.0	-
4 Profit after tax	959.7	982.3
5 Total Comprehensive Income	963.3	981.1

### Risk Management & Internal Financial Controls

The Company's Risk Management and Mitigation framework is aligned with ISO 31000. The framework is reviewed from time to time to ensure its effectiveness in line with the changing business dynamics. The framework identifies all the possible risks that the Company might be exposed to, including their categorisation based on their severity, for regular monitoring and reporting. The policy identifies risk ownership, accountability and mitigation procedures. It is the endeavour of the Company to strengthen the control environment on a dynamic basis with a view to lower the overall risk profile.

The Risk Management Policy lays down guiding principles, policies, a risk organisation structure and MIS, incorporating the requirements of Corporate Governance as well as some of the industry best practices in order to manage risks. Pursuant to the risk management policy, the Company presents an enterprise-wide approach to ensure that key aspects of risks that have an enterprise-wide impact are considered and contained in its conduct of business. This policy document also serves as a guideline for respective components of risks which have a common resonance across the Company.

The Company's business relates to manufacture and sale of steam turbines which falls under the capital goods industry segment and is closely linked with the country's economic activities, domestic and global, as well as the sectors wherein the Company's products are used. Even though several factors relating to the industry are not within the control of the Company, it strives to mitigate the externalities in the best possible manner by ensuring diversified streams of revenues and avoiding over dependence on any sector/s or geographies.

Further, the Company is responsible for designing and implementation of sound Internal Financial Controls over Financial Reporting. The Company has laid down such procedure and periodically assess its operational effectiveness by conducting reviews of all Risk Control Matrix. This Control System provides reasonable assurance that the conduct of the business is operating in an orderly and efficient manner including adherence to Company's policies, safeguarding assets and prevention and detection of frauds and errors, if any, the accuracy and completeness of accounting records and timely preparation of financial information.