

# MOVING FORWARD



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### **Forward-looking Statements**

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations of projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised.

The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

The Company has sourced the industry information from the publicly available resources and has not verified those information independently.



## MOVING FORWARD

We are living in intriguing times. Global economic recovery has remained moderate and sparse in the year gone by. In India, with the change in Government, the process of policy initiatives has begun. The Government and regulators, with an eye on rebooting country's economic growth to a higher growth trajectory, have initiated a slew of measures and policy reforms which have been well received. While all this has aided optimism in the business sentiments, the real impact is expected to be felt in the coming quarters. Stalled and deferred industrial projects remain where they were with fresh investment commitments being conspicuous by their absence. Plight of the sugar industry is even more telling with surplus sugar production, unrealistic and unviable price levels of sugarcane (input) and sugar (output) realisations lower than the production cost etc. Indian sugar industry is confronted with one of the most testing phases of its existence. These factors weighed heavy on our performance for the year under review.

With Triveni's long history and experience in its line of businesses and having weathered similar adversities in the past, we remain positive and optimistic about economy, industry and the Company. We have maintained focus on improving our capabilities, deepening stakeholder engagement and exploring new avenues of growth. With our steadfast optimism, we are moving ahead into a future that fosters hope and promises. In line with the early signs of revival, industrial and infrastructural investments shall accelerate over coming quarters, thereby enabling our economy to reach and sustain growth levels of 7-8%. We expect the Government to take right and appropriate policy decisions to ensure viability of the sugar industry. With our perseverance on the path of continuous improvements, we are moving forward with a renewed sense of confidence and optimism.

# ABOUT THE COMPANY

## Sugar Business

- ▲ We are one of the largest integrated sugar manufacturers in India with seven sugar mills. Our three units at Khatauli, Deoband, Sabitgarh are in western UP, three at Chandanpur, Rani Nangal and Milak Narayanpur fall in central UP and one unit at Ramkola is located in eastern UP. We have converted two of our units, Khatauli and Sabitgarh, into refineries. This has helped us in increasing the share of refined sugar to around 40% of total sugar production.
- ▲ We currently operate three grid connected co-generation plants and three incidental co-generation plants located across five sugar units.
- ▲ We operate one of the largest single stream molasses based distilleries at Muzaffarnagar. Our flexible manufacturing process allows us to produce Extra Neutral Alcohol (ENA), Rectified Spirit (RS), Special Denatured Spirit (SDS) & Ethanol.



## Gears Business

- ▲ We are in the business of design, manufacture and marketing of customised Gears and Gearboxes (both high speed and low speed gears). Our state-of-the-art design and manufacturing facility at Mysore conforms to international standards.
- ▲ We have been supporting power transmission requirements of industrial segment by providing total gears solutions through OEM supplies, replacement solutions, diagnostic studies and after sales service in the Asian Market.
- ▲ We have over 60% market share in high speed gears market in the region. We manufacture high speed gears and gearboxes up to 70 MW capacity and speed of 70,000 rpm.
- ▲ With more than 21500 MW and 7150 gearboxes under operation, we are the preferred partner to all domestic and multinational OEMs.
- ▲ Our strong in-house R&D team is constantly working towards developing new products.

## Water Business

- ▲ We are one of the leading solution providers for water treatment, wastewater treatment & recycle of water in India, having manufacturing facility at Noida.
- ▲ We have in-house capability across the value chain and have over 1000 successfully operating installations across various segments – infrastructure, industrial & municipal.
- ▲ We have technology associations with the world's leading technology providers for various products, processes and solutions.



# MESSAGE FROM THE CHAIRMAN



## Dear Shareholders,

The financial year 2014-15, was a year of renewed hopes and expectations in India with the new majority Government taking on the reins of our nation. To bring back the economy on growth trajectory, the Government has worked upon a number of initiatives which will gradually add momentum to the economic growth in India. However, there are a number of policy level complex issues in various sectors, especially the sugar sector that the Government must look into in order to bring about a long term sustainable solution for all stakeholders.

## Sugar Business

With continuous oversupply of sugar both in the global and domestic market, sugar prices during the year have witnessed a steep fall. With the State Advised Price (SAP) for sugarcane remaining high, the viability gap has increased, leading to increased losses for the sugar mills in Uttar Pradesh. This has led to a significant increase in cane arrears to farmers and increasing debt burden for the mills.

Before the start of the crushing season for the year, the private sector sugar manufacturers conveyed to the Uttar Pradesh (UP) Government their inability to start crushing without the structural issues being resolved. Understanding the dire state of the mills, the UP Government did not raise the SAP for the year and while announcing the SAP, it also announced a number of subsidies to sugar mills. Given the fall in sugar prices and correspondingly high cane prices, the subsidies envisaged are totally inadequate, which is also demonstrated in the losses incurred by sugar millers and resultant cane arrears which is estimated at over ₹ 8000 crore for the UP mills. This situation is similar in other sugar producing states in India where the sugar mills, despite a much higher recovery than UP, are finding it increasingly difficult to pay even the Fair and Remunerative Price (FRP) and the total cane arrears across all states are estimated to be over ₹ 21000 crore. The Central Government has also announced export subsidy but due to the delay in announcement and fall in global sugar prices, exporting from India turned unviable.

Despite the fluid state of the sugar sector, we remain steadfast in moving forward with a focus towards raising productivity across the sugar value chain. We continue to strengthen our ties with our farmers by helping them enhance sugarcane output with better farming techniques. We have also augmented our co-generation facility and added a new 6 MW incidental co-generation unit at Sabitgarh. We have leveraged the increased demand for ethanol by the Oil Marketing Companies (OMCs) under the ethanol blending scheme by successfully bidding and securing significant contracts for supply of ethanol to OMCs.

## Engineering Business

With the prevailing sluggish environment of investment in India, the growth in the capital goods sector continued to remain weak. To revive the infrastructure sector, Government has taken a number of steps, such as, enhancing FDI limits in certain sectors and increasing ease of doing business etc. but the return to double-digit growth will be a gradual process.

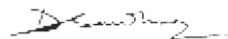
Your Company's Gears business growth and margin remained stable during the year in spite of tough domestic market. While we could see fresh enquiries being generated in the domestic market during the year, however order finalisation continues to remain sluggish. We believe, with a slew of policy announcements during the past twelve months, the industrial and capex climate in the country should see some buoyancy in the coming quarters.

Your Company's increased focus towards exports and aftermarket has paid off well. We have entered into a Strategic Supply Agreement (SSA) with GE (Oil & Gas) for high speed as well as low speed products with no restrictions on geographies. The initial order booking has been good and during the year we have also shipped our first gearbox to USA. We expect that the SSA would contribute a large share in the growth of the business over the next few years.

In our Water business, we continue to remain focused towards rendering world class solutions in water and waste water treatment to customers in industrial and municipal segments. The turnover in the water business during the year has been better over the previous year but the industry continues to witness project delays. Order finalisation both in the industrial and municipal segment continues to remain subdued. But with a number of initiatives by the new Government to boost the power sector & other initiatives like "Clean Ganga Mission" to clean up rivers and water bodies, setting up of smart cities etc., the growth prospects for the business continues to remain strong.

I would like to thank all our stakeholders for their continuous support to the Company and helping in moving forward despite the prevailing challenging business environment. I would specially thank all our employees for their dedication and passion towards your Company.

With best regards,



**Dhruv M. Sawhney**  
Chairman & Managing Director

# Q&A WITH THE VICE CHAIRMAN & MANAGING DIRECTOR



**Tarun Sawhney**

Vice Chairman &  
Managing Director

**Q. What are the challenges that the Company is facing in the Sugar business?**

**A:** In the Sugar business, the story has become grimmer with surplus sugar in the country triggering a steep fall in sugar prices. Continuous oversupply, significantly low sugar prices and an unrealistic sugarcane pricing mechanism continue to weigh heavily on the sugar industry in India. This has led to continuous losses across the industry and the piling up of corporate debt, especially in the state of Uttar Pradesh. The State Government has taken some actions in the form of subsidy announcements, though without any definitive actions related to the sugarcane and sugar price linkage. Further, the announced subsidies are neither adequate to offset the losses incurred by sugar mills nor provide them with enough resources to pay the cane dues. This has led to a significant increase in the cane arrears in industry. It is high time that the UP Government take some concrete actions which will have a linkage of sugarcane pricing to output pricing, similar to what the States of Maharashtra and Karnataka are in the process of implementing.

**Q. How has the slowdown in the domestic capital goods sector affected the engineering businesses during the year under review?**

**A:** The slowdown in the domestic capital goods sector in the recent few years has been quite pronounced. With the efforts of the new Government at the Centre, overall business sentiments have improved but on-ground action of the commencement of the investment cycle is still not entirely visible. During the year under review, the growth of both our Water and Gears businesses were impacted. The investment and capex plans of our prospective customers in various industries have not materialised and this has led to delay in order finalisation of gearboxes. In the Water business, several industrial projects have been put on hold and the municipal segment has also remained subdued, impacting the overall business performance by way of cost over-runs and resultant provisionings.

The Government’s various policy initiatives, such as, “Make in India”, ease of doing business in India, creating economic environment which is conducive for business, coal e-auction etc. have put the wheels into motion and it is expected that the investment cycle will improve in FY 16 with municipal and Government order finalisation beginning in H2 FY 16 at the latest.

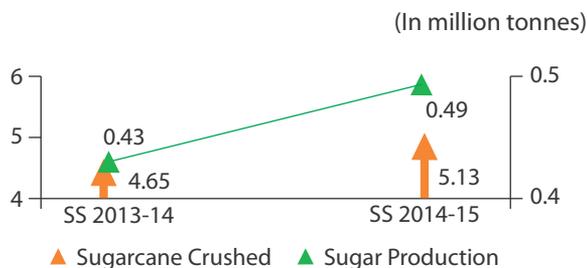
**Q. What are the financial highlights of FY 15?**

**A:** Due to higher sugarcane output and a timely start of crushing season, the Company has crushed higher volume of sugarcane during the year compared to last Sugar Season (SS). The average recovery during the year has increased to 9.57%, a rise of 25 basis points over the previous season. However, the lower sugar realisation and higher cane prices have taken a toll on profitability despite better operating performance.

Both Co-generation and Distillery operations have performed satisfactorily, however despite their substantial aggregate profitability, the losses of sugar operations could not be offset. During the year a new tariff order was issued by UPERC, effective from January 20, 2015, which has led to increase in tariff for power exported to grid from our co-generation plants. Our Distillery business during the year operated at 100% capacity utilisation. It also won a National Award for Manufacturing Competitiveness for the year 2014 instituted by the International Research Institute for Manufacturing Competitiveness.

In the high speed Gears business our regional market share during the year remained stable at above 60% and we were able to maintain our turnover and margins. Even in the sluggish market scenario, we achieved a marginal increase in turnover due to higher aftermarket sales of 24%. The outstanding order book in this business as on March 31, 2015 stood at ₹ 55.1 crore which is a growth of 15% over the previous year.

In the Water business, net sales have increased by around 17%. During the year under review, the order intake was meager at ₹ 122 crore and bulk of these orders were from the industrial segment, while in the municipal segment, there were low level of activities in terms of order finalisation. In view of our participation in tenders of significant values, we expect much traction in order booking in FY 16. The outstanding order book for this business as on March 31, 2015 stood at ₹ 445.4 crore, which includes ₹ 208.5 crore towards Operations and Maintenance contracts for a longer period of time.



**Q. What would you describe as important accomplishments for the Company in FY 15?**

**A.** In respect of the Sugar business, we have initiated a large scale cane development programme with a view to increase the yields and recoveries. It is a three year programme which will help the Company to achieve operating performance at par with the best in the industry. It is a step towards improving all controllable parameters to lower the cost of production of sugar and to be able to absorb the impact of an uncertain business environment. With the addition of 6 MW incidental co-generation plant at our sugar unit at Sabitgarh, we have a resilient business model with around 40% refined sugar and a balanced integration with power plants and a distillery.

In our Gears business, in September, 2014, we have signed a Strategic Supply Agreement with GE (Oil & Gas) for high speed as well as low speed products with no restrictions on sales geographies. The initial activities have been satisfactory and the first gearbox of 54 MW power for a gas turbine application was shipped to USA during the year. After two years of successful running of our planetary mill gearbox at Deoband, we are in the process of developing this product in 500 to 2000 KW power variants. The major focus for this new product would be the export market.

In the Water business, we have successfully commissioned the Agra Water Treatment Plant (WTP) project which is one of the most prestigious projects for our division. The WTP is producing drinking water for over one million citizens of the city.

**Q. How do you judge the macroeconomic environment in FY 16 and growth opportunities for engineering businesses?**

**A.** The government is aggressively working towards reviving the power and infrastructure sector in India with policy level actions on land acquisition and fuel linkage and procurement. Along with this, the RBI has shown resolve in easing the monetary policy. We believe that all this cumulatively will lead to reigniting of the investment cycle in the industry.

The outlook for the Gears business remains very optimistic over the coming years. The export market has also been very strong and the new strategic association would further add traction for exports growth.

Our Water and waste water solutions business is currently placed in a very sweet spot with the Government's focus towards a clean India and with increased environmental vigilance. In just one project, 'Namami Gange', the government has planned to spend ₹ 20,000 crore over the next five years. Furthermore, as FY 15 was subdued for order bookings, we expect substantial orders in FY 16.

**Q. What is the outlook for the Sugar business in FY 16?**

**A.** Given the oversupply scenario both in the domestic and global market, the sugar prices are expected to remain range bound at multi year lows. The initial estimates of sugarcane planting indicate similar level of sugarcane and sugar production. The Company expects to crush higher level of sugarcane thus producing higher sugar and by-products. The increase in bagasse and molasses would lead to better performance of co-generation and distillery businesses.

The ethanol blending program is a very big opportunity for the distillery business. The Government is contemplating to enhance the ethanol blending from 5% to 10% which would further enhance the growth prospects. Further, conversion of surplus sugar by diverting 'B' heavy molasses into ethanol production, at least in some areas, could also be considered by the Government which could help in bringing down the surplus sugar from the market leading to slight improvement in sugar prices.

We earnestly hope that both the State and Central Governments will realise the gravity of situation in the sugar sector and bring in policies for a long term solution. With our expected improvement in internal efficiency and productivity, the turnaround may be significant. There is, however, a great amount of uncertainty and concern on the actions that the Government may take.



# MANAGEMENT DISCUSSION & ANALYSIS



## Sugar Industry Overview

The Indian sugar industry is currently passing through one of the toughest phases in the last couple of decades. Sugar production, for the past five years, has been continuously on the rise and that too at a significantly higher level compared to annual consumption. Potentially this has marked an end to the historical 'sugar cycle', when two/three years of surplus production were followed by a significant drop in production in subsequent years to correct the inventory. The sugar cycle brought rationality to the market and the industry. One of the possible reasons for the distortion of the sugar cycle is a much more remunerative and guaranteed cane price than other competing crops which motivates farmers to opt for sugarcane despite delay in payment of cane price. For sugar manufacturers, it is becoming adverse – the more they produce, the more losses they incur.

The Indian sugar industry is confronting an interesting dichotomy - on the one hand, various external factors, policy related issues and market factors are leading to mounting losses and erosion of corporate net worth, yet on the other hand, factors like growing retail consumption, especially increasing institutional demand, present more opportunities

to expand. In the end, it appears that sugar manufacturers are subsidising a high cane price from their resources and at the cost of their financial health.

## Sugar Production

The Sugar Season (SS) 2014-15 is expected to be yet another season of surplus and the country's production is estimated at well above 28 million tonnes which is an increase of over 16% from 24.40 million tonnes in Sugar Season 2013-14. This year's production could also become close to the highest ever annual sugar production of 28.36 million tonnes in 2006-07 season. The sugar production was expected to be around ~26 million tonnes before the start of the crushing season.

Even though the estimated domestic consumption has increased from 24.2 million tonnes in SS 2013-14 to an estimated 24.8 million tonnes in SS 2014-15 (including 0.5–0.75 million tonne pipeline stock), the country is carrying surplus inventory for the past five years. The country is likely to start the next sugar season with a carry forward inventory of well over 10 million tonnes as against normative inventory of 6 million tonnes.

Maharashtra has contributed almost single handedly to the bumper production of sugar during 2014-15, with an estimated sugar production of around 11 million tonnes, which is the highest ever sugar production by the State. This is a growth of approx 40% over the previous season. As per the initial reports before the start of SS 2014-15, estimated sugar production from Uttar Pradesh (UP), second largest sugar producing state, was lower than the previous season by at least 10%, while the actual production for 2014-15 has been higher by about 10% at 7.1 million tonnes. In UP, the average recovery of sugar has gone up from 9.27% in SS 2013-14 to 9.54% in SS 2014-15, while the total sugarcane crush has also gone up by 6.6%.

Apart from UP and Maharashtra, Karnataka is also expected to produce more sugar this year compared to last year. Sugar production in Karnataka is expected to be close to 5 million tonnes, as against 4.2 million tonnes produced last season. Sugar production in Tamil Nadu, Andhra Pradesh & Gujarat declined this year whereas it remained similar or marginally higher than the previous year in Punjab, Haryana & Uttarakhand.

### Sugarcane Pricing

For the SS 2014-15, the Central Government fixed a Fair and Remunerative Price (FRP) of ₹ 2,200 per tonne on a recovery rate of 9.5%, which is an increase of ₹ 100 per tonne over the previous year. However some of the major sugarcane producing states, such as, UP, Punjab, Uttarakhand and Haryana announced State Advised Prices (SAP) which is much above the FRP.

Before the start of the crushing, the private sector sugar manufacturers based in UP had served a notice to the UP Government expressing their inability to start the next

season unless their requests, including a rational and viable cane price, were not addressed by the Government.

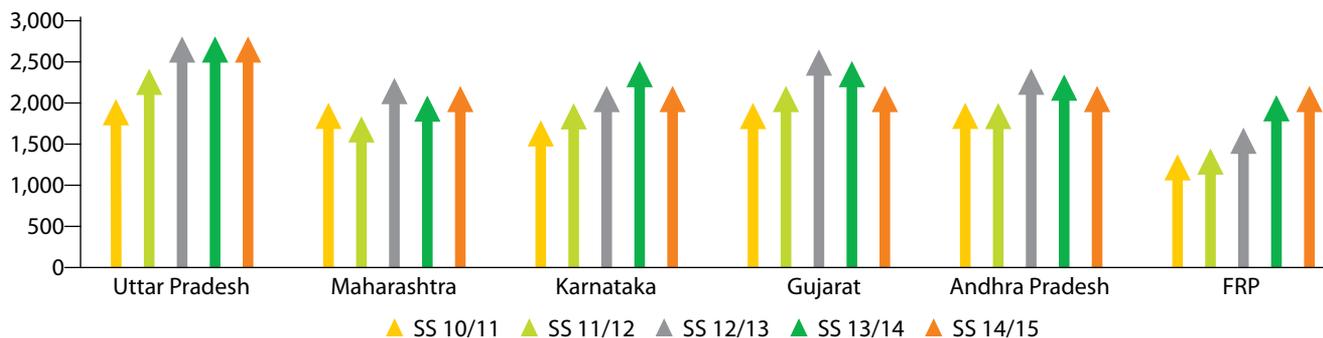
The UP Government thereafter decided to maintain the SAP for sugarcane unchanged at the same level as last year, i.e., the price for general variety delivered at sugar mill at ₹ 280/quintal, for early variety at ₹ 290/quintal and for rejected variety at ₹ 275/quintal along with certain subsidy and remissions in taxes and duties. The State Government further announced that the mode of payment and subsidy will be based on certain parameters. The sugarcane payment had to be made to the farmers in two instalments - the first instalment would be paid by the mills within 14 days at the rate of ₹ 240 per quintal and the second instalment have to be paid within three months from the close of the crushing season.

As a part of the sugarcane price package, the UP Government also announced:

- ▲ A subsidy of ₹ 20/quintal comprising of exemption of taxes/commission of ₹ 11.40/quintal and a further subsidy of ₹ 8.60/quintal which would be payable only if the actual sugar and by-product prices are not more than the prescribed prices of ₹ 3100/quintal of sugar, ₹ 390/quintal for molasses, ₹ 167/quintal for bagasse and ₹ 26/quintal for press mud. In case, the actual prices are higher than the prescribed prices, the subsidy of ₹ 8.60/quintal will reduce accordingly.
- ▲ A further subsidy of ₹ 20/quintal which is payable if the actual prices of sugar & by-products during the period from October, 2014 to May, 2015 are lower than the prescribed sugar and by-product prices. The exact amount of subsidy will be determined based on the extent by which actual prices are lower than the prescribed prices by a Committee under the stewardship of the Chief Secretary.

### All India & State wise Sugarcane Price

(₹/tonne)



Source: Industry data



While the benefits announced are not in line with the recommendations of Dr. Rangarajan Committee report, nonetheless it has been a departure from announcing a fixed SAP and has given some comfort to the Industry that the norms could be further improved in future.

The other major sugar producing States, Maharashtra and Karnataka, decided to adopt the Dr. Rangarajan Committee Report and accordingly, constituted a Sugarcane Control Board to monitor and implement the recommendations. The formula for determining price of cane was based on –

- ▲ 70% of revenue realised from sugar and primary by-products (bagasse, molasses & press mud) or
- ▲ 75% of revenue realised from sugar alone (giving 5% weightage to by-products)
- ▲ This is subject to a minimum sugarcane price of FRP

Subsequent to these developments, the sugar prices kept declining month after month as the actual production was much higher than the earlier estimates and this decline also mirrored international prices, which also declined on account of the fifth consecutive year of surplus production. The substantial depreciation of Brazil Real (BRL) against USD also contributed to the free fall of international sugar prices. The sugar prices have declined to an extent that even the payment of FRP across the country is difficult. All this has spiralled into enormous cane dues – around ₹ 21000 crore, of which UP alone accounted for over ₹ 8000 crore.

The main reason for distress and acute financial hardship is the manner of fixation of cane price: FRP was fixed based on

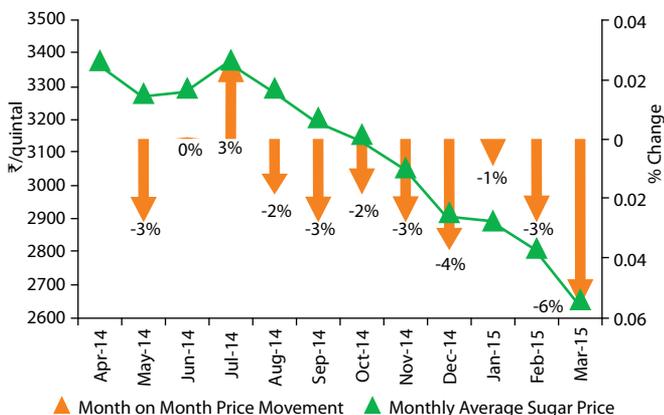
the recommendations of Commission of Agricultural Costs and Prices (CACP) which assumed sugar prices between ₹ 30,000 - 34,000/MT while all India whole sale sugar prices in May, 2015 had declined to a level of ₹ 26500/MT. Further, cane cost in sugar, as per the cane price package announced by the UP Government and including all subsidies, is higher than the prevailing sugar prices. Obviously, it is impossible to pay cane prices with the given sugar prices. All this has clearly exposed the flaws in fixing cane prices, be it FRP or SAP. The Government does understand the gravity of situation and it now needs to usher in reforms in the cane pricing mechanism to protect the interest of the two key stakeholders – farmers and sugar mills who are dependent on each other and also save the industry from bankruptcy and to harness its true potential.

Instead of increasing the cane price disproportionately, there is a need to augment incomes of the farmers by increasing productivity, the scope of which is enormous especially in UP where the yields are much lower than the western and southern sugar producing states. However, the focus and thrust of Government is sadly missing in this area and even the cash starved private sector is unable to partner with farmers to improve their yield due to lack of capital. This alone is the solution to the problem to address the interest of farmers and sugar mills.

It is, therefore the most opportune time to adopt in entirety the recommendations of the Rangarajan Committee for pricing of sugarcane, which is based on revenue sharing principle, and it should be dovetailed with Minimum FRP to be computed based on realistic assumptions of sugar prices.

### Sugar Pricing

Sugar prices are on the decline since July, 2014 and during this period, the sugar prices have declined by over ₹ 7 per kilogram, while in percentage terms the decline has been over 20%. The decline in the domestic market is in sync with international prices, as globally, Season 2014-15 will be the fifth consecutive year of global surplus sugar production.



Source: Monthly Average NCDEX Spot Prices

### Government's Support to the Sugar Industry

A huge mismatch between sugarcane price and sugar realisations in SS 2013-14 has substantially dented the financial health of the sugar industry, especially in UP, leading to cane arrears at the end of SS 2013-14 of more than ₹ 13,000 crore across the country, out of which almost 58% was for the state of UP alone as on March 31, 2014. In order to help the industry and farmers during this difficult times, the Central Government and UP Government announced some limited measures. The UP Government announced a sugarcane subsidy for SS 2013-14 at ₹ 6 per quintal of cane in case all the sugarcane arrears were cleared by the sugar mill on or before November 20, 2014.

An export subsidy for raw sugar was announced by the Central Government in August 2014 at 3371/MT valid from August 1, 2014 up to September 30, 2014. Despite delayed announcement by about 5 months and despite global prices having declined in the intervening period, substantial exports of 2.2 million tonnes were achieved. The need of the hour was to continue with the export incentives in view of expected surplus production in SS 2014-15 but the Government took its own time and again announced incentives towards February, 2015 end at ₹ 4000/tonne for a quantity of 1.4 million tonnes. Unfortunately, by that time the ongoing season was largely over and there was a limited



scope to manufacture raw sugar and further, the global prices had further plummeted, thereby rendering exports unviable – exports of only 0.3 million tonnes could take place.

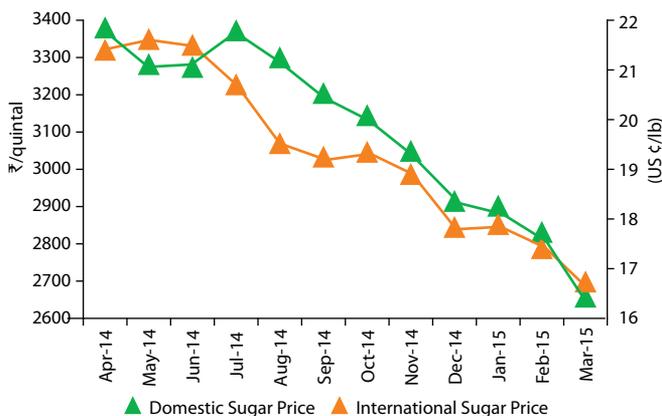
An increased provision for blending of ethanol (obtained from molasses, a sugar industry by-product) with petrol from 5 percent to 10 percent has also been made by the Central Government. It is one of the areas which has the potential of improving the fundamentals of the sugar sector if pursued seriously by the Government. Ethanol can be made from normal molasses (a by-product in the manufacture of sugar), 'B' heavy molasses or directly from sugarcane juice and this route can be effectively used to regulate the production of the sugar. It has the potential of ensuring fuel security for the country and for conserving foreign exchange. However, the success of the programme lies in the complete commitment and support of the Government and it may even have to support higher prices of ethanol to ensure viability of ethanol manufacturers.

During the year, the Government of India has increased the import duty on sugar from 15% to 25% and lately to 40% this move was mainly to improve sentiments as otherwise, at the current domestic and international prices, the imports into the country are not viable. The continuing rupee strengthening against USD is a hindrance to exports whereas Brazil, the largest sugar producing country, has stood to gain due to around 30% depreciation of its currency against USD.

### International Market

The international sugar market in 2014-15 season witnessed a fifth successive year of global surplus production, and the market traded at 6-year low at the end of March, 2015. Industry estimates indicate a global production at 185.2 m mtrv (metric tonnes raw value) in 2014-15 and global consumption at 182.6 m mtrv in 2015 which is 2% higher than last year. Despite falling sugar prices globally, the sugarcane planting pattern has not changed. The reason is that the farmers have been sheltered from the declining prices due to Government policies and in many countries sugar mills are bearing the brunt. The steep decline in Brazilian Real over the last one year by about 30% has also impacted global trade of sugar from other countries.

### Domestic and International Sugar Price Movement



Source: Domestic prices – NCDEX spot and International prices – USDA monthly average

As can be seen from the above graph, the domestic prices and international prices moved more or less in tandem and both were on a declining trend during the course of 2014-15.

Brazilian sugarcane production is projected at 648 million metric tonnes for the 2015/16 marketing year, which is an increase of 3% from the revised estimates for the previous year. The increase is due to higher sugarcane area harvested and a marginal increase in yield. It is estimated that approximately 43% of the crop may get diverted to sugar, down 0.5% compared to the previous season. The sugar production is estimated at 35.8 million tonnes during 2014-15.

The Brazilian Government announced an increase in ethanol blending with gasoline from 25% to 27% and a fuel tax, called Cide on gasoline and diesel w.e.f. February 1, 2015 that makes the alternate fuel, ethanol, more competitive in comparison.

This would help the ailing sugar industry as more sugarcane could be diverted towards ethanol production in the country.

In Thailand, sugar production is likely to decline to around 11 million metric tonnes in 2014/15 which is a decline of 3% from 2013/14 due to the dry weather condition which prevailed in 2014. The sugar production is expected to increase by 4% in 2015/16 due to increase in sugarcane production. The Thai Government has announced incentives under the 5-year Agricultural Restructuring Program starting from 2015/16 which is expected to push the sugar production to 11.4 million tonnes even though the sugar prices will remain subdued due to large inventories and depressed global prices. Sugar exports in 2015/16 are expected to increase to ~9 million tonnes.

### Outlook

The last two years have considerably eroded the net worth of the sugar mills. The more integrated mills were somewhat able to manage the situation but the Sugar Season 2014-15 will impact them all. Earlier, the hardships were by and large more pronounced in UP but the crisis in 2014-15 has spread to even FRP paying states. The cane dues have mounted to a staggering ₹ 21000 crore and with no hope for sugar prices to improve in the near future, there is no solution in sight. The bankers are sceptical to lend to sugar mills as several of their borrowers are financially sick and have either asked for restructuring of loans or are with Board for Industrial & Financial Reconstruction (BIFR). The confidence of the banks has been shattered as a result of the ruling of the Allahabad High Court wherein it was held that the payment of cane dues has precedence over their security (by way of margin) against the working capital facilities provided to sugar mills. Under the circumstances, the State/Central Governments may have to step in to rescue the beleaguered industry and/or take measures to increase sugar prices, which may fund the cane dues.

The staggering amount of cane arrears across the sugar industry is a matter of grave concern for the Industry, farmers and the Government. More than the short term incentives, the industry needs some radical policy changes through rationalisation of cane price and only then will the industry be able to meet its cane price liability on time and invest in allied areas. A beginning has been made for the linkage of cane price with the sugar price in Maharashtra and Karnataka, which together roughly accounts for over 50% of the country's production. Now if it is not replicated in UP, which



is the second highest sugar producing State, with immediate effect, the entire industry will turn into bankruptcy, with no buyers for the produce of millions of farmers.

Various representations have been made to the Central and State Governments to come forth to help the industry at this crucial juncture and some of the key demands have been:

- ▲ Help the industry to pay the cane dues – Central Government to meet the difference to the extent FRP is unrealistically fixed and the State Government to bear the gap between FRP and SAP;
- ▲ Provide loans and grants with complete interest subvention to tide over cane dues;
- ▲ Take short term measures to boost the sugar price through creation of buffer stocks by outright purchase of sugar from mills;
- ▲ Ensure a fair and transparent system of cane price fixation mechanism for future, fully implementing recommendations of Dr Rangarajan Committee Report;

- ▲ By giving fillip to ethanol blending programme to regulate sugar production and to evolve a profitable revenue stream; and
- ▲ Carry out a complete one-time financial and debt restructuring of sugar mills after policy reforms, removing impediments to growth and ensuring viability of the industry.

The outlook of the industry and that of the Company is highly dependent on the actions that may be taken by the State/Central Governments to ensure viability of sugar mills. However, the Company is relentlessly working on increasing its operational efficiencies, instituting cost controls and increasing productivity in respect of all controllable factors to make its operations resilient. One of the focus areas for the Company is the cane development. The Company has chalked out an aggressive plan to increase yield and high sucrose cane varieties to benchmark its operating parameters to the best in the industry.

## Sugar Business

### Performance of Sugar Units

Triveni operates seven sugar units spread across the State of UP. Most of its mills are located in the Western and adjoining Central UP areas while the Ramkola unit is located in Eastern UP. Command area for the 7 units of Triveni accounts for 8% of total sugarcane grown in UP. Weightage of Cane crush by the Company is equivalent to 6.7% while sugar output is equivalent to 6.9% in the State.

(In Million Tonnes)

Sugar Units	SS 2014-15			SS 2013-14		
	Cane Crush	Recovery (%)	Sugar Output	Cane Crush	Recovery (%)	Sugar Output
Khatauli	1.52	9.31	0.14	1.26	8.79	0.11
Deoband	1.00	9.41	0.09	0.80	8.78	0.07
Sabitgarh	0.47	9.47	0.04	0.60	9.66	0.06
Chandanpur	0.54	10.26	0.06	0.47	9.86	0.05
Rani Nangal	0.56	10.12	0.06	0.45	9.62	0.04
Milak Narayanpur	0.39	9.25	0.04	0.36	9.39	0.03
Ramkola	0.64	9.63	0.06	0.70	9.99	0.07
<b>Total</b>	<b>5.13</b>	<b>9.57</b>	<b>0.49</b>	<b>4.65</b>	<b>9.32</b>	<b>0.43</b>

Sugar operations continued its losses during the year under review on the back of higher cane prices and declining sugar prices. The softening of prices have been due to consistent supplies owing to extensive pressure both in Maharashtra and Uttar Pradesh to pay the sugarcane price, higher estimates of production in the ongoing season and weak prices prevailing internationally. Apart from packaged branded sugar, the refined sugar is also being supplied to high grade end users, thereby creating a niche customer profile. The Company manufactures refined sugar which forms around 40% of the total sugar production. The units at Chandanpur & Rani Nangal are adhering to the best in class manufacturing process & quality and supply sugar to major multinational soft drink companies for their requirements. All these initiatives led to a better realisation in comparison to bulk sale to traders.

The sugarcane crush during the year was higher due to higher number of operating days as the season commenced earlier than the previous season. On account of improved recoveries by 25 basis points, the overall year on year sugar production, which stood at 0.49 million tonnes, grew by 14%.

The Company has committed to embark on a massive cane

development programme to improve the recoveries and crush of the sugar mills substantially. It is important to have the best operational efficiencies to be able to meet the cyclicalities and vagaries of the much regulated sugar industry. The Company has started pilot projects under its cane development initiatives on maturity based harvesting which has resulted in significant drop in staleness of sugarcane & increase of sucrose content. The results of these efforts led to a change in the varietal balance which is a crucial factor for better recoveries. The incidence of disease especially in Western UP, which had a decline in recovery last year, had been arrested this year by cane monitoring and disease mitigating activities. This coupled with timely rainfall also helped in improving the sugar recovery. The Company believes in working with the farmers to create a win-win proposition for the Sugar business and farmers.

During the year, the Company commissioned an incidental co-generation plant at Sabitgarh and started export of power. Export of power from Incidental co-generation units at Chandanpur, Milak Narayanpur and Sabitgarh resulted in a revenue of ₹ 12 crore in FY 15.

### Co-generation Business

Bagasse, Molasses and filter cake are three main by-products of the sugar Industry. Co-generation plants utilise one of the main by-products - bagasse (a fibrous residue left after cane crushing and extraction of juice) as fuel which has emerged as a viable economic option for enhancing the value of bagasse and earning revenue through sale of surplus power. It has been experienced that installation of co-generation plants, acts as big driver for enhancing the energy efficiency of the sugar units. Bagasse, being a renewable fuel, adds no net carbon dioxide in the atmosphere and, therefore, bagasse based co-generation plants are regarded as environment friendly, green fuel based plants.

Triveni, entered into Co-generation business in 2004 with the commissioning of its first co-generation plant at Deoband unit. The Company currently operates six units which are grid connected and spread across five sugar plants. It comprises of three full-fledged co-generation plants at two sugar units viz., at Khatauli & Deoband and three incidental co-generation plants at Sabitgarh, Chandanpur & Milak Narayanpur. After meeting sugar factory's as well as co-generation plants' auxiliary requirement, surplus power is exported to the grid. The Company has power purchase agreements (PPAs) with



Uttar Pradesh Power Corporation Limited (UPPCL) for all its co-generation facilities.

Co-generation plants utilise state-of-the-art technology and maximise efficient usage of bagasse and run on a highly efficient 87 ata / 515°C steam cycle.

### Facilities

The co-generation capacities at Khatauli and Deoband are regarded amongst the most efficient co-generation plants in India. The Co-generation facilities of Deoband & Khatauli (phase 1) utilise extraction cum condensing turbines and therefore, can operate both in sugar season as well as in off-season. Phase 2 co-generation facility at Khatauli utilise backpressure turbine. The incidental co-generation facilities at Chandanpur, Milak Narayanpur & Sabitgarh units utilise backpressure turbine with boiler outlet steam parameters of 46 ata/440°C and can operate during season only.

During FY 15, the Company commissioned 6 MW incidental co-generation power plant at its Sabitgarh unit. The project involved, inter alia, installation of a new 6 MW backpressure TG set along with all auxiliary equipment and inter-connection with the UPPCL's substation for export of surplus power.

The Company's co-generation plants are designed to have fully automated operation using latest Distributed Control System (DCS). The Company puts significant emphasis on efficient boiler feed water quality management so as to maximise the uptime and sustained operation of the co-generation plants. Highly skilled & trained manpower operates these plants so as to ensure trouble free, efficient and very high operating efficiencies.

Triveni's Deoband co-generation facility is also a pioneer in

usage of large quantum of Kolhu's (country side small jaggery producing units) bagasse which is considered a difficult fuel to burn apart from some other biomass fuels including wood chips, cane trash etc.

### Performance Overview

The optimal operation of the co-generation plants depends on the number of operating days and efficient operation of the sugar factory so that process steam consumption is low and bagasse transfer to the co-generation plant is maximum. Owing to higher than previous year's cane availability in sugar units, as well as early start of the sugar crushing operations, during the year, the operations of co-generation plants of the Company has been higher in comparison to previous year.

Deoband and Khatauli co-generation plants of the Company are registered under Clean Development Mechanism (CDM) projects with United Nations Framework Convention on Climate Change (UNFCCC), and thus are eligible for the carbon credits. As the market for carbon credits continues to be depressed, the Company is holding about 90,000 issued CERs for the period June 2011–February 2012 and the same shall be transacted at an appropriate time. Further verifications of the carbon credits earned/accrued have also been put on hold till the market improves.

Triveni's Deoband, Khatauli, Milak Narayanpur & Chandanpur co-generation facilities are also eligible for Renewable Energy Certificates (REC) as these units are registered as per CERC REC regulations 2010. REC issuance in respect of its registered projects is underway and earning revenues through transaction of the RECs on regular basis.

### Outlook

The UPERC announced revision in applicable tariff for the export of power from bagasse based co-generation plants in January 2015. The revised tariff, applicable from 20th January 2015, is higher by ₹ 0.49 paise per unit over the previous applicable tariff. Going forward, higher tariff applicable on exported power will continue to provide good returns to co-generation business.

The Company continues its focus on achieving higher energy efficiency in its sugar units there by making available more bagasse for co-generation plants and thus higher power exports. The RECs continue to provide some support revenue, which is currently being transacted at base price of ₹ 1500/REC due to surplus availability in the market as well

as due to lack of enforceability of the Renewable Purchase Obligation (RPO) obligation, though potential from this is much higher. We expect some positive movement in enforceability of RPO by the obligated entities including remaining states which will create demand for RECs.

## Distillery Business

Molasses is one of the key by-products in the sugar manufacturing process. The sugar (Sucrose, Glucose & Fructose) left in molasses after economical extraction of the sucrose (marketable sugar) by the sugar factory can be converted into ethyl alcohol or simply alcohol gainfully through various enzymatic processes.

The Company entered into Distillery business in 2007 with commissioning of a 160 KLPD capacity state-of-the-art distillery in Muzaffarnagar district in UP. It is one of the largest single stream molasses based distilleries in India. The location of the distillery allows it to meet most of the raw material requirement through two of its largest capacity sugar units located in close proximity. The distillery unit extracts bio-gas from the spent wash (distillery effluent) through bio-methanation process and uses it as main fuel in the boiler.

### Performance Overview

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

on the market requirements. During FY 15, distillery operated at 100% capacity and produced approx 40 million litres of alcohol.

**Extra Neutral Alcohol (ENA)** - Triveni is a high quality producer of ENA and is the preferred supplier to all reputed Indian potable alcohol manufacturers. ENA fetches one of the highest realisations and has contributed 47% of the distillery sales in 2014-15.

**Ethanol** – Also known as anhydrous alcohol or fuel alcohol is blended with petrol as a green fuel. Apart from adding to fuel self-sufficiency measure with cost advantage, blending of ethanol with petrol helps the country to reduce its carbon footprint along with saving in foreign exchange on import of crude oil. The Government of India has implemented 5% mandatory blending of ethanol and therefore, the off-take by Oil Marketing Companies (OMCs) has been steadily improving, though further improvement in the system is required to achieve higher Ethanol blend percentage. It is estimated that for 5% blending, the requirement of ethanol would be in the range of 70 - 80 crore litres. Procurement of ethanol by OMCs is through tenders. Triveni participated in all such tenders and has been successful in procuring sizeable quantities of supply of ethanol. During the year, approx. 45% of the sale of distillery products had been of ethanol with high realisation. It may be noted that the ethanol requirements by OMCs also helps stabilising the prices of other forms of alcohol.



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

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

#### Recognition & Awards

Triveni is the first Company in UP which obtained a certificate from Food Safety and Standard Authority of India (FSSAI) for the manufacture of RS (P) and ENA in its Distillery unit. The Company puts significant emphasis on meeting safety and security norms at its Distillery facility and bagged awards in the past. Distillery business unit won National Award for Manufacturing Competitiveness for the year 2014 Instituted by International Research Institute for Manufacturing Competitiveness.

#### Outlook

The Government has consistently shown its renewed interest in pushing for higher Ethanol blend percentage by OMCs. The Government is working towards clearing various hurdles faced by the distillery units during implementation of Ethanol blending programme. The Company is geared to take full advantage of this and moving towards further increasing the ethanol sales in its total sales volume.

Owing to the growing preference of the grain based ENA in the market, ENA sales is expected to be the second highest percentage of the total sales mix after Ethanol going forward. Triveni continues to be a key player in the market as it commands premium for its ENA quality and consistency.

### Engineering Businesses - Industry Overview

Triveni's Engineering Businesses comprises of two distinct businesses, namely, Gears Business Group (GBG) and Water Business Group (WBG). Both the businesses cater to the requirements of the industrial & utility power sector. WBG additionally caters to the needs of the Municipal Sector. As a part of the industry analysis, brief analysis of capital goods sector including power sector and in general about water industry is given here.

#### Capital Goods Sector

Capital goods are used to manufacture industrial goods and services and include machine tools, industrial machinery, process plant equipment, electrical equipment etc. Capital goods is considered as a strategic sector that results in the development of domestic manufacturing / production/ generation capabilities from a nation's self-reliance and security perspective. The growth in capital goods sector has a multiplier effect in the user industries and it also serves as a barometer of state of health and growth of the user industries. Capital goods sector provides critical input, i.e., machinery and equipment to the remaining sectors covered under the manufacturing activity.

The slowdown in infrastructure as well as key user industries during the past few years has negatively impacted the capital goods industry which in turn resulted in sluggish order inflows, delay in taking deliveries / execution of projects, delayed payments etc. As per Use-based classification, Index of Industrial Production (IIP) of Capital goods registered a cumulative growth of 6% during April to February 2014-15 as against -2.6% registered for 2013-14. IIP for manufacturing sector registered a growth of 2.2% from April-Feb, 2015 as against -0.7% in 2013-14.

The overall markets still remained subdued and the expected boom in the infrastructure and investments were not seen in this year. With Government's initiatives such as coal auction etc., there has been some revived interest at enquiry level, which may fructify into orders in the coming quarters.



## Outlook

India is still an emerging economy in terms of industrialisation and infrastructure. Capital Goods sector, hence plays a vital role in overall industrial and economic growth. Aided by growth promotion policies, the sector should grow and generate orders similar to the levels attained in 2005-10 period.

The Government has initiated various measures to improve the investment climate in the country and we expect the sector could show signs of revival during the coming quarters and post higher growth in the medium term. In a growing economy like India, it is envisaged that the growth trajectory of capital goods industry may be inevitable and may resume shortly.

## Water Industry

With a diverse and second largest population in the world, India's water supply continues to be inadequate, despite various efforts by the Government and communities. Though the level of investment in water has increased in the past decade leading to improvement in availability and quality of municipal drinking water systems, still a large population has stressed planned water resources and rural areas are left out. Regardless of the fact that share of Indians with access to improved sources of water has increased significantly from 72% in 1990 to 88% in 2008, many other water sources are contaminated with both bio and chemical pollutants, and over 21% of the country's diseases are water-related.

One of the major concerns facing the country today is that it may lack overall long-term availability of replenishable water resources. The water scarcity in the country is expected to worsen as the overall population is expected to increase to 1.6 billion by year 2050.

Currently, India has an urban population of 31% and is at a point of transition where the pace of urbanisation will speed up. Consequently, water and wastewater treatment segments will continue to offer huge business potential in India in future. Country's growing industrialisation coupled with stringent environmental norms is opening up newer possibilities in water and wastewater treatment.

The rapid urbanisation has led the Government to start working towards sustainable development plan for urban areas. The model of Smart City has been introduced by the Central Government last year to handle this large-scale urbanisation. The Prime Minister has a vision of developing

'one hundred Smart Cities', as satellite towns of larger cities and by modernising the existing mid-sized cities. One of the key areas to be addressed through smart cities is the water supply system.

It is proposed that Smart cities should have adequate availability of piped water supply that also meets benchmarks of water quality, pressure, etc. across the city. Dual water supply systems should be in place to serve the needs of drinking water and other needs would help in recycling water and conserving it. The basic idea is that not even a drop of waste water should go out of the local area. All this opens up avenues for water treatment and waste water management. Government of India has planned to phase out National Urban Renewal Mission and plans to launch "100 Smart Cities" in India by 2022. In the Union Budget 2014-15 the Central Government has allocated USD 1.5 billion for development of 100 smart cities. Under this initiative, the Indian Ministry of Water Resources has planned to invest USD 50 billion in the water sector in the coming years.

A recent study estimates that the overall Indian water sector will be worth about USD 130 billion by 2030. Another estimate puts India's total water and waste water treatment market worth about USD 420 billion with annual growth rate of 18%. The Government's twelfth five year plan (2012-2017) states that economic growth of 8-9% is possible only if water related requirements of the growing population are met.

Sectors such as, Chemicals, Food & Beverages, Mining, Power Generation, Refining, Pharmaceuticals are all dependent on availability of water. In order to ensure water sustainability for industrial consumption, it is essential for the companies working in these sectors to invest in effluent treatment systems and other technologically advanced water and waste water treatment processes such as recycle and tertiary treatment of water. The stringent environmental regulations have further pushed the need to regularly upgrade to technologically advanced processes to ensure environmental sustainability. According to industry estimates, the Indian water and wastewater treatment market earned revenue of over ₹ 6300 crore in 2011 and is estimated to reach ₹ 10230 crore in 2016.

The largest source of surface and ground water pollution in India is untreated sewage. Sewage discharged from cities, towns and some villages is the predominant cause of water pollution in India. A large number of Indian rivers are severely

polluted as a result of discharge of industrial & domestic sewage. Investment is needed to bridge the gap between sewage generated and treatment capacity of sewage.

The Government of India has realised this and initiated the Clean Ganga Mission last year. The extreme pollution of the Ganges affects 400 million people who live close to the river. Nurturing Ganga back to life and creating a safe and better ecosystem is the aim of this mission. Key interventions of immediate action planned include: rehabilitation and upgradation of existing sewage treatment plants, sewerage infrastructure and industrial pollution abatement. The Government had allocated an initial sum of ₹ 2037 crore in the Union Budget 2014-15.

However, the efforts had not yielded desired results because of the lack of concerted efforts by all the stakeholders. An Integrated Ganga Conservation Mission called “Namami Gange” has been proposed to be set up with a sum of ₹ 2037 crore. The estimated cost by Ministry of Urban Development (MoUD) for expanding coverage of sewerage infrastructure in 118 urban habitations on the banks of Ganga is ₹ 51000 crore. Similarly for other rivers like Yamuna, Yamuna Action Plan Phase- III project for Delhi is approved by the Government at an estimated cost of ₹ 1656 crore.

Water and waste water treatment industry in India is expected to grow rapidly in the coming years thus creating an excellent business opportunity for generating revenues.

## Gears Business

Triveni's Gears Business Group (GBG) manufactures engineered-to-order high speed & specialised and customised low speed application gearboxes.

Contrary to what was envisaged at the start of the year, the overall markets remained subdued and the expected boom in the infrastructure and investments were not seen in this year. Despite several initiatives undertaken by the Central Government, the domestic market remained sluggish.

During the fourth quarter of FY 15, there was some interest from customers in the form of enquiries. The major market segments for GBG - from OEM and retrofitting perspectives - are Oil & Gas, sugar, cement, Captive Power Plants (CPPs), Independent Power Producers (IPPs), thermal, steel, rubber (tyres manufacturers), mini Hydel etc.

The sentiments of the market especially related to the business growth were quite negative in domestic market. Power turbine market showed a lower growth this year as compared to FY 14. However approx. 35% of steam turbines demand was from export projects through OEMs in India, which had been a balancing factor to contain the downtrend.

GBG has a reasonable presence in the thermal sector for Boiler feed pump drives as well as supplies for loose gears. Due to the coal allocation issues, many thermal plant projects were delayed or cancelled, thus impacting growth in the segment. Similarly, gas turbine segment did not see any



major orders. There was no new project investment in the low speed segment during the year. However, mini Hydel segment witnessed some activity in terms of new enquiries from Gujarat but the environmental issues in southern states and funding dampened this segment's growth to some extent.

Repair, Retrofitting and aftermarket showed respite due to high degree of push given combined with mechanism adopted to have accurate forecasting supported by advance manufacturing. Total aftermarket products and services contributed to 45% of total turnover of the business.

During Sep, 2014, GBG signed a Strategic Supply Agreement (SSA) with GE (Oil & Gas) for high speed and also low speed products with no restrictions on geographies. Orders have started flowing in towards the later part of FY 15 and first gearbox of 54 MW power for gas turbine application was shipped to USA. GBG expects SSA to contribute large share in the growth of the business over the coming years.

### Sub-Segments

- ▲ **OEM:** GBG has around 85% domestic market share across OEMs and around 30% in low power hydel segment. In the export market also (mainly South East Asia), GBG has gained substantial market share in the OEM segment.
- ▲ **Refurbishing, Replacement and Spares:** Traditionally, this has been a dominant market segment for GBG as it enjoys the credibility of being an OEM. This market is relationship driven and thrives on networking with all stakeholders including major service providers of complimentary equipment installed in the complete turbo train. GBG caters to the products same as in OEM segment and all other critical niche low speed segment.

GBG proactively provides health monitoring services for all types of critical gearboxes, high speed and low speed, as well as maintains an inventory of dimension ready sites for immediate solution. GBG's solutions are technologically at par and cost competitive when compared to international companies. This together with a competitive lead time, have been the major drivers for capturing majority of opportunities.

Commercial and proactive marketing, expanding network and relationships are the key differentiators for spares, repair and replacement markets. The speed and quality of solution has always had a positive impact on improving our market share vis-a-vis the original equipment suppliers.

- ▲ **Loose Gearing:** Market dynamics in this segment is similar to the OEM segment. But this segment also demands a capacity availability of critical machines like hobbing, teeth grinding as well as surface grinding and this helped GBG in maintaining a strategic presence into the segment.

### Performance Overview

With the sluggish overall economic activity, capex plans in various industries are put on hold and the order finalisation for new gearboxes is being delayed. For the year ending March 31, 2015, GBG posted a turnover of ₹ 103.30 crore, a growth of over 7% with an annual order booking of ₹ 110.00 crore.

Despite a shrink in the overall market, GBG maintained its market leadership. Addition of new customers has enhanced customer base of both new OEMs in Europe and end users in retrofitting segments, which have been helpful in increasing the foothold in the market. Orders received from Lufkin (GE-Oil & Gas) under the SSA were encouraging to start with in the first year of SSA. This is expected to fuel growth and achieve substantial sales turnover during FY 16.

GBG continued its journey of business excellence and was awarded Strong Commitment to Excel recognition by CII-Exim Bank for the second time. In-house R&D efforts led to the development of horizontal planetary gearbox for sugar mill application. R&D team is also working towards further development to bevel planetary during FY 16.

### Segmental Turnover

(in ₹ crore)

Segment	FY 15	FY 14	FY 13
Captive	25	20	22
OEM Non Captive	26	29	29
Retro	40	34	43
Exports	12	13	4
<b>Total</b>	<b>103</b>	<b>96</b>	<b>97</b>

*For comparison Apr-Mar period has been considered*

During the year, GBG has committed to a significant investment for expanding the capacity of entire plant to meet estimated increased orders, including arising from SSA. The expansion is expected to be complete by the end of the second quarter of FY 16.

### Exports

The focus on exports has started to yield positive results in spite of limited geographical territories available to GBG

due to its technology license with GE Lufkin. However under 7.5 MW segment, GBG continued to receive orders from existing key customers and also added major new OEM customers in the exports market.

GBG has signed a long term agreement with a local partner in Malaysia gaining entry into one of its major clients in Oil & Gas sector after having successfully supplied and commissioned first integrally geared compressor retrofitting by replacing existing gearbox. This tie up shall be helpful in tapping immense retrofitting potential as well approval for new projects as a vendor. Good progress is being made to ascertain viability of setting up a service center at some select country in SE Asia or Middle East to tap large aftermarket potential through the repair and service route.

After two years of successful running of planetary mill gearbox at Deoband, GBG is in the process of developing this product in 500 to 2000 KW power range aiming at exports markets where margins are better than the domestic market.

The major boost however in exports is envisaged from the sourcing drive of GE Lufkin and GE Oil & Gas during FY 16 and beyond.

### Key Highlights

GBG successfully executed many critical high speed gearbox replacements like:

- ▲ 54 MW Frame 6 load gearbox as replacement for GE Lufkin USA.
- ▲ Special test rig gearbox for traction motor of power 1500 KW with multiple inputs and outputs.
- ▲ 25 MW gear internals for Seisa 745 KW test rig gearbox of 30000 RPM for a pump testing at GTRE.
- ▲ 5MW 5338/1500 RPM test rig gearbox for cryogenic pump testing for LPSC (Liquid Propulsion Space Centre).
- ▲ Design of replacement of API 613 gear internals for integrally geared compressor gearbox in Malaysia for a leading Company in Oil & Gas sector for 1400 KW, 2980 to 27685 RPM. This project had hirth gearing on pinon face and GBG's recently commissioned hirth attachment was deployed successfully for this job.

### Some of the key highlights in OEM space:

- ▲ 41.3 MW STG gearbox for Triveni GE JV.
- ▲ 6.4 MW hydro vertical offset speed increaser gearboxes for BFL Hydro.

### Research & Development

R&D efforts towards new product development have continued its pace at GBG. As a result of its concerted effort in development, GBG expects to launch new products especially for higher range of sugar planetary gearboxes, bevel planetary gearboxes for coal and cement industry as well as gearboxes for solar thermal application in the coming years.

### Outlook

Indian economy and GDP is expected to grow substantially in the coming years compared to the growth in the past few years. With the Make in India concept being marketed globally and India being a low cost manufacturing base for OEMs and MNCs, it is expected that a large number of orders would come from export markets resulting in growth for GBG. The occasional postponement of orders and projects will continue to pose challenges for better alignment to flexibility in sourcing and manufacturing.

Once the capital goods industry is revived, the order intake should improve considerably as this business has a strong market leadership in the country and has also expanded to many overseas markets. Going forward, it is expected that business sentiments in the capital goods industry may improve, not just within the country but even globally. The business is getting tremendous amount of interest from South East Asia, Latin America and parts of Europe.

The business is in the process of finalising a bevel planetary arrangement which will allow it to address the heavy duty requirements of the power, coal and cement industry. This would again open up a brand new area of expansion. The exports in oil and gas segment are also looking up and expected to have a good enquiry book.

With business sentiments and growth returning with the fresh initiatives of the Government, the performance of the business is also expected to improve. GBG will be able to capitalise on such turnaround in the overall investment cycle, leading to improved performance going forward.

### Water Business

Triveni's Water Business Group (WBG) has demonstrated its Project Management capabilities across most complex and large water and wastewater treatment plants in Municipal & Industrial space. These plants set up by WBG, across India, demonstrate the Company's commitment to go an extra

mile to ensure these facilities are well integrated with the ecosystem and not just standalone solutions.

During the year, WBG continued its efforts in expanding new areas, particularly still nascent business model for Management of City utilities, in an integrated manner so that Water and Wastewater issues for urban centres are coordinated in such a way that citizens, Urban Local Bodies (ULB) and the Operator are engaged in a mutually beneficial situation. These efforts are a step towards achieving the national conceptual plan of Smart City model and are likely to generate new enquiries in the coming years.

WBG's market eminence as a strong technology player moved to next level with the successful completion of some of the most challenging projects during the period. This was amply supported by marked improvement in efficiency and efficacy in our project delivery mechanism for which all round initiatives were taken across business processes in the last few years.

#### Performance Overview

Over the last year, market despair has given way to optimism, though, on the ground, real business opportunities remained very limited. While various stalled projects in municipal segment have been revived, Industrial sector is yet to show signs of revival awaiting changes on the ground which in turn should improve the investment climate.

In the above market situation, various projects in target markets are awaiting finalisation and, in the interim, WBG continued their focus on completion of the jobs in hand. Due to continued market liquidity constraints, WBG kept focus on

PSU jobs instead on private sector in Industrial segment and secured some good orders from national Power PSU during the fiscal.

In the previous years, extensive product development initiatives were taken with successful design models for various process applications. Most of these developed products were put in operation during the period and expect to add to the product portfolio of WBG in future. For some other products, the development initiatives are continuing and target is to put them for field trials during the next fiscal.

#### Key Highlights

▲ Agra Water Treatment Plant (WTP) project is one of the most prestigious projects of WBG and its commercial operation commenced during the period after successful demonstration of Performance Guaranteed (PG) test. WTP of 149,000 M3 per day (149 MLD) design capacity has advanced technology deployed by world's most renowned technology houses under the leadership of Triveni. The WTP is producing drinking water for over one million citizens. This is first ever WTP of this capacity utilising Moving Bed Bio Reactor (MBBR) technology at this scale in multi stage reactor with most optimal process control and is the largest MBBR installation globally. This is also the largest capacity plant in India utilising Ultra-filtration membranes for Drinking Water on surface water application.

A major challenge for this WTP was removal of biological pollutants as well as higher than normal level of ammonical nitrogen in raw water from Yamuna River in the Agra stretches. Accordingly, this state-of-the-art high



technology WTP was designed for the contamination removal with minimal intervention of disinfectants like chlorine which is a health hazard beyond a defined level and the WTP reduced upto 10% of earlier chlorination level.

The WTP is fully automatic and controlled through elaborate SCADA based controls and is simultaneously built-in with multiple layers of fail-safe controls. This plant has generated immense interest across market and academia having demonstrated health-friendly option of treating contaminated raw water sources like this which is prevalent in number of river stretches across India. The plant was set-up for Uttar Pradesh Jal Nigam (UPJN) under JICA funded Ganga Jal project for the city of Agra.

- ▲ WBG has initiated commissioning activities for 100,000 M<sup>3</sup> per day (100 MLD) capacity Sewage Treatment Plant (STP) for the city of Gurgaon for Haryana Urban Development Authority (HUDA).

While the secondary level operations have been largely stabilised, the STP has been provided with Waste-to-Energy facilities to produce power through biogas from waste solids of the STP. This will be brought on stream during the next fiscal and once stabilised, most of the power requirement for running the STP is likely to be met with in-house power generation facility, once design level of biological load is available in the raw sewage.

This will be one of the largest capacities STPs in the region with potential of generation upto 1.6 MW through in-house Waste-to-Energy plant.

- ▲ Reflecting on emerging market opportunities in short to medium term, WBG finalised various agreements with global leaders in target Industrial sectors.

### Outlook

After a sluggish 3 to 4 year period, the market outlook is positive. Various initiatives of the Central Government have led to an improvement in market sentiments and going forward the investments are also expected to start in the coming quarters.

For the Water sector, the most positive development is 'Ganga rejuvenation schemes' under Swachh Bharat Abhiyan. Under Ganga cleaning initiatives, 118 cities along a 1700 Kms long stretch will ensure zero sewage discharge into Ganga

through various schemes under Ministry of Water Resources (MoWR) and Ministry of Urban Development (MoUD). This will cover over 40% of country's population around Ganga River Basin creating additional 12000 MLD capacity of STPs. In the next 5 years, this will then enlarge to other rivers' basins to cover over 65% of the population.

Over the next five years, estimated investment under Ganga river basin is approximately ₹ 2 Lac crore under various schemes of MoWR and MoUD for STPs and Sewerage collection schemes. The focus will be on hundred percent recycling & reuse of Industrial effluent and also wherever possible, reuse of treated sewage in the vicinity. For recycle & reuse projects, Public Private Partnership (PPP) or Build Own Transfer (BOT) options are being considered. MoWR intends to bring in Private sector under various schemes as the operator including financing option. MoWR has roped in four consultants to assist them in developing these projects through elaborate consultative process with various stakeholders. Business opportunities under Ganga initiatives are likely to come towards the end of current calendar year. International funding agencies including World Bank are supporting these initiatives for earliest results.

At another level, National Green Tribunal (NGT) is implementing stringent environmental norms in order to reduce the pollution. This is aiding in expediting the decision making process for setting up treatment facilities both in industrial and municipal segments. Various medium to large size Common Effluent Treatment Plants (CETPs) are in advanced stages of finalisation. Under Ganga schemes alone, over 3000 MLD capacity Effluent Treatment Plants (ETPs) will be created with an investment of over ₹ 25000 crore.

On the Industrial front, while PSUs are likely to remain as largest buyers for Water & Wastewater treatment facilities during next year, Private sector is also expected to start investments once the financials of some of the key players in the target markets improve. Desalination market is already in upswing mode in southern states with various medium to large size jobs already in market.

While Power and Oil & Gas remains our focus areas, during the next fiscal year fertiliser sector is also likely to see some positive developments. WBG has already initiated processes seeking optimised technology solutions in association with some of the Industry leaders. WBG is well poised to take advantage of the upturn in the business cycle.

## Financial Review

Description	₹ lacs		
	2014-15 12 months	2012-14 18 months	Change % Annualised
Net Turnover	206102	315358	(2%)
EBITDA	(16)	9282	
Depreciation & Amortisation	5922	11878	(25%)
Finance Cost	12208	18523	(1%)
Profit Before Exceptional/ Non- recurring items & Tax	(18146)	(21119)	(29%)
Exceptional / Non-recurring items (Net)	-	(4382)	
Tax	(1737)	(1459)	78%
Profit After Tax	(16409)	(15278)	(61%)

The previous accounting period ended March 31, 2014 was for a period of 18 months whereas the current period is of 12 months. Thus, the figures of the current year are not comparable with the previous year. Further, the previous accounting period comprised of two sugar seasons and two co-generation seasons whereas the current year comprises of only one season. Consequently, revenue, expenses and profitability of sugar and co-generation of the current accounting year are not comparable with those of the previous accounting period.

During the current year, there has been a change in the method of charging depreciation on fixed assets due to applicability of Schedule-II to the Companies Act, 2013. Accordingly, useful lives of fixed assets were technically assessed and based on such assessment, the useful lives stated in Schedule-II have been adopted barring a few exceptions. As a result of this change, the depreciation charge for the year is lower by ₹ 18.20 crore and in respect of fixed assets, revised useful lives of which had expired before April 1, 2014, carrying amount of ₹ 20.94 crore (net of deferred tax liability of ₹ 7.12 crore) has been adjusted against General Reserves.

The loss during the year is mainly attributed to the sugar operations. While the cane price (net of subsidies) for the season 2014-15 is 10% lower than the previous season, the loss is due to significant sugar inventory write down in view of substantial decline in sugar prices at the year end. Further, there was also a significant shortfall in the realisation price of sugar from the high valuation rate of sugar stocks held as on March 31, 2014. The operations of co-generation and

distillery were profitable but these were inadequate to off-set the losses of sugar operations. Cane pricing continues to be an issue of serious concern and long term reforms are needed for the future viability of the sugar industry.

Both the Engineering businesses, Gears & Water, fared satisfactorily given the challenging business conditions. On an annualised basis, Gears business achieved 9% growth in turnover whereas Water business achieved a growth of 17% over the previous accounting period. The Gears Business achieved 11% higher segmental profit (PBIT) whereas Water business has been able to substantially lower the losses in view of high turnover and better operating leverage. The prospects of Gears business seem promising in view of its foray in the export market and its potential to generate additional business consequent to entering into a strategic supply agreement with its Licensor. Water business continues to face delays in order finalisation and in project completion which have resulted in cost over run and provisioning. However, it is expected that the position of order finalisation for Water business will improve in the 1<sup>st</sup> quarter of FY 16 which would help the business to achieve an optimum turnover.

### Raw Material and Manufacturing Expenses

Description	₹ lacs		
	2014-15 12 months	2012-14 18 months	Change % Annualised
Raw material	145469	318610	(32%)
Percentage to sales	71%	101%	
Manufacturing expenses	18605	27309	2%
Percentage to sales	9%	9%	

As stated earlier, previous accounting period comprised of two sugar seasons and the raw material consumption is linked to production rather than to sales. In view of this reason, raw material cost has shown a decline of 32%.

During the season 2014-15, cane price considered after subsidies is at ₹ 251.60/quintal against ₹ 280/quintal for seasons 2012-13 and 2013-14 comprised in the previous accounting period. Further, raw material cost for the current year includes subsidy of ₹ 6/quintal pertaining to season 2013-14. However, manufacturing expenses have increased by 2% on an annualised basis in view of increase in turnover of the Engineering business. However, these as a percentage to sales have remained unchanged at 9%.

### Personnel Cost, Administration Expenses and Depreciation

Description	₹ lacs		
	2014-15 12 months	2012-14 18 months	Change % Annualised
Personnel cost	15256	21443	7%
Percentage to sales	7%	7%	
Administration	7518	9076	24%
Percentage to sales	4%	3%	
Selling expenses	2320	3572	(3%)
Percentage to sales	1%	1%	
Depreciation & Amortisation	5922	11878	(25%)
Percentage to sales	3%	4%	

Personnel cost has increased by 7% on an annualised basis reflecting increments and wage increase.

Administration expenses have increased by 24% mainly due to higher non-recurring provisioning in respect of doubtful debts and advances. However, before such provisioning, there is a modest increase of 5% in Administration expenses on an annualised basis

Selling expenses have reduced by 3% mainly due to lower rebates and discounts on power sales on account of payment not received within the stipulated time.

### Segment Analysis

Description	Revenue			PBIT*		
	2014-15 12 months	2012-14 18 months	Change % Annualised	2014-15 12 months	2012-14 18 months	Change % Annualised
Business Segments						
-Sugar	193771	298475	(3%)	(7140)	(1893)	(466%)
-Engineering	30090	39532	14%	2552	2556	50%
-Others	7845	14175	(17%)	211	390	(19%)
Unallocated/inter unit adjustment	(25604)	(36824)	4%	(1561)	(3649)	36%
Total	206102	315358	(2%)	(5938)	(2596)	(243%)

\*Before exceptional items

As explained earlier, depreciation during the year is lower by ₹ 18.20 crore due to change in method of depreciation to comply with the Schedule II to the Companies Act, 2013.

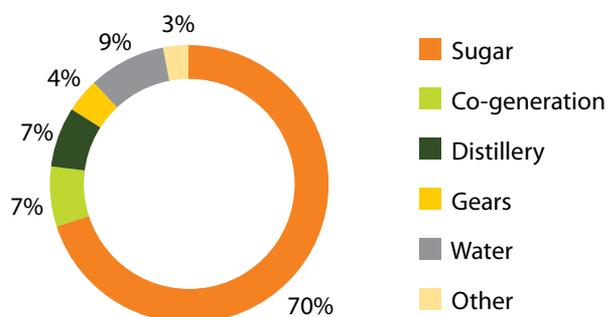
### Finance Cost

Description	₹ lacs		
	2014-15 12 months	2012-14 18 months	Change % Annualised
Interest on term loans	5262	9597	(18%)
Interest on working capital funds	6630	8408	18%
Others	316	518	(8%)
Net finance cost	12208	18523	(1%)

There is a decrease of 1% in finance cost during the current year. The interest cost on term loans has decreased because of lower cost of capital from 12.30% in the previous accounting period to 9.60% in the current year – it is due to interest free loans of ₹ 126.26 crore included in the term loans. However, the interest cost on working capital utilisation has increased by 18% commensurate with increase in working capital loans due to higher average sugar inventories and due to consistent payment of cane price dues during the current year. The cost of working capital loans has also remained at the same level as last year at 11.12%.

The Company has two major business segments: Sugar business and Engineering business. Sugar business comprises of sugar manufacturing operations across seven sugar mills, three incidental Co-generation plants at three of its sugar mills, three Co-generation plants located at two of its sugar mills and a standalone Distillery, all located in the State of UP. Co-generation plants and Distillery source captive raw materials namely, bagasse and molasses, from the sugar mills. Engineering Business comprises of Gears manufacturing at Mysore and Water and Wastewater treatment business operating from Noida, UP.

The percentage contribution of each business towards the total turnover is provided here below:



The sugar operations of the Company are integrated with Co-generation that use captive bagasse and with distillery operations that use captive molasses. The profitability of sugar co-products helps the Company to mitigate the cyclical Sugar business. Further, profitable engineering businesses also help in mitigating overall risk profile of the Company.

## Sugar Business Segments

### Sugar Operations

Description	2014-15 12 months	2012-14* 18 months	Change % Annualised
Turnover	162837	249298	(2%)
PBIT	(16589)	(19193)	(30%)
PBIT/Turnover (%)	(10%)	(8%)	
Cane crush (MT)	4693000	9978300	(29%)
Cane cost (landed) (₹ /MT)	2622	2900	(10%)
Production of sugar (MT)	447712	926856	(28%)
Volume of sugar sold (MT)	457927	682962	1%
Average realisation price (₹ /MT)	30686	31364	(2%)

\*The results of the current accounting year are not comparable with the previous accounting period as the latter comprised of two sugar seasons as compared to one season for the current year.

While the cane cost during the current year is lower by 10%, the benefit arising there from has been completely eroded by 2% decline in sugar realisation price, due to inventory write down of ₹ 111.09 crore (as the sugar prices towards the year-end had substantially declined) as against write down of ₹ 55.36 crore as on March 31, 2014 and due to loss incurred on sugar held in stock as March 31, 2014 at high valuation rate. It may thus be observed that subsidies in cane price aggregating to ₹ 28.60/quintal announced by the State Government for season 2014-15 were totally inadequate and the price mechanism did not take into consideration the linkages with sugar price, which issue is of paramount importance for the survival of sugar sector.

### Co-generation Business

Description	2014-15 12 months	2012-14 18 months	Change % Annualised
Turnover	15198	26397	(14%)
Income from carbon credit/ REC	482	171	322%
Total turnover	15680	26568	(11%)
PBIT	6580	9935	(1%)
PBIT/ Total Turnover (%)	42%	37%	

Here again, the figures of the current year and previous accounting period are not comparable as previous year accounting period comprised of two cogeneration seasons as compared to only one season in the current year.

The improvement in the Co-generation business has been due to increase in tariff by UPERC w.e.f. January, 2015, higher REC income and higher productivity which have offset the impact of higher bagasse transfer price.

### Distillery Business

Description	2014-15 12 months	2012-14 18 months	Change % Annualised
Turnover	15254	22609	1%
PBIT	2869	7365	(42%)
PBIT/Turnover (%)	19%	33%	
Avg. realisation price of alcohol ₹ /litre (net of excise duty)	37.72	34.84	8%

The product mix comprises of Ethanol at 45% and ENA at 47% during the year as against 16% and 69% respectively in the previous accounting period. Consequently, the

average realisation price has increased by 8%. However, the benefit of higher output price has been completely offset by 31% increase in molasses transfer price which is fixed in accordance with the market rates. As regards operational parameters, there have been distinct improvements in operational efficiencies including alcohol recovery from molasses and bio-gas efficiencies.

## Engineering Business Segment

### Gears Business

Description	₹ lacs		
	2014-15 12 months	2012-14 18 months	Change % Annualised
Turnover	10327	14231	9%
PBIT	2923	3965	11%
PBIT/Turnover (%)	28%	28%	

During the year, domestic market continued to be sluggish as a result of economic slow-down in the capital goods industry. Even under these difficult business conditions, Gears business was able to increase its OEM sales by 5% and after-market sales including refurbishment by 13%. Consequently, it is able to maintain its PBIT margin at 28%. During September, 2014, it has signed a Strategic Supply Agreement with its Licensor to supply products to the Licensor for sale worldwide. This development, apart from its own efforts to broad base its products and market, will help the business to achieve growth in the business. Gears business is in the process of undertaking capital expenditure of ₹ 70 crore to meet the requirements of increased business.

### Water and Waste water treatment Business

Description	₹ lacs		
	2014-15 12 months	2012-14 18 months	Change % Annualised
Turnover	19763	25301	17%
PBIT	(371)	(1409)	60%
PBIT/Turnover (%)	(2%)	(6%)	

Water business cater to the infrastructure/capital goods industry and the business conditions continued to be difficult with its customers facing various financial, regulatory land acquisition and environmental issues and accordingly, several projects were put on hold or got delayed and, further, the order finalisation were also considerably delayed. This has resulted in deferment of revenue recognition and also resulted in project cost overruns. Even under these challenging business conditions, Water business has been

able to achieve 17% growth in its turnover and reduce its PBIT losses. Water business has participated in a number of tenders/projects and it is expected to secure orders of substantial amounts in early FY 16, which will help the business to maintain/increase its turnover and register better results in future.

### Review of Balance Sheet

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

#### Share Capital

During the year, share capital has increased by ₹ 44,960 in view of shares issued pursuant to the exercise of Employees Stock Options.

#### Reserves

During the year, the reserves and surplus declined from 782.57 crore as on March 31, 2014 to ₹ 589.64 crore due to

- Loss incurred during the year;
- Elimination of revaluation reserves of ₹ 15.07 crore;
- Adjustment by ₹ 13.82 crore from general reserves in respect of carrying amount of fixed assets, the revised useful lives of which had expired prior to April 1, 2014, in accordance with the provisions of Schedule-II to the Companies Act, 2013.

#### Borrowings

Total long term borrowings at the year-end including current maturities of long term borrowings are at ₹ 518.28 crore as against ₹ 584.05 crore as at the end of the previous year. During the year, new loans of ₹ 100 crore were availed and repayments were made to the extent of ₹ 165.77 crore.

Short term borrowings have been much higher at ₹ 951.73 crore as against ₹ 589.01 crore as on March 31, 2014. The increase is primarily in respect of high sugar inventories at the year-end and also due to payment of cane price regularly and consistently.

#### Deferred Tax Liability

In view of loss making trend of the Company, deferred tax asset in respect of accumulated tax losses has not been recognised beyond the existing deferred tax liability, in accordance with the applicable accounting standard.

#### Trade Payables

Trade payables have declined from ₹ 820 crore as on March

31, 2014 to ₹ 662.43 crore. The decline is mainly attributed to lower cane dues outstanding. Cane dues as on March 31, 2015 have been recorded at gross level whereas the subsidies have been recorded under 'Loans and Advances'.

#### Fixed Assets

During the year, there have been additions to the extent of ₹ 19.28 crore mainly due to installation of incidental cogeneration facility at Sabitgarh, sugar unit.

#### Loans and Advances

Long term loans and advances have remained at the same level as last year, however, short term loans and advances have increased from ₹ 48.41 crore as on March 31, 2014 to ₹ 194.62 crore as on March 31, 2015. The increase is principally to recognise the cane subsidy of ₹ 134.43 crore for the season 2014-15.

#### Inventories

Inventories have reduced from ₹ 1402.05 crore as on March 31, 2014 to ₹ 1234.34 crore as on March 31, 2015. While in quantitative terms, inventory held is higher by 5% but in view of considerable decline in sugar price, valuation of inventory has been done at much lower price.

#### Other Current Assets

It has increased from ₹ 36.23 crore as on March 31, 2014 to ₹ 51.97 crore. The increase is basically in respect of cost incurred on the projects and recoverable from customers pending billing at prescribed milestones.

## Risk Review

### Risk Management and Mitigation

The Company has a Board approved Risk Management Policy and pursuant to such Policy, the Company has instituted a robust Risk Management Framework. The Company is engaged in diversified business, mainly, Sugar business and Engineering business which have completely different risk profiles and hence Risk Management Framework for each of the business has been devised considering the risk exposures and their uniqueness.

Risk Management Framework and its management involve:

- Identifying all possible risks;
- Categorising the risks based upon their severity in terms of threat to its existence, financial impact, reputational impact and liabilities that may devolve on the Company and/or its directors;

- Defining clear mitigation measures as well as actions to improve the risk profile;
- Prescribing risk owner for each risk to ensure accountability and timely and proper action to minimise the impact.

A structured risk management system helps in formulation of effective mitigation measures to minimise the impact of risks and to define risk limits.

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

### Sugar Business

In the case of Sugar business, most of the internal risks are fairly moderate and are by and large predictable and can be controlled easily. However, some of the external risks could be quite grave and often uncontrollable, and thus a high degree of monitoring is required. Some of the external risks which the Sugar business faces with are described here below:

**Cane Pricing:** In the State of Uttar Pradesh (UP), where the sugar units of the Company are located, sugarcane price is fixed by the State Government and accordingly a State Advised Price (SAP) is declared every year. The SAP is much higher than the Fair and Remunerative Price (FRP) announced by the Central Government and many other States have adopted FRP and thus SAP is not applicable to them. The SAP is generally announced with a view to give more remunerative price to the farmers and in the event, the SAP is unrealistically fixed without any linkage to the sugar prices, the viability of sugar mills is threatened.

**Sugar Price:** The sugar prices are determined based upon the market forces and dynamics, and at times these are also aligned with the international market. Sugar mills are put to financial hardships if the output prices are unduly low as against the cane price which is fixed prior to the commencement of the season. Further, the Government also regulates export of sugar including subsidy, if any, thereon and custom duty on imported sugar. The Government policies if not taken timely, can lead to surplus stocks in the country, thereby adversely affecting the domestic sugar prices.



**Climatic Factors:** Climatic factors include monsoon, floods, drought and crop diseases which cumulatively are responsible for the yield and sugar recovery from sugar cane. Lower yields result in lower cane availability to the sugar mills whereas lower recovery leads to higher cost of production.

#### **Risk Mitigation**

There are many external risks which are not under the direct control of the Company and thus recognising these constraints, the Company endeavors to achieve best operational efficiencies and productivity to minimise the impact of such risks. Some of the initiatives taken by the Company in this respect are described here below:

- The Company through its association regularly takes up with the State and Central Government the issues and hardships of the sugar sector and various reforms required to make the industry viable and to exploit its potential. The UP sugar industry has strongly represented to the Government to adopt the recommendations of Dr. Rangarajan Committee Report in respect of linkage of cane price with the sugar prices. Based on such discussions and due to considerable losses incurred by the sugar sector during the last 3-4 years in view of unrealistically high cane prices, the UP State Government made a departure from the age old practice of prescribing a fixed SAP and announced a cane price package for the season 2014-15 wherein some subsidies were offered linked with sugar and by-product prices. While this was an encouraging first step, the recent decline in sugar prices

has exposed infirmities in the package; a lot more needs to be done in this area to ensure that cane prices are commensurate with the output prices and sugar mills are not required to subsidise on behalf of the Government.

- The Company is focusing on cane development initiatives in a big way with a view to increase yield and to promote high sucrose varieties. During the season 2014-15, the crush has increased by 10% and recovery has increased by 25 basis points as a result of such initiatives. The Company aims to achieve yields and recovery comparable with best in the industry in the next 2-3 years.
- After the sowing season, the Company closely monitors the growth of sugar cane and infestation with diseases so that a timely remedial action could be taken to limit the damage.
- The Company has substantial integrated operations and also, it produces refined sugar to the extent 40% of the total sugar production which commands a premium in the market. Further, at three of its sugar units, it has installed incidental cogeneration at low capital cost with a view to capture all possible revenue streams.

#### **Engineering Business:**

Our Gears and Water Businesses are in the capital goods and infrastructure sectors and are largely dependent on the industrial and economic growth in the country. These businesses are exposed to the following major risks:

- **Risk of economic slowdown:** In the event of a slowdown in the economy, capital goods industry/ infrastructure sectors have low demand for the products of the Company, thereby affecting the growth of the Engineering business.
- **Technology Risk:** It is imperative for the Engineering business to continually upgrade its products and services and be aligned with the prevailing technology in their respective sectors to have a competitive edge.
- **Project delay and payments risk:** In respect of Water business mainly, the projects normally take 2-3 years to complete. In the event of economic slowdown, the customers have a tendency to restrict capex which limits the order intake for the business and even the current on-going projects may be put on hold due to financial difficulties with the customers. It may lead to cost overrun as well as payment risks.

## Risk Mitigation

### Gears Business

- In view of domestic slowdown and to maintain its margin, the Gears Business has been focusing on the replacement market, including in the export market, in addition to expanding the geographies for its supplies to OEMs within the constraints of the terms of the License Agreement.
- It endeavours to broad base its products and is continually engaged in developing new products for other segments.
- Lately, the Gears Business has signed a strategic supply agreement with its Licensor for worldwide sale.

All these developments will help the business to grow inspite of sluggish domestic market.

### Water Business

- In view of considerable stress in the domestic private industrial segment, Water business has consciously taken a decision to concentrate on PSUs only where the risk of project delay and payment risks are substantially lower.
- During the period of slowdown, it has fully rationalised the project management process and has defined threshold limits for order intake to ensure optimum use of resources.

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

## Community Development Initiatives

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

### Education

The Company runs schools at three of its major sugar units namely Khatauli, Deoband and Ramkola. The Company has established Lala Puran Chand Sawhney Memorial Inter College, Deoband as a primary school in the year 1970. Now this school imparts education up to class 12<sup>th</sup> to the children of the factory employees as well as to the poorest of poor family's children in the vicinity of the factory at a very nominal fee. The Company has established a basic Prarambhik Pathshala and Rai Bahadur Ishwardas Sawhney Junior High School under the aegis of Rai Bahadur Ishwardas Sawhney Educational Society, Khatauli. The Company also runs Smt. Gopi Devi Girls Junior High School in factory premises of Ramkola unit to facilitate girls' education in the area. More than 1,600 students are enrolled in these schools out of which around 85% students are from the financially weaker section. These schools encourage activity based learning. For inclusive growth of students, the schools organise various activities like painting & drawing competition, essay writing competition, singing and dancing competition, sports activities etc.

Early childhood care and education is now being universally recognised as a crucial input for overall development of Pre-Primary child. Realising this, many Non Governmental Organisations like Pratham, Mysore have come up with model Preschool centres called Balawadis which advocate and practice play-way methods. The Company supports Pratham in its effort to address the Pre-School needs of children in slums and narrow lanes in Mysore. Pratham Mysore's Balawadi programme targets children from low-income families in the age group of 3-5½ years and familiarises them with schooling such that "school-going" becomes a habit. The Company also sponsored education of under- privileged students studying in schools located in backward villages near Mysore.

### Healthcare

The Company established dispensaries for the employees and the nearby villagers since the time of commissioning of sugar units at Khatauli, Deoband and Ramkola in 1930s. This initiative was taken to provide free medical facilities to the employees and the villagers of the nearby areas who could not afford medical expenses and first aid facilities. These dispensaries provide free treatment for general ailments. The villagers from the nearby areas come for the first aid and routine checkups in the dispensary and get free medical aid. On an average, more than 250 patients are treated everyday at these dispensaries. The sugar units also organise health checkup camps, blood donation and vaccination camps from time to time for the employees and nearby villagers.

The Company sponsors Akshaya Patra Programme of ISKON, which offers free, nutritious mid-day meals to underprivileged children studying in Government primary school in and around Mysore. The programme helps in increased enrolment of children in schools, enhanced classroom performance of children and improves nutrition status.

### Environment, community enhancement and sports & recreation

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



# DIRECTORS' REPORT

Your Directors have pleasure in presenting the 79<sup>th</sup> Annual Report and audited accounts for the Financial Year (FY) ended March 31, 2015.

## FINANCIAL RESULTS

	(₹ in lacs)	
	2014-15	2012-14 (18M)*
Sales (Net)	206101.56	315357.65
Operating Profit (EBITDA)	(16.18)	9282.21
Finance Cost	12207.62	18522.93
Depreciation & amortisation	5922.17	11878.33
Profit before tax (before exceptional items)	(18145.97)	(21119.05)
Exceptional items	--	(4381.63)
Profit before Tax (PBT)	(18145.97)	(16737.42)
Tax expenses	(1736.88)	(1459.60)
Profit after Tax (PAT)	(16409.09)	(15277.82)
Earning per equity share of ₹ 1 each (in ₹)	(6.36)	(5.92)
Surplus brought forward	(15228.54)	--
Surplus available for Appropriation	(31637.63)	(15277.82)
Appropriation:		
Equity dividend (including dividend distribution tax)	--	--
Dividend adjustment of previous year (incl. tax)	--	0.03
CSR Expenditure/ commitments	NA	NA
Transfer to/withdrawn from molasses storage fund reserve (net)	9.78	(49.31)
Surplus carried forward	(31647.41)	(15228.54)

\* The FY 13, with the permission of the Registrar of Companies, was extended by six months to end on March, 2014.

With the loss of ₹ 164.09 crore during the year, the total deficit in the Profit & Loss Account is at ₹ 316.47 crore and the total net worth of the Company is at ₹ 615.44 crore.

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

## REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

The Company has reported a loss (after tax) of ₹ 164.09 crore, predominantly due to continuing losses in the sugar operations.

### SUGAR BUSINESS

Sugar business continues to be of concern, as despite a better operating performance, the year under review has resulted in sizeable losses. During the Season 2014-15, a surplus of about 4 million tonnes of sugar is expected in the country, buoyed by

higher production in all the leading States, Maharashtra, Uttar Pradesh and Karnataka. Globally also, 2014-15 will be a surplus year. These factors have led to an unprecedented decline in sugar prices across globe. The Central Government's intervention with limited policy initiatives has not been adequate to offset the effect of decline in domestic sugar prices. This has resulted in substantial losses in the Sugar business and the industry is looking towards the Government to increase the quantum of subsidies / support to bail out the ailing sugar industry across the country and especially in U.P. and usher in reforms to lay down a clear road map for a long term sustainable solution to restore the viability of the sector.

As a long term measure, it is not practical to be at the mercy of the Government every year and thus, it is imperative that the cane pricing policies should be based on some transparent and rational parameters and only then will the sugar industry have the wherewithal to manage free market forces.

The Co-generation and Distillery businesses performed well during the year but their profitability was not adequate to mitigate the losses of sugar operations. Recent initiatives by the Central Government indicate that we can expect more focus on this sector in the near future.

### WATER BUSINESS

The performance of the Water business was also not satisfactory due to the slowdown in the economy and the consequent financial crunch with some of its customers. This has led to increased project completion time which in turn has led to losses and higher provisioning. While the Water business has participated in tenders of substantial value, the order finalisation has been slow. However, the management expects fruition of substantial orders in FY 16 which will help it to achieve its revenue and profit targets.

Notwithstanding the short term challenges, the business has enormous potential and with the Government's much publicised Clean Ganga programme and its focus on environment protection and preservation, there will be ample opportunities which will arise for this business.

### GEARS BUSINESS

The performance of Gears business is satisfactory considering the status of the capital goods industry, state of economy in the country and customers' reluctance to undertake new capital expenditure. In spite of not very business conducive environment, the business has been able to achieve a modest growth in revenues and profitability.

During September, 2014, the Company signed a Strategic Supply Agreement with GE Oil & Gas for the manufacture of high speed and low speed gears and gearboxes with no restrictions on the geographies. Pursuant to such agreement, the orders have started flowing in and it is expected that a sizeable quantum of orders will be available to Gears business in FY 16 onwards. The business is incurring capital expenditure in order to be in a position to service the new order inflows from new and existing customers.

## DIVIDEND

Owing to losses in the year under review, the directors are constrained not to declare any dividend on equity shares.

## SUBSIDIARY AND ASSOCIATE COMPANIES PERFORMANCE

### ASSOCIATE COMPANIES

Triveni Turbine Ltd. (TTL)

The Company holds 21.82% stake in equity shareholding of TTL. The performance of TTL during FY 15 has been commendable, especially in the backdrop of economic slowdown in the domestic capital goods industry - there is a growth in Turnover by 23 % and an increase in Profit after tax by 33%. The growth in exports and aftermarket services has been a major contributing factor. TTL has been receiving enquiries from over 90 countries. Order booking during FY 15 has shown a healthy improvement, especially from exports and aftermarket services, and has achieved an overall growth of 9% year on year. The orders on hand at the year end have increased by 5% over the previous year.

Aqwise-Wise Water Technologies Ltd.

The Company holds 25.04% stake in the equity shareholding of Aqwise. The performance of the Company for calendar year 2014 had been significantly better than in calendar 2013 with an increase in revenue by 40%. While the Company has earned a net profit on a standalone basis, the losses on consolidated basis have substantially reduced by 90%. The Company achieved a growth of 55% in order booking, which was at USD 16 million spread across all major geographies. The Company's strong carry forward order book and a healthy pipeline of enquires should enable the Company to further improve its performance going forward.

### SUBSIDIARY COMPANIES

The Company has five wholly owned subsidiaries, namely: Triveni Engineering Ltd., Triveni Entertainment Ltd., Triveni Energy Systems Ltd., Svastida Projects Ltd. and Bhudeva Projects Ltd. These companies are relatively much smaller and there has not been any material business activities in these companies.

As required under the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statement of subsidiaries and associates is provided in Annexure A in the prescribed format.

### MATERIAL SUBSIDIARIES

In accordance with Clause 49 (V)(D) of the Listing Agreement, none of the subsidiaries of this Company is a material non listed subsidiary. The Company has formulated a policy for determining material subsidiaries. The policy has been uploaded on the website of the Company at <http://www.trivenigroup.com/investor/corporate-governance/policies>.

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard 21, and the provisions of the Companies Act 2013 on Consolidated Financial Statements, your Directors have pleasure in attaching the consolidated financial statements of the Company which form a part of the Annual Report.

## DIRECTORS RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## CORPORATE GOVERNANCE

A separate report on Corporate Governance is given in **Annexure-B** along with the Auditors' statement on its compliance in **Annexure-C**.

## RELATED PARTY CONTRACTS / TRANSACTIONS

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

During the year, the Company had not entered into any contract/ arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on the materiality of related party transactions. Hence, the Form AOC-2 is not attached with this Report as there was no such related party transaction for which disclosure in terms of Section 134((3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is required.

## RISK MANAGEMENT POLICY AND INTERNAL FINANCIAL CONTROL SYSTEM

The Company has a Risk Management Policy to manage the risks associated with the businesses of the Company. The policy aims at establishing structured and robust systems to identify potential threats to the organisations, evaluating likelihood of their occurrences and prescribing effective mitigation measures with clear accountability to deal with and address the most likely threats. The Policy recognises that all the risks in the business cannot be eliminated but these could be minimised by having good internal controls or by defining the limits

beyond which risks would not be assumed for any business activity. Pursuant to the Risk Management Policy, the Company has instituted a comprehensive risk management framework. A detailed identification of risks has been carried out for all the businesses along with their categorisation based on their impact on the organisation, its directors and the reputation of the Company. Such categorisation gives the highest weightage to the risks which have the potential to threaten the existence of the Company.

As a part of internal financial controls of the Company, the Company has elaborate and adequate financial controls with respect to timely preparation of reliable financial statements. The ERP system assists in minimising the manual errors and omissions. Besides subjecting all the major items to a detailed scrutiny, the financial statements are also subject to quality overview and are extensively analysed with a view to have supporting explanations for all variances.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)**

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

With the approval of the shareholders, Mr Dhruv M. Sawhney has been re-appointed as Managing Director (designated as Chairman and Managing Director (CMD) of the Company for a further period of five years effective March 31, 2015 without any remuneration except certain benefits for effectively discharging and attending to his official duties and functioning as CMD of the Company.

The Company has received declarations of Independence in terms of Section 149 of the Companies Act 2013 read with Clause 49 of the Listing Agreement from all the Independent Directors.

The appointment of Key Managerial Personnel (KMP), namely, Chairman and Managing Director, Vice Chairman and Managing Director, Chief Financial Officer and Company Secretary was formalised by the Board on May 28, 2014. All of them continue to hold that office except Mr. Dhruv M Sawhney, CMD, who has relinquished his office as KMP with effect from September 30, 2014. However, he will continue to be the CMD of the Company.

#### **EMPLOYEES STOCK OPTION**

During the year under report, no stock options were issued under the Triveni Employees Stock Option Scheme 2009 (ESOP 2009) and TEIL ESOP 2013. The required disclosure in respect of certain outstanding vested options exercised by the employees under ESOP 2009 is provided in **Annexure-D**.

#### **AUDITORS**

At the 78<sup>th</sup> Annual General Meeting (AGM) held on August 6, 2014, in terms of Sections 139 and 143 of the Companies Act, 2013, M/s J.C. Bhalla & Co., Chartered Accountants (JCB) were appointed as the Statutory Auditors and M/s Virmani & Associates, Chartered Accountants (VA) as the Branch Auditors of the Company's Gears business and Water business Groups for a period of three consecutive years until the conclusion of

81<sup>st</sup> AGM of the Company, subject to ratification by the members at every AGM. The Company has received letters from JCB and VA that they are eligible for continuation as Statutory Auditors and Branch Auditors respectively of the Company and consented to continue in office on ratification by the shareholders.

The Board recommends the ratification of the appointment of JCB and VA as the Statutory Auditors and Branch Auditors respectively, to hold office till the next AGM.

#### **COMMENTS / QUALIFICATIONS IF ANY, IN THE AUDIT REPORT ON FINANCIAL STATEMENTS**

There were no qualifications or adverse comments or reservations or disclaimers in the audit report on the Financial Statements of the Company for the financial year 2014-15.

#### **COST AUDIT**

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the notifications issued by Ministry of Corporate Affairs, M/s R.M. Bansal & Co. and Mr T.L. Sangameswaran, Cost Accountants have been appointed as Cost Auditors to conduct the cost audit of the sugar businesses (including co-generation and distillery) and Gears business respectively of the Company for the financial year 2015-16, subject to ratification of their remuneration by the shareholders at the ensuing Annual General Meeting. The Board recommends the ratification of the remuneration to the Cost Auditors for the financial year 2015-16.

#### **SECRETARIAL AUDIT REPORT**

In terms of Section 204 of the Act read with the Companies (Appointment and remuneration of Managerial Personnel) Rules 2014, the Board appointed M/s Suresh Gupta & Associates, firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The report on secretarial audit is enclosed in **Annexure-E**. The report does not contain any qualification.

#### **DISCLOSURES**

##### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

A CSR Policy was formulated by the CSR Committee which, on its recommendation, was approved by the Board. The CSR Policy is available on the Company's website at <http://www.trivenigroup.com/investor/corporate-governance/policies>.

The composition of the CSR Committee is provided in the Corporate Governance Report that forms part of this Annual Report. In view of losses, no CSR activity has been initiated during the period under review and, therefore, no annual report on CSR activity is provided with this report.

##### **AUDIT COMMITTEE**

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

##### **VIGIL MECHANISM**

The Company has established a vigil mechanism through the Whistle Blower Policy and oversees through the Audit Committee, the genuine concerns expressed by the employees and other Directors. The vigil mechanism also provides for adequate safeguards against victimisation of employees and Directors who may express their concerns. It has also provided

direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. The policy is uploaded on the website of the Company at <http://www.trivenigroup.com/investor/corporate-governance/policies>.

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. The Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the period under review, no complaint was received by the ICC.

#### **BOARD MEETINGS**

During the year, six board meetings were held, the details of which are provided in the Corporate Governance Report that forms part of this Annual Report.

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

The particulars of loans, guarantees or investments made under the provisions of Section 186 of the Companies Act 2013 are given in the notes forming part of the financial statements provided in the Annual Report.

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

The particulars required under Section 134(3)(m) of the Companies Act 2013 read with the Companies (Accounts) Rules, 2014 are provided in **Annexure F** of this report.

#### **PERSONNEL**

The information as required under Section 197 of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in **Annexure G**.

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

#### **DEPOSITS**

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

#### **DEBENTURES**

During the period under review, the privately placed 1,000, 12.45% Secured Redeemable Non-Convertible Debentures of the face value of ₹ 10 lac each, aggregating to ₹ 100 crore were fully redeemed and extinguished.

#### **EXTRACTS OF ANNUAL RETURN**

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extracts of the annual return in the prescribed form is annexed as **Annexure I**.

#### **SIGNIFICANT AND MATERIAL ORDERS**

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

#### **HUMAN RESOURCES**

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

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

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

#### **BOARD EVALUATION MECHANISM**

Pursuant to the provisions of Companies Act 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, that of individual Directors as well as evaluation of its committees. The evaluation criteria, as defined in the Nomination and Remuneration Policy of the Company, covered various aspects of Board such as composition, performance of specific duties, obligations and governance.

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

#### **APPRECIATION**

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

We look forward to their continued support and encouragement.

For and on behalf of the Board of Directors

Place : Noida (U.P.)  
Date : May 27, 2015

**Tarun Sawhney**  
Vice Chairman and  
Managing Director

**Lt. Gen. K.K. Hazari (Retd.)**  
Director

# ANNEXURE-A

## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES

### PART A : SUBSIDIARIES

Name of the subsidiary	(₹ in lacs)				
	Triveni Energy Systems Ltd. (TESL)	Triveni Engineering Ltd. (TEL)	Triveni Entertainment Ltd. (TENL)	Bhudeva Projects Ltd. (BPL)	Savistda Projects Ltd. (SPL)
1. Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NA	NA	NA	NA	NA
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA
3. Share capital	205.00	205.00	287.00	5.00	205.00
4. Reserves & surplus	-5.82	-19.38	-24.38	-1.08	-5.30
5. Total assets	201.08	201.28	262.85	4.70	200.48
6. Total Liabilities	1.90	15.66	0.23	0.78	0.78
7. Investments	-	-	-	-	-
8. Turnover	-	-	-	-	-
9. Profit before taxation	-1.14	-1.13	0.93	-0.80	-5.01
10. Provision for taxation	-	-	0.98	-	-
11. Profit after taxation	-1.14	-1.13	-0.05	-0.80	-5.01
12. Proposed Dividend	-	-	-	-	-
13. % of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%

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

### PART "B": ASSOCIATES AND JOINT VENTURES

Name of Associates / Joint Ventures	(₹ in lacs)	
	Triveni Turbine Ltd.	Aqwise-Wise Water Technologies Ltd.
1. Latest audited Balance Sheet Date	31-Mar-15	31-Dec-14
2. Shares of Associate / Joint Ventures held by the Company on the year end		
- No of shares	72000000	13008
- Amount of Investment in Associates / Joint Venture (₹ Lacs)	720.07	3006.19
- Extent of Holding %	21.82	25.04
3. Description of how there is significant influence	Due to holding of stake of more than 20%	Due to holding of stake of more than 20%
4. Reason why the associate / joint venture is not consolidated	Being consolidated	Being consolidated
6. Networth attributable to Shareholding as per latest audited Balance Sheet (₹ lacs)	4988.65	494.06
7. Profit / Loss for the year (after tax) (₹ lacs) – as per consolidated financial statements	9321.89	-6.26*
i. Considered in Consolidation (₹ lacs)	1788.61	-1.57*
ii. Not Considered in Consolidation	--	--

\* Based on unaudited consolidated results for the period 1.4.2014 to 31.3.2015

For and on behalf of the Board of Directors

**Lt. Gen. K.K. Hazari (Retd.)**  
Director

**Tarun Sawhney**  
Vice Chairman and Managing Director

**Suresh Taneja**  
Group CFO

**Geeta Bhalla**  
GGM & Company Secretary

Place: Noida (U.P.)  
Date : May 27, 2015

# ANNEXURE-B

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

### THE HIGHLIGHT OF THE CORPORATE GOVERNANCE SYSTEM INCLUDES:

1. The Board of Directors of the Company is well represented with Executive, Non-Executive and Independent Non-Executive Directors with the Executive Chairman and Managing Director. The Independent & Non-Executive Directors form nearly 67% of the Board of Directors.
2. The Board has constituted several Committees viz. Audit Committee, Nomination and Remuneration Committee, Compensation Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Executive Sub Committee for more focused attention. The Board is empowered to constitute additional functional Committees from time to time, depending on the business needs.
3. The Company has established a Code of Conduct and Corporate Disclosure Policy for prevention of Insider Trading for Directors and Employees of the Company.
4. Whistle Blower Policy wherein the Employees and Directors may have the direct access to the Chairman of Audit Committee.
5. Risk Management framework to identify the risk for its businesses, to assess the probability of its occurrence and its mitigation plans. The information about the framework is placed before the Audit Committee and the Board periodically.

### BOARD OF DIRECTORS

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

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

### INDEPENDENT DIRECTORS

The shareholders at the 78<sup>th</sup> Annual General Meeting held on August 6, 2014 approved appointment of all the independent Directors to hold office for a term upto three to five consecutive years. The Company issued letter of appointment to all the Independent Directors as per Schedule IV to the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company.

The Company has a familiarisation programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc. The definition of independence of directors is derived from Clause 49 of the Listing Agreement executed with the stock exchanges read with relevant provisions and Section 149 of the Companies Act, 2013. All the independent Directors of the Company have made declaration to the Company regarding their independence status. All such declarations were placed before the Board.

None of the Directors on the Board is a Member on more than 10 Committees, and Chairman of more than 5 Committees across the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors pursuant to Clause 49 of the Listing Agreement.

**COMPOSITION OF THE BOARD**

The composition of the Board of Directors and the number of Directorships and Committee Chairmanships / Memberships held in other companies are given below:-

Name of Director and DIN	Designation	Category	No. of Directorships in other companies ##	No. of Committee positions held in other companies###	
				Chairman	Member
Mr. Dhruv M. Sawhney# DIN-00102999	Chairman & Managing Director	Promoter & Executive Director	5	1	None
Mr. Tarun Sawhney# DIN-00382878	Vice-Chairman & Managing Director	Promoter & Executive Director	3	None	1
Mr. Nikhil Sawhney# DIN-00029028	Director	Promoter & Director	3	None	2
Dr. F.C. Kohli DIN-00102878	Director	Independent Non-Executive Director	4	None	None
Lt. Gen. K.K. Hazari (Retd.) DIN-00090909	Director	Independent Non-Executive Director	3	2	1
Mr. M. K. Daga DIN-00062503	Director	Independent Non-Executive Director	2	None	3
Mr. Shekhar Datta DIN- 00045591	Director	Independent Non-Executive Director	4	2	1
Ms. Homai A. Daruwalla DIN-00365880	Director	Independent Non-Executive Director	7	3	2
Mr. Santosh Pande DIN-01070414	Director	Independent Non-Executive Director	None	None	None

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

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

### The committees considered for the purpose are those prescribed under Clause 49 of the Listing Agreement i.e. Audit Committee and Shareholders' Grievance Committee of public limited companies.

## BOARD FUNCTIONING AND PROCEDURE

### Board Meeting Frequency and circulation of Agenda papers

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

### Presentation by the Management

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

### Access to Employees

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

### Availability of Information to Board Member includes:

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

- Significant labour problems and their proposed solutions. Any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders servicing issues, such as non-payment of dividend, delay in share transfer etc.
- Statutory compliance report of all laws applicable to the Company.
- Details of the transactions with the related parties.
- General notices of interest of directors.
- Appointment, remuneration and resignation of Directors.

### Post Meeting follow up Mechanism

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

### Attendance Record of the Directors

The Board of Directors met 6 times during the financial year 2014-15 ended on March 31, 2015. The interval between any two successive meetings did not exceed four months. Board Meetings were held on April 16, 2014, May 28, 2014, August 14, 2014, November 14, 2014, February 12, 2015 and March 19, 2015. The attendance record of all Directors at Board meetings and the last Annual General Meeting (AGM) during the year are as under:-

Name of Director	No. of Board Meetings		Attendance at last AGM held on August 6, 2014
	Held	Attended	
Mr. Dhruv M. Sawhney		6	No
Mr. Tarun Sawhney		6	No
Mr. Nikhil Sawhney		6	No
Dr. F. C. Kohli		6	No
Lt. Gen. K.K. Hazari (Retd.)	6	5	Yes
Mr. M. K. Daga		3	No
Mr. Shekhar Datta		6	No
Ms. Homai A. Daruwalla		6	Yes
Mr. Santosh Pande		5	Yes

### APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

The information / details pertaining to Directors seeking appointment / re-appointment in ensuing Annual General

Meeting (AGM), is provided in the Notice for the AGM. The Notice contains the relevant information, like brief resume of the Directors, nature of their expertise in specific functional areas and names of the companies in which they hold Directorship and membership of any Committee of the Board.

### BOARD COMMITTEES

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

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

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

#### (I) Audit Committee

The Committee comprises of four Directors which include three Non-Executive Independent Directors and one Executive Director of the Company. The Chairman of the Committee is an Independent Director. The constitution and term of reference of the Audit Committee meet the requirements of Clause 49 of the Listing Agreement read with the relevant provisions of the Companies Act, 2013. The Company Secretary is the Secretary to the Audit Committee.

#### Meetings & Attendance

The Audit Committee met 5 times during the financial year 2014-15 ended on March 31, 2015 i.e. on May 28, 2014, August 13, 2014, November 14, 2014, February 12, 2015 and March 19, 2015. The attendance of each Audit Committee Member is as under:-

Name of the Members	No. of Meetings	
	Held	Attended
Lt. Gen. K. K. Hazari (Retd.)* Chairman		4
Mr. Tarun Sawhney	5	4
Mr. Shekhar Datta		5
Ms. Homai A. Daruwalla**		5

\* Step down as Chairman w.e.f. 27.5.2015

\*\* Designated as Chairperson w.e.f. 27.5.2015

The Chairman of the Audit Committee chaired the AGM held on August 6, 2014 to answer the shareholders query.

#### The broad terms of reference of the Committee include:-

- (i) Reviewing the Company's financial reporting process and its financial statements.
- (ii) Reviewing the accounting and financial policies and

practices and compliance with applicable accounting standards.

- (iii) Reviewing the efficacy of the internal control mechanism, monitor risk management policies adopted by the Company and ensure compliance with regulatory guidelines.
- (iv) Reviewing reports furnished by the internal and statutory auditors, and ensure that suitable follow-up action is taken.
- (v) Examining accountancy and disclosure aspects of all significant transactions.
- (vi) Reviewing with management the quarterly, half yearly & annual financial statements including review of qualifications, if any, in the audit report before submission to the Board for approval.
- (vii) Recommending appointment of external and internal auditors and fixation of audit fees.
- (viii) Seeking legal or professional advice, if required.
- (ix) Approval or any subsequent modifications of transactions of the Company with related parties.
- (x) Scrutiny of Inter-Corporate loans and investments.
- (xi) Valuation of undertakings or assets of the Company, wherever required.

#### (II) Nomination and Remuneration Committee

The Committee comprises of three Non-Executive Directors of the Company. The Chairman of the Committee is an Independent Director. The constitution and term of reference of the Nomination and Remuneration Committee (NRC) meet the requirements of Clause 49 of the Listing Agreement read with the relevant provisions of the Companies Act, 2013.

#### Meetings and Attendance

The Committee met 5 times during the FY 15 ended on March 31, 2015 i.e. on April 16, 2014, May 28, 2014, August 14, 2014, November 14, 2014 and February 12, 2015. The attendance of each Audit Committee Member is as under:-

Name of the Members	No. of Meetings	
	Held	Attended
Lt. Gen. K. K. Hazari (Retd.), Chairman		5
Mr. Shekhar Datta	5	5
Mr. Nikhil Sawhney		4

#### Function and terms of reference

The broad terms of reference of the Committee are:

- To identify persons who are qualified to become Directors (Executive, Non-Executive and Independent Directors) and who may be appointed in senior management in accordance with the criteria laid down,
- To recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors (Executive, Non-Executive and Independent Directors), key managerial personnel and other employees.
- Plan for succession of Board members and Key Managerial Personnel;
- Devising a policy on Board diversity; and
- To review the adequacy of aforesaid terms of reference and recommend any proposed change to the Board for its approval.

### Remuneration Policy

In terms of the provisions of the Companies Act, 2013 and the listing agreement the Board of Directors of the Company has adopted Nomination and Remuneration Policy for nomination and remuneration of Directors, KMP and Senior Management.

The objective and broad framework of the Remuneration Policy is to lay down criteria and terms and conditions for appointment of Directors (Executive and Non-Executive), Senior and Key Managerial personnel; evaluation of their performance; provision of reward linked to efforts, performance, dedication and achievements of these personnel relating to the Company's operations; retaining, motivation and promoting talent so as to ensure long term sustainability of talented managerial persons and to create competitive advantage. The Nomination and Remuneration Committee recommends the remuneration of Directors and Key Managerial Personnel, which is approved by the Board of Directors, subject to the approval of shareholders, wherever necessary.

### Performance Evaluation

The Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of Directors based on the indicators provided in the Remuneration Policy. The Chairman and Managing Director and Vice Chairman and Managing Director evaluates the Senior Management Personnel, including KMPs considering the competencies/indicators provided in the Remuneration Policy.

### Remuneration to Executive Directors

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

During the FY 15 ended on March 31, 2015, the Company had two Executive Directors viz. Mr. Dhruv M Sawhney, Chairman and Managing Director (CMD) and Mr. Tarun Sawhney, Vice Chairman and Managing Director (VCMD).

The details of remuneration paid/payable to CMD and

VCMD during the financial year 2014-15 are as under:

Name of the Executive Director	₹ in lacs	
	Mr. Dhruv M. Sawhney* CMD	Mr. Tarun Sawhney VCMD
Service Period	31.03.2010 to 30.03.2015	01.10.2013 to 30.09.2018
Salary (in ₹)	88.00	118.92
Contribution to PF & other funds	2.66	17.33**
Other Perquisites	21.03	19.08
<b>Total</b>	<b>111.69</b>	<b>155.33</b>

\* Re-appointed as CMD for a further period of 5 years w.e.f. 31.03.2015.

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

In addition, Mr Dhruv M. Sawhney, CMD has drawn remuneration from an associate Company, Triveni Turbine Ltd. (TTL), being the CMD of that Company upto February 28, 2015. Subsequently, he has been drawing remuneration from the foreign step down subsidiary of TTL namely, Triveni Turbines DMCC, Dubai (UAE) and has ceased to draw remuneration from TTL in his capacity as CMD of that Company effective March 01, 2015. However, the compensation received by him from all the companies is within the overall ceiling prescribed under the Companies Act, 2013 and in accordance with the approval of the Board and the shareholders of the Company.

### Remuneration to Non-Executive Directors (NEDs)

The Company pays sitting fee to its NEDs for attending the meetings of the Board and its Committees. In addition to the sitting fees, the NEDs are entitled to profit based commission within the limits approved by the shareholders of the Company. However, keeping in view the financial performance of the Company for the FY 15 ended on March 31, 2015, as decided by the Board, no provision for commission to NEDs has been made.

The details of the remuneration paid during the FY 15 to NEDs are as follows:-

Name of the Non-Executive Director	₹ in lacs	
	Sitting fess for the financial year ended March 31, 2015 (₹)	Commission for financial year ended March 31, 2015 (₹)
Dr. F.C. Kohli	3.90	NIL
Lt. Gen. K. K. Hazari (Retd.)	7.40	NIL
Mr. M.K. Daga	1.70	NIL
Mr. Shekhar Datta	8.00	NIL
Mr. Nikhil Sawhney	5.70	NIL
Ms. Homai A. Daruwalla	6.30	NIL
Mr. Santosh Pande	3.90	NIL

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

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

### (III) Stakeholders Relationship Committee

The Committee comprises of three Directors which include two Non-Executive Directors and one Executive Director of the Company. The Chairman of the Committee is a Non-Executive Independent Director. The constitution and term of reference of the Stakeholders Relationship Committee meet the requirements of Clause 49 of the Listing Agreement read with the relevant provisions of the Companies Act, 2013.

Ms. Geeta Bhalla, Group General Manager & Company Secretary is the Compliance Officer of the Company.

#### Meetings & Attendance

The Stakeholders Relationship Committee met 4 times during FY 15 ended on March 31, 2015 i.e. on May 28, 2014, August 13, 2014, November 14, 2014 and February 12, 2015. The attendance of each Committee Member is as under:-

Name of the Members	No. of Meetings	
	Held	Attended
Lt. Gen. K. K. Hazari (Retd.) (Chairman)		3
Mr. Tarun Sawhney	4	3
Mr. Nikhil Sawhney		4

#### Function and term of reference

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

#### Complaints received / resolved

During the FY 15 ended on March 31, 2015, the Company received 17 complaints from various shareholders / investors directly and/or through the Stock Exchanges / SEBI relating to non-receipt of dividend / redemption money, demat of shares, implementation of the scheme of arrangement etc. All of them were resolved / replied suitably by furnishing the requisite information / documents.

### Pending Complaint/Share Transfers

There was no investor complaint pending for redressal as on March 31, 2015. Further there are no pending share transfers and requests for dematerialisation as on that date.

### (IV) Compensation Committee

The Committee comprises of following Directors, namely:

- (i) Lt. Gen. K. K. Hazari (Retd.), Chairman
- (ii) Mr. Dhruv M. Sawhney
- (iii) Mr. M. K. Daga

#### Meetings and Attendance

The Compensation Committee met only once during FY 15 ended on March 31, 2015 i.e. on May 7, 2014 and Lt. Gen. K.K. Hazari (Retd.) and Mr Dhruv M. Sawhney attended the said meeting.

#### Function and term of reference:

The broad terms of reference of the Committee are finalisation, administration, and supervision of granting of options under the ESOP Schemes to the permanent employees of the Company and matters prescribed under the SEBI guidelines.

### (V) Corporate Social Responsibility Committee

The Committee comprises of following four Directors which include three Non-Executive Directors and one Executive Director of the Company. The Chairperson of the Committee is a Non-Executive Independent Director:

- (i) Ms. Homai A. Daruwalla, Chairperson
- (ii) Mr. Santosh Pande
- (iii) Mr Tarun Sawhney
- (iv) Mr Nikhil Sawhney

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

The Committee met once only during the FY 15 ended on March 31, 2015 i.e. on March 19, 2015 and all the members attended the said meeting.

#### Function and term of reference

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

#### Other Functional Committee

##### Executive Sub-Committee

Apart from the above statutory committees, the Board of Directors have constituted an Executive Sub-Committee comprising of four (4) Directors to oversee routine items that are in the normal course of the business. The Board of Directors have delegated certain powers to this Committee to facilitate the working of the Company.

## GENERAL BODY MEETINGS

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

Year	Date & Day	Location	Time	Special Resolution
2012-14	August 6, 2014, Wednesday	Company's Guest House at Deoband Sugar Unit Complex Deoband, District Saharanpur, U.P.	11.30 A.M.	<ol style="list-style-type: none"> <li>Variation in the terms of appointment including continuity of Mr Dhruv M. Sawhney as Chairman and Managing Director of the Company for the remaining period of his tenure, liable to retire by rotation.</li> <li>Contribution and / or donation to any bona-fide charitable and other funds.</li> <li>Alteration of Articles of Association of the Company by insertion / substitution of certain articles.</li> </ol>
2011-12	February 19, 2013, Tuesday	Company's Guest House at Deoband Sugar Unit Complex Deoband, District Saharanpur, U.P.	1:30 P.M.	None
2010-11	February 10, 2012, Friday	Company's Guest House at Deoband Sugar Unit Complex Deoband, District Saharanpur, U.P.	1:30 P.M.	<ol style="list-style-type: none"> <li>Revision in the remuneration of Dhruv M. Sawhney, Managing Director (designated as Chairman and Managing Director).</li> <li>Re-designation of Mr. Tarun Sawhney as Joint Managing Director of the Company.</li> <li>Payment of remuneration by way of commission to all or any of the Directors of the Company, who is/are neither in the whole-time employment nor managing director.</li> </ol>

No Extra-Ordinary General Meeting held during the FY 15 ended on March 31, 2015.

The special resolutions as set out in the respective notices were passed unanimously / with requisite majority by the shareholders.

## POSTAL BALLOT

### I. Details of the Special / Ordinary Resolutions passed by the Company through Postal Ballot:

During the FY 15 ended on March 31, 2015, the Company sought approval from its shareholders for passing of following special / ordinary resolutions as set out in the Postal Ballot Notice dated March 13, 2015 through the process of Postal Ballot (including e-voting) in accordance with the applicable provisions of the Companies Act, 2013 and the listing agreement. Ms Leena Jain, Practising Company Secretary was appointed as Scrutiniser for conducting the postal ballot process in a fair and transparent manner. Based on the Scrutiniser's Report, the results of the postal ballot was declared on April 24, 2015 and all the resolutions were passed with requisite majority. The details of voting pattern in respect of said postal ballot are as under:

Promoter / Public	No. of Shares Held	No. of Votes polled on outstanding shares	% of voted polled on outstanding shares	No. of Votes - In favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	[1]	[2]	[3] = [(2)/(1)]*100	[4]	[5]	[6] = [(4)/(2)]*100	[7] = [(5)/(2)]*100

#### Resolution : 1 - Special Resolution for the re-appointment of Mr. Dhruv M. Sawhney as Managing Director (designated as Chairman and Managing Director) of the Company for a period of five years w.e.f. March 31, 2015.

Promoter and Promoter Group	175957229	175957229	100.000	175957229	0	95.413	0.000
Public - Institutional holders	38344344	6900000	17.995	0	6900000	0.000	3.742
Public -Others	43643537	1559517	3.573	1555056	4461	0.843	0.002
<b>Total</b>	<b>257945110</b>	<b>184416746</b>	<b>71.495</b>	<b>177512285</b>	<b>6904461</b>	<b>96.256</b>	<b>3.744</b>

#### Resolution : 2 - Special Resolution for the payment of remuneration to Mr. Tarun Sawhney, Managing Director (designated as Vice Chairman and Managing Director) of the Company w.e.f. April 01, 2014 for the remaining period of his existing tenure i.e. upto September 30, 2018.

Promoter and Promoter Group	175957229	175957229	100.000	175957229	0	95.414	0.000
Public - Institutional holders	38344344	6900000	17.995	6900000	0	3.742	0.000
Public -Others	43643537	1556918	3.567	1551603	5315	0.841	0.003
<b>Total</b>	<b>257945110</b>	<b>184414147</b>	<b>71.494</b>	<b>184408832</b>	<b>5315</b>	<b>99.997</b>	<b>0.003</b>

#### Resolution : 3 - Special Resolution for authorising the Board of Directors to create charge / mortgage etc. on the assets of the Company

Promoter and Promoter Group	175957229	175957229	100.000	175957229	0	95.413	0.000
Public - Institutional holders	38344344	6900000	17.995	6900000	0	3.742	0.000
Public -Others	43643537	1559221	3.573	1556067	3154	0.844	0.002
<b>Total</b>	<b>257945110</b>	<b>184416450</b>	<b>71.494</b>	<b>184413296</b>	<b>3154</b>	<b>99.998</b>	<b>0.002</b>

#### Resolution : 4 - Ordinary Resolution for the payment of remuneration to M/s R.M. Bansal & Co., Cost Accountants as Cost Auditor for the financial year ending 31st March, 2015

Promoter and Promoter Group	175957229	175957229	100.000	175957229	0	95.413	0.000
Public - Institutional holders	38344344	6900000	17.995	6900000	0	3.742	0.000
Public -Others	43643537	1559363	3.573	1554882	4481	0.843	0.002
<b>Total</b>	<b>257945110</b>	<b>184416592</b>	<b>71.495</b>	<b>184412111</b>	<b>4481</b>	<b>99.998</b>	<b>0.002</b>

### II. Whether any special resolution is proposed to be conducted through postal ballot: None

## OTHER DISCLOSURES

### • **Related Party Transactions**

None of the transactions with any of the related parties was in conflict with the interest of the Company. Details of related party information and transactions are being placed before the Audit Committee from time to time. The details of the related party transactions during the year have been provided in Note No.39(c) to the financial statements.

### • **Disclosures of Accounting Treatment**

No treatment different from that prescribed in Accounting Standards has been followed by the Company.

### • **Risk Management**

To ensure that executive management controls risk by means of a properly defined framework, the Company has in place mechanisms to inform Board Members about the risk assessment and minimisation procedures and periodical review. Further a detailed note on risk management is given in the Financial Review section of Management's Discussion and Analysis. The Company has laid down adequate procedures to update the Board Members about risk evaluation and risk mitigation.

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

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

### • **Code for prevention of Insider Trading**

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

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

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

Further, no complaint of sexual harassment was received from any women employee.

### • **Code of conduct for Directors and Senior Executives**

The Company has laid down a Code of Conduct for all Board Members and the Senior Executives of the Company. The Code of conduct is available on the Company's website [www.trivenigroup.com](http://www.trivenigroup.com). They have affirmed their compliance with the said code of conduct for the financial year ended March 31, 2015. A declaration to this effect duly signed by the Vice Chairman and Managing Director is given below:

#### **To the Shareholders of Triveni Engineering & Industries Ltd.**

##### **Sub.: Compliance with Code of Conduct**

I hereby declare that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors.

Date: May 27, 2015

**Tarun Sawhney**

Place: Noida (U.P.) Vice Chairman and Managing Director

### • **CEO / CFO Certification**

A prescribed certificate as stipulated in clause 49(IX) of the listing agreement duly signed by the Vice Chairman and Managing Director and Group CFO was placed before the Board alongwith the financial statements for the FY 15 ended March 31, 2015. The said certificate is provided elsewhere in the Annual Report.

### • **Subsidiary Companies**

There are five unlisted wholly owned Indian subsidiary companies viz. Triveni Engineering Ltd., Triveni Energy Systems Ltd., Triveni Entertainment Ltd., Bhudeva Projects Ltd and Svastida Projects Ltd. and none of these subsidiaries is the "Material Non-Listed Subsidiary" in terms of Clause 49 of the Listing Agreement. The Company regularly places before the Board, minutes of the subsidiaries of the Company.

### • **Training of Board / Committee Members**

The Board / Committee members are provided with the necessary documents / brochures, reports and internal policies, codes of conduct to enable them to familiarise with the Company's procedure and practices. Directors are regularly updated on performance of each line of business of the Company, business strategy going forward and new initiative being taken / proposed to be taken by the Company through presentation. Factory visits are organised, as and when required, for the Directors.

### • **Details of compliance with mandatory requirement and adoption of the non-mandatory requirement of this clause**

The details of mandatory requirements are mentioned in this Report and adoption of the non-mandatory requirement is as under:

**Audit Qualification**

It is always the Company's endeavor to present unqualified financial statements.

**Means of communication**

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

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

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

**(d) Exclusive email ID for investors:** In terms of Clause 47 (f) of the Listing Agreement, the Company has designated the email id [shares@trivenigroup.com](mailto:shares@trivenigroup.com) exclusively for investor servicing, and the same is prominently displayed on the Company's website [www.trivenigroup.com](http://www.trivenigroup.com). The Company strives to reply to the Complaints within a period of 6 working days.

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

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

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

Time : 12.00 Noon  
Venue : Company's Guest House at Deoband Sugar Unit Complex, Deoband, Distt. Saharanpur, U.P. – 247 554.

Dates of Book Closure for the purpose of AGM : September 21, 2015 to September 23, 2015 (both days inclusive)  
Financial Year : April to March

**(b) Financial calendar for the financial year 2014-15 (tentative)**

Financial Reporting for the quarter ending June 30, 2015	By mid of August 2015
Financial Reporting for the quarter / half year ending September 30, 2015	By mid of November 2015
Financial Reporting for the quarter / nine months ending December 31, 2015	By mid of February 2016
Financial Reporting for the annual audited accounts for the financial year ending March, 31, 2016	By the end of May, 2016

**(c) Unclaimed Dividend**

All unclaimed dividends upto the financial year 2006-07 have been transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government.

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

Financial Year/ Period	Whether Interim/ Final	Date of declaration of Dividend	Due date for transfer to IEPF
2007-2008	Final Dividend	29.12.2008	28.12.2015
2008-2009	Interim Dividend	25.04.2009	24.04.2016
2008-2009	Final Dividend	29.12.2009	28.12.2016
2009-2010	Interim Dividend	08.05.2010	07.05.2017
2009-2010	Final & Special Dividend	18.02.2011	17.02.2018
2010-2011	Final Dividend	10.02.2012	09.02.2019
2011-2012	Final Dividend	19.02.2013	18.02.2020

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

**GENERAL SHAREHOLDER INFORMATION****(a) General Information**

Annual General Meeting

Date & Day : September 23, 2015, Wednesday

**(d) Outstanding GDR / ADR or Warrants**

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

**(e) Listing on Stock Exchanges**

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

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

The Company has paid the listing fees for the Financial Year 2015-2016 to both the aforesaid Stock Exchanges.

**(f) Distribution of Equity Shareholding as on March 31, 2015**

Group of Shares	Number of Share-holders	% to total share-holders	Number of Shares held	% to total shares
From 1-500	29140	83.15	4209286	1.63
501-1000	2698	7.70	2242438	0.87
1001-2000	1390	3.97	2140776	0.83
2001-3000	490	1.40	1265278	0.49
3001-4000	230	0.65	828122	0.32
4001-5000	238	0.68	1136834	0.44
5001-10000	342	0.97	2563120	0.99
10001 & higher	518	1.48	243559256	94.42
<b>Total</b>	<b>35046</b>	<b>100</b>	<b>257945110</b>	<b>100</b>

**g) Shareholding Pattern of Equity Shares as on March 31, 2015**

Category	Number of Share-holders	% to total share-holders
Indian Promoters	175957229	68.21
Mutual Funds/UTI	0	0
Banks, Financial Institutions, Insurance Cos.	77435	0.03
FII's	38372653	14.88
Bodies Corporate	7269812	2.82
Indian Public(*)	34348829	13.32
NRIs / OCBs	1721443	0.67
Other – Clearing Members & Trust	197709	0.07
<b>Total</b>	<b>257945110</b>	<b>100.00</b>

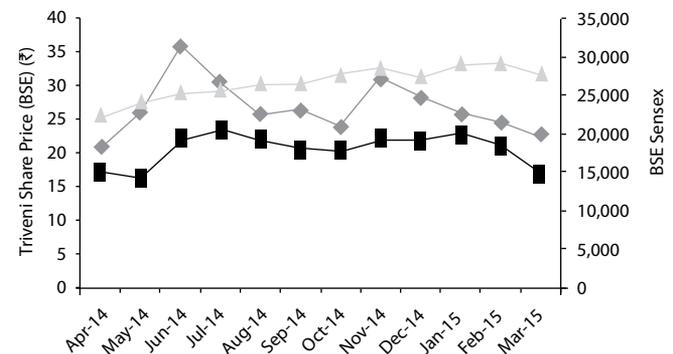
(\*) Includes 20000 equity shares held by some directors and / or their relatives.

**(h) Stock Price Data/Stock Performance: FY 15 ended March 31, 2015**

During the year under report, the trading in Company's equity shares was from April 1, 2014 to March 31, 2015. The high low price during this period on the BSE and NSE was as under:-

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
April, 2014	20.95	17.25	21.00	17.10
May, 2014	26.00	16.50	26.20	16.80
June, 2014	36.00	22.25	35.75	22.25
July, 2014	30.50	23.55	30.40	23.70
August, 2014	25.75	22.10	25.80	22.10
September, 2014	26.50	20.60	26.60	20.50
October, 2014	24.00	20.60	25.95	20.55
November, 2014	31.25	22.35	31.00	22.10
December, 2014	28.30	22.00	28.25	21.75
January, 2015	25.95	22.95	26.00	22.95
February, 2015	24.65	21.30	24.75	21.30
March, 2015	22.55	17.05	22.70	17.10

**i) Stock performance**



◆ Triveni Share Price (BSE) High  
 ■ Triveni Share Price (BSE) Low  
 ▲ BSE (Sensex) Close

**j) Dematerialisation of Shares & Liquidity**

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

The system for getting the shares dematerialised is as under:

- Share Certificate(s) along with Demat Request Form (DRF) will be submitted by the shareholder to the Depository Participant (DP) with whom he/she has opened a Depository Account.

- DP will process the DRF and generates a unique number DRN.
- DP will forward the DRF and share certificates to the Company's Registrar and Share Transfer Agent.
- The Company's Registrar and Share Transfer Agent after processing the DRF will confirm or reject the request to the Depositories.
- Upon confirmation, the Depository will give the credit to shareholder in his / her depository account maintained with DP.

As on March 31, 2015, 99.89% of total equity share capital of the Company was held in dematerialised form (including 100% of the promoter holding). The ISIN allotted by NSDL / CDSL is INE256C01024. Confirmation in respect of the requests for dematerialisation of shares is sent to NSDL and CDSL within the stipulated period.

#### k) Share Transfer System

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

The shares sent for physical transfer are registered and returned within the stipulated period from the date of receipt of request, if the documents are complete in all respects. As per the requirement of clause 47(c) of the Listing Agreement with Stock Exchanges, a certificate on half yearly basis confirming due compliance of share transfer/transmission formalities by the Company from Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.

#### l) Reconciliation of Share Capital Audit

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

#### m) Registrar & Share Transfer Agent

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

#### n) Locations

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

#### Share Department

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

#### Address for correspondence

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

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

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

#### o) Compliance Certificate on Corporate Governance from the Auditor

The certificate dated May 27, 2015 from Statutory Auditors of the Company (M/s J. C. Bhalla & Co.) confirming compliance with the Corporate Governance requirements as stipulated under clause 49 of the Listing Agreement is annexed hereto.

The above report has been adopted by the Board of Directors at their meeting held on May 27, 2015.

# ANNEXURE-C

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

### Auditors' Certificate on Compliance of Conditions of Corporate Governance as per Clause 49 of the Listing Agreement with the Stock Exchanges

To  
The Members of  
Triveni Engineering & Industries Limited

We have examined the compliance of conditions of corporate governance by Triveni Engineering & Industries Ltd for the financial year 2014-15 ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s) in India.

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

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

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

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

**(Sudhir Mallick)**  
Partner  
Membership No.80051

Place : Noida (U.P.)  
Date : May 27, 2015

# CEO/CFO CERTIFICATION

To  
Board of Directors  
Triveni Engineering & Industries Ltd.

Sub: CEO/CFO certification under Clause 49 of the Listing Agreement

We, Tarun Sawhney, Vice Chairman and Managing Director and Mr Suresh Taneja, Group CFO certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2015 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:
  - (i) That there were no significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) That there were no instances of significant fraud, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Suresh Taneja**  
Group CFO

Place : Noida (U.P.)  
Date : May 27, 2015

**Tarun Sawhney**  
Vice Chairman and Managing Director

# ANNEXURE-D

## DETAIL OF THE STOCK OPTION PLAN

### TEIL- ESOP 2009

Nature of disclosure	Particulars
a) Options granted under the Scheme	
- Originally	2,00,000
- Revised (consequent to corporate action of demerger of steam turbine undertaking)	1,57,360
b) The pricing formula	Market price, which was the latest available closing price on the stock exchange, which recorded the highest trading volume in the Company's equity shares on the date prior to the date of the meeting of the Compensation Committee at which the options were granted.
c) Options outstanding and vested at the beginning of the year	47,440
d) Options granted during the year	Nil
e) Options vested during the year	Nil
f) Options lapsed during the year	2,480
g) Options exercised during the year	44,960
h) The total number of shares arising as a result of exercise of options	44,960
i) Money realised by exercise of options	₹ 6,29,440
j) Variation of terms of options	None, other than adjustment carried out consequent to corporate action of demerger of steam turbine undertaking, to keep the fair value of options unchanged.
k) Total number of options in force at the end of the year	Nil
l) Employee wise details of options granted during the year:	
(i) Senior managerial personnel	None
(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year	None
(iii) Identified employees who were granted option, during one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None
m) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	(-) ₹ 6.36
n) Method of calculation of employee compensation cost Difference between the employee compensation cost computed using the intrinsic value of the stock options and the employee compensation cost that shall have been recognised if the fair value of the options had been used and its impact on profits and EPS of the Company.	The employee compensation cost has been calculated using the intrinsic value method to account for options issued under ESOP-2009. The stock-based compensation cost as per the intrinsic value method for the financial year ended 31.03.2015 is ₹ Nil. Had fair value method been adopted instead of the intrinsic value method, the impact would be : a) ESOP compensation charge debited to the P&L a/c would have been lower by ₹ 0.65 lacs and consequently the loss of the Company would have been lower by ₹ 0.65 lacs. b) Basic as well as Diluted EPS would have remained the same at (-) ₹ 6.36 per share, as reported (ignoring fractional paise improvement).

Nature of disclosure	Particulars
o) (i) Weighted average exercise prices and weighted average fair values of options whose exercise price equals the market price of the stock	Weighted average exercise price per option : ₹ 14 Weighted average fair value per option : ₹ 26.07
(ii) Weighted average exercise prices and weighted average fair values of options whose exercise price exceeds the market price of the stock	No such grants
(iii) Weighted average exercise prices and weighted average fair values of options whose exercise price is less than the market price of the stock	No such grants
p) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	Black-Scholes Method
(i) Risk-free interest rate	8.36%
(ii) Expected life	1.99 years
(iii) Expected volatility	49.02%
(iv) Expected Dividend	0.63%
(v) The price of the underlying share in market at the time of option grant	₹ 14/-

Note: The disclosures made above are after considering the effect of adjustment made to ESOP 2009 to give effect to the demerger of the steam turbine division. For details refer Note No. 45 of the audited standalone financial statements.

**Details of options granted to senior managerial personnel and outstanding as on 31-03-2015: Nil**

# ANNEXURE-E

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2015

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

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

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

#### **We report that-**

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Where ever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records

maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India

(Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period);

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

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

- (vi) Some of the other laws specifically applicable to the Company are as under:-
  - Sugar Cess Act, 1982
  - Essential Commodities Act, 1955
  - Sugar Development Fund Act, 1982
  - U.P. Sugarcane (Purchase Tax) Act, 1961
  - U.P. Sheera Niyantaran Adhiniyam, 1964
  - U.P. Vacuum Pan Sugar Factories Licensing Order, 1969
  - The Electricity Act, 2003

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

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

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

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

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

**We further report that** during the audit period, the Company has allotted 44,960 equity shares under "Triveni Employees Stock Option Scheme 2009". Further, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / Buy Back of securities.
- (iii) Decisions by the Members in pursuance to section 180 of the Act.
- (iv) Merger / Amalgamation/Reconstruction.
- (v) Foreign technical collaborations.

For **Suresh Gupta & Associates**  
Company Secretaries

**Suresh Gupta**

Proprietor

FCS No.:5660

CP No.:5204

Date : May 27, 2015

Place : Delhi

# ANNEXURE-F

## A) Conservation of energy

- a) The steps taken or impact on conservation of energy
- Gears Business Group
    - i) Replaced all reciprocating air compressors with more energy efficient screw type air compressors;
    - ii) Installed Variable Frequency Drive (VFD) at test bench blower and test bench lubricating pump resulting in lower power consumption;
    - iii) Installed smart sense meter for managing energy efficiently at Test Rig and Heat Treatment facilities. This will help in studying the power consumption pattern and to optimise energy consumption resulting in power saving.
  - Sugar Business Group (including co-products)
    - i) Three mill drive panels and two 1750 Kg batch type centrifugal machine drive panels installed at Khatauli Sugar Unit and a DCS 500 drive at Milak Narayanpur Sugar Unit have been upgraded to energy efficient DCS 800 drive.
    - ii) Modification in condensate flashing system to recover flash steam for condensate at Deoband Unit.
    - iii) Old ID fans of 90TPH boiler have been replaced by an energy efficient design ID fans at Milak Narayanpur Sugar Unit.
    - iv) The operation of DCH after modification of 1<sup>st</sup> vapour has resulted in reduction of clear juice pumps from two to one at Chandanpur Sugar Unit resulting in saving of electricity.
    - v) Installed VFD at filtrate juice pump resulting in saving in electricity at Chandanpur Sugar Unit.
    - vi) Installation of VFD on ID fan of boiler and modification in re-circulation water scheme which lead to reduction in operation time of tubewell resulting in saving of power at Ramkola Unit.
    - vii) Installation of E-boiler based on electrical heating system for sulphur melting, resulting in saving of fuel for steam generation by utilising heat from exothermic reaction, at Rani Nangal Unit.

- viii) Used gravity flow of screen juice from mill house to raw juice tank resulting in saving of electricity at Sabitgarh Sugar Unit.
- ix) Impeller design of recirculation pumps modified to reduce power consumption at the Distillery.
- x) At Milak Narayanpur Sugar unit, mechanical seals were provided on pumps to make them energy efficient and conventional & CFL lights replaced with energy efficient LED lights in offices and panel rooms.

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

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

- c) The capital investment on energy conservation equipments

The Company has made capital expenditure of ₹ 78.87 lacs during the year on energy conservation measures / equipment.

## (B) Technology absorption

- (i) the efforts made towards technology absorption;
- The Gears business, during the current year, has installed Hirth Grinding equipment with a view to use Hirth coupling technology in its products. This technology has been fully absorbed during the year, the performance of which has subsequently been established for the gears supplied by the Company to OEM and replacement markets.
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

Apart from using Hirth coupling technology in products to OEMs, it is also being used in replacement / refurbishing of hirth tooth shafts installed in various compressors and small power steam turbine drives globally, which will help the Gears business to expand its product range.

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

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

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

*passed. However, the exposure and interaction with the Licensor helps the Gears Business to increase its learning and use the learning for development of other products.*

#### (C) Foreign exchange earnings and outgo

Earnings in foreign exchange – ₹ 1051.78 lacs

Foreign exchange outgo – ₹ 2504.31 lacs \*

*\*excluding ₹ 44.41 lacs paid on behalf of an associate company.*

For and on behalf of the Board of Directors

Place : Noida (U.P.)  
Date : May 27, 2015

**Tarun Sawhney**  
Vice Chairman and  
Managing Director

**Lt. Gen. K.K. Hazari (Retd.)**  
Director

# ANNEXURE-G

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

- i. The percentage increase in remuneration of each Director, CFO and CS during the FY 15, ratio of remuneration of each Director to the median remuneration of the employees of the Company for the FY 15.

(₹ in lacs)

Name of Director/KMP and Designation	Remuneration for FY 15*	% increase of remuneration in the FY 15**	Ratio of remuneration to Median Remuneration
Mr. Dhruv M. Sawhney Chairman and Managing Director (CMD)	111.69	(38)	42.1
Mr. Tarun Sawhney Vice Chairman and Managing Director (VCMD)	155.33	3	58.5
Mr. Nikhil Sawhney Non-Executive Director	5.70	307.14	2.15
Dr. F.C. Kohli Non-Executive Independent Director	3.90	875.00	1.47
Lt. Gen. K.K. Hazari (Retd.) Non-Executive Independent Director	7.40	124.24	2.79
Mr M.K. Daga Non-Executive Independent Director	1.70	240.00	0.64
Mr. Shekhar Datta Non-Executive Independent Director	8.00	471.42	3.01
Ms. Homai A. Daruwalla*** Non-Executive Independent Director	6.30	N.A.	2.38
Mr Santosh Pande*** Non-Executive Independent Director	3.90	N.A.	1.47
Mr. Suresh Taneja Group Chief Financial Officer	149.60	10	56.4
Ms. Geeta Bhalla Group General Manager & Company Secretary	45.13	15	17.1

(\*) Gratuity is provided based on actuarial valuation and hence, remuneration does not include gratuity except in the case of Mr Dhruv M Sawhney.

(\*\*) FY 14 was for a period of 18 months but % increase is shown above based on the 12 months remuneration paid/drawn during the period April 1, 2013 to March 31, 2014.

(\*\*\*) Detail not given as Ms Daruwalla was a director only for part of the FY 14, whereas Mr Pande was not a director during FY 14.

Note: The remuneration of the non-executive & independent directors include sitting fees only for attending Board or Committee meetings, as no commission was paid during FY 15 in view of losses.

- ii. The median remuneration of employees during the financial year was ₹ 2,65,368/-.
- iii. In the financial year, there was an increase of 6.95% in the median remuneration of employees.
- iv. There were 4066 permanent employees (805 officers, 3261 workmen including 1567 seasonal employees) on the rolls of the Company as on March 31, 2015.
- v. Relationship between average increase in remuneration and Company's performance: The average increase in the remuneration for all employees (including Executive directors and KMPs) was 7.31% in the current year. The increase granted to the employees

during FY 15 was from April 1, 2014. While the Company had incurred a loss during FY 2012-14, the increase is in line with the existing industry trends. However, in case of profitable businesses, higher average increase has been given.

The Company has been incurring losses, mainly due to external factors, including economic slowdown affecting its engineering business and infirmities in government policies adversely affecting its sugar business. In view of such external challenges, it is imperative for the Company to promote operational efficiency and productivity to mitigate the impact of external factors.

- vi. Based on the closing quotation on March 31, 2015 and March 31, 2014 on NSE, the market capitalisation as on March 31, 2015 was ₹ 47461.90 lacs as against ₹ 46043.20 lacs as on March 31, 2014, i.e., an increase of about 3.08%.
- vii. In view of losses, PE Ratio is not provided.
- viii. The Company had come out with a FPO in 2005 and the offer was subscribed at ₹ 48 per equity share of the nominal value of ₹ 1/-. In 2010, the Turbine Undertaking of the Company was demerged and vested in Triveni Turbine Ltd. (TTL) and the equity shares of TTL were issued to the shareholders of the Company in the ratio of 1:1 pursuant to a Scheme of Arrangement duly approved by the Allahabad High Court. The combined value of market quotations of the equity shares of the Company and those of TTL on NSE is ₹ 148.25 on March 31, 2015 as against FPO price of ₹ 48, which is 209% higher.
- ix. The average percentage salary increase of employees other than Executive Directors and KMPs was 8.06% and the average increase in managerial remuneration was 3%, excluding decrease in remuneration of the CMD. The increase in remuneration is normal and as per the industry standards. In addition to comments provided in (v) above, the managerial personnel are required to shoulder higher responsibility in view of challenging and difficult business conditions.
- x. Comparison of remuneration of each of the Key Managerial Personnel (KMP) against the performance of the Company:  
The increase in the remuneration of each KMP is provided in (i) above. Comments under (v) and (ix) deal with comparison of remuneration with the performance of the Company.
- xi. The Key parameters for any variable component of remuneration availed by the directors: In accordance with the provisions of the Act and the approval of the shareholders, the Executive Directors are entitled to a variable component of salary in the form of performance bonus, based on individual's performance, management challenges and the Company's performance, which is approved by the Board on the recommendation of Nomination and Remuneration Committee.  
Non-executive and Independent directors are entitled to commission based on their contribution and the performance of the Company within the ceilings as provided in the Act. In view of losses, no performance bonus/commission has been given to any of the Director of the Company during the FY 15.
- xii. During the financial year no employee received remuneration in excess of the highest paid Director.
- xiii. It is hereby affirmed that the remuneration paid during the financial ended March 31, 2015 is as per the Nomination and Remuneration policy of the Company.

Note: The salaries of seasonal employees in sugar units have not been considered herein as they are deployed only for the duration of the Sugar season and not for the entire year.

For and on behalf of the Board of Directors

Place : Noida (U.P.)  
Date : May 27, 2015

**Tarun Sawhney**  
Vice Chairman and Managing Director

**Lt. Gen. K.K. Hazari (Retd.)**  
Director

# ANNEXURE-I

FORM No. MGT - 9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2015

OF TRIVENI ENGINEERING & INDUSTRIES LIMITED

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

## I. REGISTRATION AND OTHER DETAILS

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Triveni Engineering Limited 8th Floor, Express Trade Towers, 15-16, Sector-16A, Noida-201 301 (U.P.)	U29119UP2006PLC032060	Subsidiary	100%	2(87)
2.	Triveni Energy Systems Limited 8th Floor, Express Trade Towers, 15-16, Sector-16A, Noida-201 301 (U.P.)	U40102UP2008PLC034648	Subsidiary	100%	2(87)
3.	Triveni Entertainment Limited Grand Plaza, 104, 1st Floor, 99 Old Rajinder Nagar Market, New Delhi-110 060.	U52110DL1986PLC024603	Subsidiary	100%	2(87)
4.	Bhudeva Projects Limited A-44, Hosiery Complex, Phase II Extension, Noida-201 305 (U.P.)	U45201UP2014PLC063454	Subsidiary	100%	2(87)
5.	Svastida Projects Limited A-44, Hosiery Complex, Phase II Extension, Noida-201 305 (U.P.)	U45201UP2014PLC063455	Subsidiary	100%	2(87)
6.	Triveni Turbine Limited A-44, Hosiery Complex, Phase II Extension, Noida-201 305 (U.P.)	L29110UP1995PLC041834	Associate	21.82	2(6)
7.	Aqwise-Wise Water Technologies Ltd., Israel	Foreign Company	Associate	25.04	2(6)

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

##### (i) Category-wise Share Holding

Category of shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) PROMOTER</b>									
<b>(1) Indian</b>									
(a) Individuals / HUF	93261173	0	93261173	36.162	93261173	0	93261173	36.155	-0.007
(b) Central Government									
(c) State Government(s)									
(d) Bodies Corporate	82696056	0	82696056	32.065	82696056	0	82696056	32.060	-0.005
(e) Banks / FI									
(f) Any Other									
<b>Sub-Total (A)(1)</b>	<b>175957229</b>	<b>0</b>	<b>175957229</b>	<b>68.227</b>	<b>175957229</b>	<b>0</b>	<b>175957229</b>	<b>68.215</b>	<b>-0.012</b>
<b>(2) Foreign</b>									
(a) NRIs - Individuals									
(b) Other - Individuals									
(c) Bodies Corporate									
(d) Banks / FI									
(e) Any Other (specify)									
<b>Sub-Total (A)(2)</b>									
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>175957229</b>	<b>0</b>	<b>175957229</b>	<b>68.227</b>	<b>175957229</b>	<b>0</b>	<b>175957229</b>	<b>68.215</b>	<b>-0.012</b>
<b>(B) PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	0	0	0	0.000	0		0	0.000	0.000
(b) Banks / FI	0	0	0	0.000	77435	0	77435	0.030	0.030
(c) Central Government									
(d) State Government(s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) FII's	38486687	0	38486687	14.923	38372653	0	38372653	14.876	-0.047
(h) Foreign Venture Capital Investors					-		-	-	
(i) Any Other (specify)					-		-	-	
<b>Sub-Total (B)(1)</b>	<b>38486687</b>	<b>0</b>	<b>38486687</b>	<b>14.923</b>	<b>38450088</b>	<b>0</b>	<b>38450088</b>	<b>14.906</b>	<b>-0.017</b>

Category of shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non-institutions</b>									
<b>(a) Bodies Corporate</b>									
i. Indian	7186884	1	7186885	2.787	7269811	1	7269812	2.818	0.031
ii. Overseas									
<b>(b) Individuals -</b>									
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.*	22382526	283909	22666435	8.789	21030763	274265	21305028	8.260	-0.529
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	9655539	0	9655539	3.744	11400072	0	11400072	4.420	0.676
<b>(c) Any Other (specify)</b>									
i. NRI	1714616	0	1714616	0.665	1721443	0	1721443	0.667	0.002
ii. HUF	2042254	0	2042254	0.792	1643729	0	1643729	0.637	-0.155
iii. Clearing Member	180505	0	180505	0.700	197709	0	197709	0.077	-0.623
iv. Trust	10000	0	10000	0.004	0	0	0	0.000	-0.004
v. OCB					0	0	0	0.000	0.000
<b>Sub-Total (B)(2)</b>	<b>43172324</b>	<b>283910</b>	<b>43456234</b>	<b>16.850</b>	<b>43263527</b>	<b>274266</b>	<b>43537793</b>	<b>16.879</b>	<b>-0.602</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>81659011</b>	<b>283910</b>	<b>81942921</b>	<b>31.773</b>	<b>81713615</b>	<b>274266</b>	<b>81987881</b>	<b>31.785</b>	<b>31.785</b>
<b>(C) SHARES HELD BY CUSTODIANS FOR GDRS &amp; ADRS</b>					-		-	N.A	
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>257616240</b>	<b>283910</b>	<b>257900150</b>	<b>100</b>	<b>257670844</b>	<b>274266</b>	<b>257945110</b>	<b>100.000</b>	<b>0.000</b>

## (ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in the shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledge / encumbered of total shares	No. of Shares	% of total shares of the Company	% of Shares Pledge / encumbered of total shares	
<b>(A) INDIVIDUAL/HINDU UNDIVIDED FAMILY</b>								
1	Mr Dhruv M Sawhney	38391756	14.886	0	38391756	14.883	0	-0.003
2	Mrs Rati Sawhney	20358164	7.894	0	20358164	7.892	0	-0.002
3	Mr Tarun Sawhney	14695375	5.698	0	14695375	5.697	0	-0.001
4	Mr Nikhil Sawhney	15277653	5.924	0	15277653	5.923	0	-0.001
5	Manmohan Sawhney (HUF)	4513225	1.750	0	4513225	1.750	0	0.000
6	Mrs Tarana Sawhney	25000	0.010	0	25000	0.010	0	0.000
	<b>Total (a)</b>	<b>93261173</b>	<b>36.162</b>	<b>0</b>	<b>93261173</b>	<b>36.155</b>	<b>0</b>	<b>-0.007</b>
<b>(B) Bodies Corporate</b>								
1	Umananda Trade & Finance Limited	20991589	8.139	0	20991589	8.138	0	-0.001
2	Tarnik Investments & Trading Limited.	18680527	7.243	0	18680527	7.242	0	-0.001
3	Subhadra Trade & Finance Limited	16907375	6.556	0	16907375	6.555	0	-0.001
4	Kameni Upaskar Limited	10328525	4.005	0	10328525	4.004	0	-0.001
5	Dhankari Investments Limited	14714901	5.706	0	14714901	5.705	0	-0.001
6	TOFSL Trading & Investments Limited.	1639	0.001	0	1639	0.001	0	0.000
7	The Engineering & Technical Services Limited	250	0.000	0	250	0.000	0	0.000
8	Carvanserai Limited	422750	0.164	0	422750	0.164	0	0.000
9	Accurate Traders Limited	648500	0.251	0	648500	0.251	0	0.000
	<b>Total (b)</b>	<b>82696056</b>	<b>32.065</b>	<b>0</b>	<b>82696056</b>	<b>32.060</b>	<b>0</b>	<b>-0.005</b>
	<b>TOTAL(a+b)</b>	<b>175957229</b>	<b>68.227</b>	<b>0</b>	<b>175957229</b>	<b>68.215*</b>	<b>0</b>	<b>-0.012*</b>

\*The decrease in % of total shares of the Company % change in shareholding of promoters during the year is due to increase in paid-up share capital of the Company on account of allotment to certain eligible employees on exercise of stock options under ESOP 2009.

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

During the year, there is no change in the Promoters' shareholding.

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

Sl. No	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / Decrease in the shareholding	Reason	Cumulative shareholding at the end of the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Nalanda India Fund Limited	25788000	9.999	-	-	-	25788000	9.997
2	Government Pension Fund Global	6700000	2.598	30.05.2014	-15000	Transfer	6685000	2.592
				05.09.2014	15000	Transfer	6700000	2.597
				12.09.2014	59000	Transfer	6759000	2.620
				24.10.2014	41000	Transfer	6800000	2.636
				09.01.2015	100000	Transfer	6900000	2.675
3	Morgan Stanlay Asia (Singapore) pte.	5998687	2.326	30.05.2014	-41105	Transfer	5957582	2.310
				13.06.2014	-262427	Transfer	5695155	2.208
				20.06.2014	-130355	Transfer	5564800	2.157
				30.06.2014	-765947	Transfer	4798853	1.860
				11.07.2014	110346	Transfer	4909199	1.903
				18.07.2014	142300	Transfer	5051499	1.958
				25.07.2014	100	Transfer	5051599	1.958
				01.08.2014	47254	Transfer	5098853	1.977
				15.08.2014	50000	Transfer	5148853	1.996
				10.10.2014	20105	Transfer	5168958	2.004
				17.10.2014	60216	Transfer	5229174	2.027
				24.10.2014	33132	Transfer	5262306	2.040
				31.10.2014	58647	Transfer	5320953	2.063
				12.12.2014	79134	Transfer	5400087	2.094
19.12.2014	151766	Transfer	5551853	2.152				
4	Devabhaktuni Krishna Kumari	1070741	0.415	23.05.2014	-50000	Transfer	1020741	0.396
				30.06.2014	52160	Transfer	1072901	0.416
				13.03.2015	1146	Transfer	1074047	0.416
				31.03.2015	-34261	Transfer	1039786	0.403
5*	Emkay Fincap Limited	783494	0.304	16.05.2014	-14375	Transfer	769119	0.298
				06.06.2014	104000	Transfer	873119	0.338
				13.06.2014	-500000	Transfer	373119	0.145
				30.06.2014	-4000	Transfer	369119	0.143
				01.08.2014	10400	Transfer	379519	0.147
				19.09.2014	-41340	Transfer	338179	0.131
				07.11.2014	-327779	Transfer	10400	0.004
				21.11.2014	-400	Transfer	10000	0.004
				12.12.2014	-5000	Transfer	5000	0.002
				31.12.2014	87000	Transfer	92000	0.036
				30.01.2015	-5000	Transfer	87000	0.034
13.02.2015	82	Transfer	87082	0.034				
06.03.2015	-87082	Transfer	0	0.000				

Sl. No	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / Decrease in the shareholding	Reason	Cumulative shareholding at the end of the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
6	Sarita Sharma	721900	0.280	-	-	-	721900	0.280
7	Poonam Arora	640587	0.248	04.04.2014	8000	Transfer	648587	0.251
				06.06.2014	30278	Transfer	678865	0.263
				10.10.2014	8100	Transfer	686965	0.266
				31.10.2014	13276	Transfer	700241	0.271
				21.11.2014	6900	Transfer	707141	0.274
8	Rishabh Chandra Sharma	584325	0.227	-	-	-	584325	0.227
9*	SICGIL India Limited	546000	0.212	07.11.2014	-48000	Transfer	498000	0.193
				14.11.2014	-498000	Transfer	0	0.000
10	Narender Kumar arora	526786	0.204	06.06.2014	16860	Transfer	543646	0.211
				20.06.2014	68256	Transfer	611902	0.237
				08.08.2014	8000	Transfer	619902	0.240
				30.09.2014	3400	Transfer	623302	0.242
				10.10.2014	11595	Transfer	634897	0.246
				31.10.2014	3500	Transfer	638397	0.247
				21.11.2014	7800	Transfer	646197	0.251
				11**	Indianivesh Securities Private Limited	0	0.000	13.06.2014
				30.06.2014	47614	Transfer	252614	0.098
				04.07.2014	100000	Transfer	352614	0.137
				08.08.2014	5000	Transfer	357614	0.139
				15.08.2014	98275	Transfer	455889	0.177
				22.08.2014	-500	Transfer	455389	0.177
				12.09.2014	103635	Transfer	559024	0.217
				19.09.2014	-101135	Transfer	457889	0.178
				30.09.2014	-2500	Transfer	455389	0.177
				07.11.2014	-6000	Transfer	449389	0.174
				14.11.2014	-28500	Transfer	420889	0.163
				21.11.2014	38917	Transfer	459806	0.178
				28.11.2014	-1000	Transfer	458806	0.178
				31.12.2014	194015	Transfer	652821	0.253
				02.01.2015	100	Transfer	652921	0.253
				09.01.2015	297079	Transfer	950000	0.368
				16.01.2015	-55000	Transfer	895000	0.347
				06.02.2015	-25000	Transfer	870000	0.337
				20.02.2015	-10000	Transfer	860000	0.333
				20.03.2015	-140000	Transfer	720000	0.279
12**	Dhanpati Devi	399485	0.155	09.05.2014	98676	Transfer	498161	0.193
				18.07.2014	15000	Transfer	513161	0.199
				15.08.2014	5000	Transfer	518161	0.201
				22.08.2014	10000	Transfer	528161	0.205
				29.08.2014	10000	Transfer	538161	0.209
				05.09.2014	10000	Transfer	548161	0.213
				14.11.2014	10000	Transfer	558161	0.216
				21.11.2014	30000	Transfer	588161	0.228
				05.12.2014	30000	Transfer	618161	0.240
				19.12.2014	2845	Transfer	621006	0.241
				27.02.2015	909	Transfer	621915	0.241
				31.03.2015	5000	Transfer	626915	0.243

\* Ceased to be in the list of top 10 shareholders as on 31.3.2015. However, the same has been reflected above since the shareholder was one of the top 10 shareholders as on 01.04.2014

\*\* Not in the list of top 10 shareholders as on 01.04.2014. However, the same has been reflected above since the shareholder was one of the top 10 shareholders as on 31.03.2015

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	Shareholder's Name	Shareholding at the beginning of the year		Date	Increase / Decrease in the shareholding	Reason	Cumulative shareholding during the year		
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company	
<b>A. DIRECTORS</b>									
1	Mr Dhruv M Sawhney	38391756	14.886	-	0	-	38391756	14.883	
2	Mr Tarun Sawhney	14695375	5.698	-	0	-	14695375	5.697	
3	Mr Nikhil Sawhney	15277653	5.924	-	0	-	15277653	5.923	
4	Dr. F.C. Kohli	0	0.000	-	0	-	0	0.000	
5	Lt. Gen. K.K. Hazari (Retd.)	0	0.000	-	0	-	0	0.000	
6	Mr M.K. Daga	9000	0.003	-	0	-	9000	0.003	
7	Mr. Shekhar Datta	10000	0.004	-	0	-	10000	0.004	
8	Ms. Homai A. Daruwalla	0	0.000	-	0	-	0	0.000	
9	Mr Santosh Pande	0	0.000	-	0	-	0	0.000	
<b>B. KEY MANAGERIAL PERSONNEL</b>									
10	Mr Suresh Taneja	20000	0.008	-	-6000	-	14000	0.005	
11	Mrs Geeta Bhalla	0	0.000	-	0	-	0	0.000	

V. INDEBTEDNESS

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

₹ in lacs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year 1.4.2014</b>				
i) Principal Amount	116406.56*	1226.11	8.61	117641.28
ii) Interest due but not paid	78.81	-	2.15	80.96
iii) Interest accrued but not due	332.32	-	-	332.32
<b>Total (i+ii+iii)</b>	<b>116817.69</b>	<b>1226.11</b>	<b>10.76</b>	<b>118045.56</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	47273.45*	-	-	47273.45
Reduction	16862.95	1027.53	5.62	17896.10
<b>Net Change</b>	<b>30410.50</b>	<b>-1027.53</b>	<b>-5.62</b>	<b>29377.35</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	147001.59*	198.58	3.73	147203.90
ii) Interest due but not paid	-	-	1.41	1.41
iii) Interest accrued but not due	226.60	-	-	226.60
<b>Total (i+ii+iii)</b>	<b>147228.19</b>	<b>198.58</b>	<b>5.14</b>	<b>147431.91</b>

\*includes short term borrowings (cash credit) from banks.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in lacs

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr Dhruv M. Sawhney CMD	Mr Tarun Sawhney VCMD	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	93.50	118.92	212.42
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15.53	19.08	34.61
	(c) Profits in lieu of salary under 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify ( Performance Bonus)	-	-	-
5.	Others (Retiral Benefits)	2.66	17.33*	19.98
	<b>Total (A)</b>	<b>111.69</b>	<b>155.33</b>	<b>267.01</b>
	Ceiling as per the Act	In view of absence of profits, the above remuneration was paid as 'minimum remuneration' in accordance with the applicable provisions of the Companies Act, 2013 and the approval of the Central Government, wherever required.		

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

### B. Remuneration to other directors:

₹ in lacs

Sr. No.	Particulars of Remuneration	Fee for attending board/ committee meetings	Commission	Others, please specify	Total Amount
<b>1.</b>	<b>Independent Directors</b>				
	Dr .F.C. Kohli	3.90	--	--	3.90
	Lt. Gen. K.K. Hazari (Retd.)	7.40	--	--	7.40
	Mr M.K. Daga	1.70	--	--	1.70
	Mr Shekhar Datta	8.00	--	--	8.00
	Ms. Homai A. Daruwalla	6.30	--	--	6.30
	Mr Santosh Pande	3.90	--	--	3.90
	<b>Total (1)</b>	<b>31.20</b>	<b>--</b>	<b>--</b>	<b>31.20</b>
<b>2.</b>	<b>Other Non-Executive Directors</b>				
	Mr Nikhil Sawhney	5.70	--	--	5.70
	<b>Total (2)</b>	<b>5.70</b>	<b>--</b>	<b>--</b>	<b>5.70</b>
	<b>Total (B) = (1+2)</b>	<b>36.90</b>			<b>36.90</b>
	<b>Total Managerial Remuneration (A+B)</b>				<b>267.01</b>
	<b>Overall ceiling as per the Act</b>	In view of absence of profits, the above remuneration was paid as 'minimum remuneration' in accordance with the applicable provisions of the Companies Act, 2013 and the approval of the Central Government, wherever required.			

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

₹ in lacs

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	CS	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	134.98	41.46	176.44
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	NA	0.69	1.76	2.45
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	Nil	Nil	Nil
2	Stock Option	NA	Nil	Nil	Nil
3	Sweat Equity	NA	Nil	Nil	Nil
4	Commission - as % of profit - others, specify	NA	Nil	Nil	Nil
5	Others (Retiral benefits)*	NA	13.93	1.91	15.84
	<b>Total</b>	<b>NA</b>	<b>149.60</b>	<b>45.13</b>	<b>194.73</b>

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

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

# ANNEXURE - J

## NOMINATION AND REMUNERATION POLICY

### INTRODUCTION

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

### Objective and purpose of the Policy

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

### Constitution of the Nomination and Remuneration Committee

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

- (i) Lt. Gen. K.K. Hazari (Retd.) – Chairman
- (ii) Mr Shekhar Datta
- (iii) Mr. Nikhil Sawhney

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

### DEFINITIONS

- 'Board of Directors' or 'Board' means the collective body of the Directors of the Company.
- 'Directors' means a Director appointed to the Board of the Company.
- 'Committee' means '**Nomination and Remuneration**

**Committee'** of the Company as constituted or reconstituted by the Board from time to time.

- 'Company' means **Triveni Engineering & Industries Limited**.
- 'Independent Director' means a Director referred to in Section 149 (6) of the Companies Act, 2013.
- 'Key Managerial Personnel' means-
  - (i) Chairman & Managing Director, or Vice Chairman & Managing Director, or Whole-time Director, if any
  - (ii) Chief Financial Officer;
  - (iii) Company Secretary; and
  - (iv) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- 'Senior Management' means personnel of the Company, who are the members of Core management team and one level below the Executive Director including Corporate Functional Heads and Business Heads of the Company.

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

### APPLICABILITY

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

### GENERAL

This Policy is divided in three parts:

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

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

### Part – A

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

The Committee shall:

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

## Part – B

Policy for appointment and removal of Directors, Senior Management Personnel

### • **Appointment criteria and qualifications**

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

### • **Term / Tenure**

1. **Managing / Whole-time Director**  
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole-time Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. **Independent Director**  
An Independent Director shall hold office for such term upto a maximum of five consecutive years on the Board of the Company, as may be recommended by the Committee and approved by the Board and Shareholders and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.  
No Independent Director shall hold office for more than two consecutive terms, but such Independent Director

shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term up to 5 years only.

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

### • **Evaluation**

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

### • **Removal of Directors**

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

### • **Retirement**

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

## Part – C

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

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

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

## REMUNERATION POLICY

### (a) Executive Directors

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

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

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

### (b) Non-Executive Directors

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

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

- Attendance in the Board / Committee meetings
- Inputs and contribution made in the meetings
- Creativity and idea generation
- Proactive, positive and strategic thinking
- Understanding of Company's business

- Time spent on operational and strategic matters other than the meetings.

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

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

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

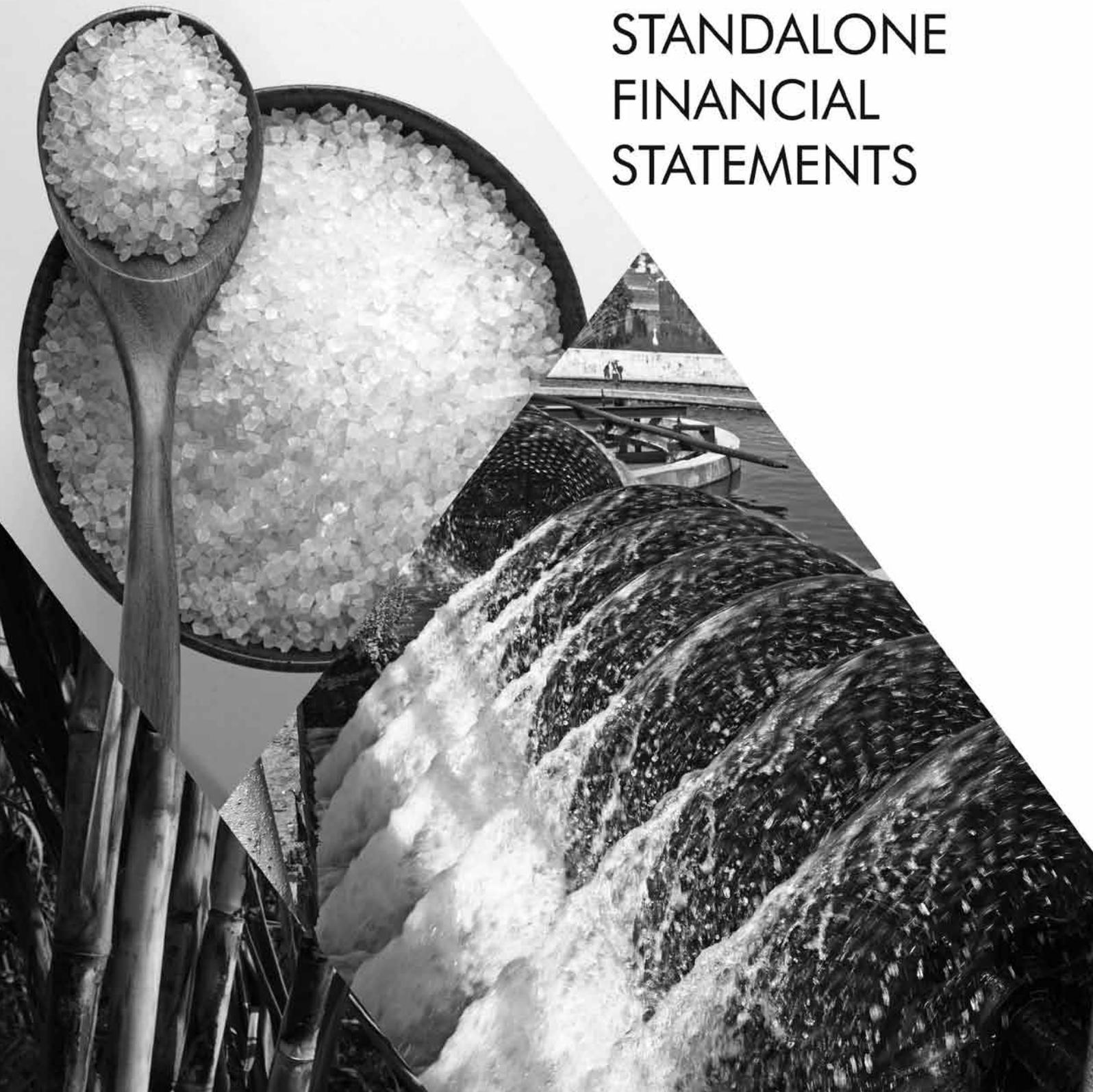
The Stock options may be used as an instrument to actively engage senior management to achieve the objectives of the Company, to reward them for their performance, to motivate and retain them.

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

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



# STANDALONE FINANCIAL STATEMENTS



# INDEPENDENT AUDITOR'S REPORT

## To the Members of Triveni Engineering & Industries Limited

### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of Triveni Engineering & Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by the Branch Auditors of the Company's Mysore Unit, Water Business Unit, Noida and Project Division, Noida.

### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial

statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

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

### OPINION

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 this Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its loss and its cash flows for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure, a statement on the matters specified in the paragraph 3 and 4 of the Order.
- 2) As required by Section 143 (3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books & proper returns adequate for the purpose of our audit have been received from Mysore Unit, Water Business Unit, Noida and Projects Division, Noida of the Company not visited by us ;
  - c) the report on the accounts of the Mysore Unit, Water Business Unit, Noida and Projects Division, Noida of the company audited under sub-section (8) of section 143 by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

▲ Standalone

- d) the balance sheet, the statement of profit and loss and the cash flow statement dealt with in this report are in agreement with the books of account and with the returns received from the Mysore Unit, Water Business Unit, Noida and Projects Division, Noida of the Company not visited by us;
- e) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- f) on the basis of written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of section 164(2) of the Act;
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) the Company has disclosed the impact of pending litigation on its financial position in its financial statements. Refer Note No.32 of the financial statements;
  - ii) The Company did not have any long term contracts including derivatives contracts for which there were, any material foreseeable losses.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For J.C. Bhalla and Co.**  
Chartered Accountants  
FRN : 001111N

**Sudhir Mallick**  
Partner

Membership No. 80051

Place : Noida (U.P.)  
Date : May 27, 2015

# ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 of the Independent Auditors' Report of even date under the heading "Report on Other Legal and Regulatory Requirements" to the members of Triveni Engineering and Industries Limited on the standalone financial statements as of and for the year March 31, 2015.

We report that :

- 1) a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) Major items of fixed assets have been physically verified by the management during the year as per information given to us. As explained to us, no material discrepancies were noticed on such verification as compared to the book records. In our opinion the frequency of verification is reasonable having regard to the size of the Company and nature of its activities.
- 2) a) Inventories have been physically verified by the Management to the extent practicable at reasonable intervals during the year. In our opinion the frequency of verification is reasonable.
  - b) According to information given to us, the procedures for physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - c) The Company is maintaining proper records of inventory. The discrepancies noticed on such verification as compared to the book records were not material having regard to the size and nature of the operations of the Company and have been properly adjusted in the books of account.
- 3) The Company has not given any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly paragraphs 3 (iii) (a) and 3 (iii) (b) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
- 4) According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- 5) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 of the Act or any other relevant provisions of Act, and the Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public in the earlier period. As per the information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal on the Company in respect of deposits accepted.
- 6) We have broadly reviewed the books of accounts maintained by the Company in respect of the products where pursuant to the rules made by the Central Government the maintenance of cost records has been prescribed under Section 148 (1) of the Companies Act, 2013, and are of the opinion that prima facie the prescribed accounts and records have been maintained. However, we are not required to carry out and have not carried out a detailed examination of the records with a view to determine whether they are accurate or complete.
- 7) a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, value added tax, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues of wealth tax, custom duty, and cess which have not been deposited on account of any dispute. Disputed income tax, sales tax, value added tax, service tax and excise duty which have not been deposited on account of matters pending before appropriate authorities are as under:

S. No.	Name of Statute	Forum where dispute is pending	Nature of dues	Amount* (₹ in lacs)	Year
1	Income Tax Act, 1961	Commissioner Income Tax (Appeal)	Income Tax	1,717.63	2004-05, 2005-06, 2006-07 & 2009-10
		Assessing Authority	Income Tax	117.73	2010-11
2	Central Sales Act & Sales / Trade Tax Acts of various states	Assessing Authority	Sales Tax	149.61	1991-92, 1993-94, 1994-95, 1996-97 1997-98, 2000-01 2002-03
		Commissioner (Appeal)	Sales Tax	37.74	1996-97,
			Penalty	52.20	2008-09
			Interest	74.24	to 2011-12
		Appellate Tribunal	Sales Tax	4.01	1987-88, 1994-95, 1998-99, 1999-00, 2007-08
High Court	Sales Tax Penalty	101.22 0.21	1993-94, 1994-95 1996-97, 1999-00, 2006-07, 2007-08		
3	Excise Act, 1944	Commissioner (Appeal)	Excise Duty	21.18	1994-95,
			Penalty	9.62	1995-96, 2007-08 to 2009-10, 2011-12 to 2013-14
		Appellate Tribunal	Excise Duty	567.49	1995-96,
			Penalty	390.07	1996-97, 2003-04, 2004-05 to 2006-07, 2008-09 to 2013-14
High Court	Excise Duty Penalty	234.56 12.90	1997-98, 1998-99, 1999-00, 2003-04 2005-06 2007-08 to 2010-11		
		Supreme Court	Excise Duty Penalty	1.70 1.73	2010-2011

S. No.	Name of Statute	Forum where dispute is pending	Nature of dues	Amount* (₹ in lacs)	Year
4	The Finance Act, 1994	Appellate Tribunal	Service Tax Penalty	55.97 31.29	2004-05, 2005-06, 2007-08 to 2011-12
		Commissioner (Appeal)	Service Tax Penalty	1.15 0.02	2012-13, 2013-14
5	UP Sugar Promotion Policy 2004	High Court	Entry Tax	997.49	2006-07 to
			Sales Tax	36.24	2014-15

\* Net of amounts paid under protest or otherwise.

c) The amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder has been transferred to such fund within time.

- 8) In our opinion, the accumulated losses of the Company are not more than fifty percent of its net worth. The Company has incurred cash losses during the year and in the immediately preceding financial year.
- 9) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.
- 10) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 11) In our opinion, the term loans raised during the year have been applied for the purpose for which were raised.
- 12) During the course of our examination of the books of accounts and records carried out in accordance with the generally accepted auditing practice and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

**For J.C. Bhalla and Co.**  
Chartered Accountants  
FRN : 001111N

**Sudhir Mallick**  
Partner  
Membership No. 80051

Place : Noida (U.P.)  
Date : May 27, 2015

# BALANCE SHEET

as at 31st March 2015

(₹ in Lacs)

Particulars	Note No.	31.03.2015	31.03.2014
<b>I EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
Share capital	2	2,579.47	2,579.02
Reserves and surplus	3	58,964.30	78,257.38
		<b>61,543.77</b>	<b>80,836.40</b>
<b>2. Non - current liabilities</b>			
Long-term borrowings	4	39,638.27	42,213.10
Deferred tax liabilities (net)	5	-	2,448.60
Other long term liabilities	6	1,803.52	1,353.77
Long-term provisions	7	3,071.91	2,576.83
		<b>44,513.70</b>	<b>48,592.30</b>
<b>3. Current liabilities</b>			
Short-term borrowings	8	95,371.66	59,227.72
Trade payables	9	66,243.50	82,004.44
Other current liabilities	10	19,002.49	22,680.61
Short-term provisions	7	5,740.40	5,515.61
		<b>1,86,358.05</b>	<b>1,69,428.38</b>
<b>Total</b>		<b>2,92,415.52</b>	<b>2,98,857.08</b>
<b>II ASSETS</b>			
<b>1. Non-current assets</b>			
<b>Fixed assets</b>			
(i) Tangible assets	11	87,426.84	94,884.75
(ii) Intangible assets	12	118.62	149.07
(iii) Capital work-in-progress		1,842.36	181.90
Non-current investments	13	4,613.48	3,813.48
Long-term loans and advances	14	23,060.47	22,920.53
Other non-current assets	18	3,395.66	4,039.05
		<b>1,20,457.43</b>	<b>1,25,988.78</b>
<b>2. Current assets</b>			
Inventories	15	1,23,433.78	1,40,205.51
Trade receivables	16	23,271.78	22,806.80
Cash and bank balances	17	592.99	1,391.88
Short-term loans and advances	14	19,462.16	4,841.28
Other current assets	18	5,197.38	3,622.83
		<b>1,71,958.09</b>	<b>1,72,868.30</b>
<b>Total</b>		<b>2,92,415.52</b>	<b>2,98,857.08</b>

Summary of Significant Accounting Policies 1

The accompanying Note Nos.1 to 51 form an integral part of the financial statements.

As per our report of even date.

For and on behalf of

**J.C. Bhalla & Company**

Chartered Accountants

FRN : 001111N

**Sudhir Mallick**

Partner

Membership No.80051

Place : Noida (U.P.)

Dated : May 27, 2015

**Tarun Sawhney**Vice Chairman &  
Managing Director**Lt. Gen. K.K. Hazari (Retd.)**

Director

**Suresh Taneja**Group  
CFO**Geeta Bhalla**Group General Manager &  
Company Secretary

# STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2015

(₹ in Lacs)

Particulars	Note No.	31.03.2015 (12 Months)	31.03.2014 (18 Months)
<b>Continuing operations</b>			
<b>INCOME</b>			
Revenue from operations (gross)	19	2,12,802.24	3,25,715.18
Less : Excise duty		6,700.68	10,357.53
Revenue from operations (net)		2,06,101.56	3,15,357.65
Other Income	20	1,762.38	2,568.09
<b>Total revenue</b>		<b>2,07,863.94</b>	<b>3,17,925.74</b>
<b>EXPENSES</b>			
Cost of raw material and components consumed	21	1,45,469.18	3,18,610.44
Purchase of traded goods	22	1,507.68	2,289.40
(Increase) / decrease in inventories of finished goods and work-in-progress	23	17,239.31	(83,761.87)
Employee benefit expenses	24	15,255.81	21,443.14
Other expenses	25	28,427.88	49,992.77
Prior period items (net)	26	(19.74)	69.65
<b>Total</b>		<b>2,07,880.12</b>	<b>3,08,643.53</b>
<b>Earnings before exceptional items, extraordinary item, interest, tax, depreciation and amortisation (EBITDA)</b>		<b>(16.18)</b>	<b>9,282.21</b>
Depreciation and amortisation expenses	27	5,922.17	11,878.33
Finance costs	28	12,207.62	18,522.93
<b>Profit / (loss) before exceptional items, extraordinary item &amp; tax</b>		<b>(18,145.97)</b>	<b>(21,119.05)</b>
Exceptional items	29	-	(4,381.63)
<b>Profit / (loss) before extraordinary item &amp; tax</b>		<b>(18,145.97)</b>	<b>(16,737.42)</b>
Extraordinary item		-	-
<b>Profit / (loss) before tax</b>		<b>(18,145.97)</b>	<b>(16,737.42)</b>
Tax expense	30	(1,736.88)	(1,459.60)
<b>Profit / (loss) after tax</b>		<b>(16,409.09)</b>	<b>(15,277.82)</b>
Earning per equity share of ₹ 1/ each	31		
Basic and diluted (in ₹)		(6.36)	(5.92)

Summary of Significant Accounting Policies 1

The accompanying Note Nos.1 to 51 form an integral part of the financial statements.

As per our report of even date.

For and on behalf of  
**J.C. Bhalla & Company**  
Chartered Accountants  
FRN : 001111N

**Sudhir Mallick**  
Partner  
Membership No.80051

**Tarun Sawhney**  
Vice Chairman &  
Managing Director

**Lt. Gen. K.K. Hazari (Retd.)**  
Director

**Suresh Taneja**  
Group  
CFO

**Geeta Bhalla**  
Group General Manager &  
Company Secretary

Place : Noida (U.P.)  
Dated : May 27, 2015

# CASH FLOW STATEMENT

for the year ended 31st March 2015

Particulars	(₹ in Lacs)	
	31.03.2015 (12 Months)	31.03.2014 (18 Months)
<b>A Cash Flow from Operating Activities</b>		
<b>Profit before tax</b>	<b>(18,145.97)</b>	<b>(16,737.42)</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation / amortisation	5,877.76	11,878.33
Loss / (profit) on sale of fixed assets	9.85	106.26
Provision for diminution in value of investments in subsidiary company	-	0.30
Exceptional Item (Net gain on sale of long term investments)	-	(4,381.63)
Interest Expense	12,207.66	18,523.20
Interest Income	(126.80)	(119.75)
Dividend Income	(576.44)	(749.76)
<b>Operating profit before working capital changes</b>	<b>(753.94)</b>	<b>8,519.53</b>
Movements in working capital :		
Change in Liabilities	(14,080.81)	74,750.51
Change in Inventories	16,771.72	(86,387.94)
Change in Trade Receivables	90.72	(4,988.35)
Change in Loans and Advances	(13,330.92)	(1,871.35)
Change in Other Current Assets	(1,479.11)	12,847.40
<b>Cash generated from / (used in) operations</b>	<b>(12,782.34)</b>	<b>2,869.80</b>
Direct taxes paid (net of refunds)	(507.85)	(570.21)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(13,290.19)</b>	<b>2,299.59</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(4,002.28)	(4,204.76)
Proceeds from sale of fixed assets	27.70	82.10
Proceeds of non-current investments		
- Associate Companies	-	4,711.63
Purchase of non-current investments		
- Subsidiary	(800.00)	(10.00)
- Others	-	(30.55)
Interest received	128.97	106.06
Dividends received	576.44	749.76
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(4,069.17)</b>	<b>1,404.24</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from issue of Equity Share capital under ESOP	6.29	2.80
Proceeds from long-term borrowings	10,101.99	24,330.48
Repayment of long-term borrowings	(16,678.42)	(25,820.60)
Increase / (Decrease) in short-term borrowings	36,143.94	16,874.63
Interest paid	(12,415.71)	(19,031.55)
Dividend paid on equity shares	(1.77)	(260.13)
Tax on equity dividend paid	-	(41.84)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>17,156.32</b>	<b>(3,946.21)</b>
Net increase / (decrease) in cash and cash equivalents (A + B+ C)	(203.04)	(242.38)
Cash and cash equivalents at the beginning of the year	682.81	925.19
<b>Cash and cash equivalents at the end of the year</b>	<b>479.77</b>	<b>682.81</b>

As per our report of even date.

For and on behalf of  
**J.C. Bhalla & Company**  
Chartered Accountants  
FRN : 001111N

**Sudhir Mallick**  
Partner  
Membership No.80051

**Tarun Sawhney**  
Vice Chairman &  
Managing Director

**Lt. Gen. K.K. Hazari (Retd.)**  
Director

**Suresh Taneja**  
Group  
CFO

**Geeta Bhalla**  
Group General Manager &  
Company Secretary

Place : Noida (U.P.)  
Dated : May 27, 2015

# NOTES TO FINANCIAL STATEMENTS

for the year ended 31st March 2015

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation of Financial Statements

The financial statements of the Company have been prepared as a going concern on an accrual basis of accounting under the historical cost convention and in accordance with generally accepted accounting principles in India. The financial statements comply in all material respects with the applicable accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) in accordance with section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current and non-current as per the criteria set out in the Schedule III of the Companies Act 2013. In line with the normal operating cycle of the main products, the Company has considered a period of 12 months for the purpose of determination of classification between current and non-current assets and liabilities.

### b) Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialise.

### c) Fixed Assets

i) Fixed assets are stated at their acquisition cost less accumulated depreciation. Acquisition cost includes taxes, duties (excluding excise duty, service tax and VAT for which CENVAT/VAT credit is available), freight and other incidental expenses relating to acquisition and installation. In case of certain machineries acquired under lease prior to 01.04.2001, the cost of acquisition represents the principal value of the respective lease (including the residual value at expiry of lease). In the acquisition of fixed assets involved in the establishment of a new project/ factory, all direct expenses including borrowing costs are capitalised.

ii) Fixed assets pending disposal are stated at lower of net book value (at the time of discarding of assets) and net realisable value. Wherever, the net book value of the assets can not be reasonably determined, it is stated at net realisable value.

### d) Recognition of Income / Expenditure

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company

and the revenue can be reliably measured. The following specific recognition criteria are applied for revenue recognition:

- i) Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and therefore these are not economic benefits flowing to the Company and accordingly they are excluded from revenue.
- ii) In contracts involving the rendering of services, revenue is recognised as and when the services are rendered. The Company collects service tax on behalf of the government and therefore, it is not an economic benefit flowing to the Company and is accordingly excluded from revenue.
- iii) Income from sale of Certified Emission Reductions (CERs) and Renewable Energy Certificates (RECs) is recognised on the delivery of the CERs/RECs to the customers' account as evidenced by the receipt of confirmation of execution of delivery instructions.
- iv) Revenue from construction contracts is recognised on the percentage of completion method, measured by the proportion that contract costs incurred for work performed till the reporting date bear to the estimated total contract cost. Contract costs for this purpose include :
  - a) Costs that relate directly to the specific contract;
  - b) Costs that are attributable to contract activity in general and can be allocated to the contract; and
  - c) Such other costs as are specifically chargeable to the customer under the terms of contract.

Foreseeable losses, if any, are provided for immediately.
- v) Income / Expenditure relating to prior periods and prepaid expenses which do not exceed ₹ 10,000/- in each case, are treated as Income / Expenditure of current year.
- vi) Compensation under Voluntary Retirement Scheme and all other termination benefits, if any, incurred during the year, are recognised as expense in the statement of profit and loss.

### e) Foreign Currency Transactions

- i) Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing at the date of transaction.

- ii) Foreign currency monetary items (including forward contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculative purposes) are translated at year end rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.
- iii) The premium or discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculative purposes is amortised as expense or income over the life of the contracts.
- iv) In respect of derivative contracts relating to firm commitments or highly probable forecast transactions, provision is made for mark to market losses, if any, at the balance sheet date. Gains, if any, are not recognised till settlement.

**f) Inventories**

- i) Inventories of raw materials, components, stores and spares are valued at lower of cost and net realisable value. By-products used as raw material are valued at transfer cost. Cost for the purpose of valuation of raw materials and components, stores and spares is considered on the following basis :

**Raw Materials & Components**

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

**Stores and Spares**

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

- ii) Finished goods and Work-in-progress are valued at lower of cost and net realisable value. The cost of finished goods and work-in-progress includes raw material costs, direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition. Excise duty is included in the value of finished goods.
- iii) Unsold certified emission reductions (CERs) and renewable energy certificates (RECs) are recognised as inventory in accordance with the Guidance Note on Accounting for Self-generated Certified Emission Reductions, issued by the Institute of Chartered Accountants of India. Inventory of CERs and RECs is valued at lower of cost and net realisable value. The cost incurred on verification / certification of CERs/RECs is considered as the cost of inventories of CERs/RECs.

- iv) Patterns, Loose tools, Jigs and Fixtures are written off equally over three years.
- v) By-products (excluding those used as raw materials) and scrap are valued at estimated net realisable value.

**g) Depreciation**

- i) Depreciation on fixed assets is provided on the straight line method in accordance with Schedule II of the Companies Act, 2013. Schedule II provides the useful lives of various categories of fixed assets and allows the Company to use higher / lower useful lives and residual values if such lives and residual values can be technically supported and the justification for any difference is disclosed in the financial statements.

Accordingly, the management has re-estimated the useful lives and residual values of all its fixed assets and adopted useful lives as stated in Schedule II along with residual values of 5% except for the following:

- On the basis of technical assessment involving technology obsolescence and past experience, the useful lives of instrumentation and control devices installed at sugar plants is considered at ten years as against prescribed life of twenty five years in respect of continuous process plant.
- Based on the experience and assessment, mobile phones costing ₹ 5,000/- or more are depreciated over 2 years.
- Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.
- ii) Double or triple shift depreciation, wherever applicable, is provided in respect of machines on the basis of actual number of days for which such machines work on double or triple shift.
- iii) Intangible assets are recognised as specified in the applicable accounting standard and are amortised as follows:

Particulars	Period of amortisation
Computer software	36 months
Technical know-how	72 months

- iv) Cost of leasehold land, other than acquired on perpetual basis, is amortised over the lease period.
- v) Fixture and fittings and improvements to leasehold buildings not owned by the Company are amortised over the lease period or estimated useful life of such fixture, fittings and improvements, whichever is lower.

**h) Investments**

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current / long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision is made to recognise a decline, other than temporary, in the value of long-term investments, such reduction being determined and made for each investment individually.

**i) Employee Benefits**

## 1) Short Term Employee Benefits:

All employee benefits payable wholly within twelve months after the end of the period in which the employees render the related services are classified as short term employee benefits and are recognised as expense in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short term employee benefits expected to be paid (including compensated absences) in exchange for services rendered, as a liability.

## 2) Long Term Employee Benefits:

## i) 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's contribution to defined contribution plans is recognised in the statement of profit and loss in the financial year to which they relate.

The Company operates the following defined contribution plans.

- **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.

## ii) Defined Benefit Plans

Defined benefit plans are plans under which the Company pays certain defined benefits to its employees at the time of their retirement / resignation / death based on rules framed for such schemes. The Company operates following defined benefit plans:

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

The Company also contributes to certain funds which were set-up by the Company and administered through trust for the benefit of certain employees. The interest rate payable by the trust to the beneficiaries is regulated by statutory authorities. The Company has an obligation to make good the shortfall, if any, between the return on investments of the Trust and the notified interest rate.

- **Gratuity**

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

- **Earned Leaves / Sick Leaves**

The Company provides for the liability at year end on account of un-availed accumulated leaves on the basis of actuarial valuation.

## 3) Employee Stock Options:

Compensation cost in respect of stock options granted to eligible employees is recognised using the intrinsic value of the stock options and is amortised over the vesting period of such options granted .

**j) Borrowing costs**

Borrowing costs attributable to the acquisition of qualifying assets are capitalised till the period such assets are ready for their intended use. All other borrowing costs are charged to the statement of profit and loss.

**k) Operating leases**

Lease payments under an operating lease are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

### **l) Government Grants**

#### Recognition

Government grants are recognised where:

- i) There is reasonable assurance of complying with the conditions attached to the grant.
- ii) Such grant / benefit has been earned and it is reasonably certain that the ultimate collection will be made.

#### Presentation in Financial Statements:

- i) Government grants relating to specific fixed assets are adjusted with the value of such fixed assets.
- ii) Government grants in the nature of promoters' contribution, i.e. which have reference to the total investment in an undertaking or by way of contribution towards total capital outlay, are credited to capital reserve.
- iii) Government grants related to revenue items are either adjusted with the related expenditure / revenue or shown under "Other Income", in case direct linkage with cost / income is not determinable.

### **m) Taxes on Income**

- i) Current tax on income is determined on the basis of taxable income computed in accordance with the applicable provisions of the Income Tax Act, 1961.
- ii) Deferred tax is recognised for all timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.
- iii) Deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised, except in the case of unabsorbed depreciation or carry forward of losses under the Income Tax Act, 1961, where such deferred tax asset

is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

- iv) Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will be in a position to avail of such credit under the provisions of the Income Tax Act, 1961.

### **n) Impairment of Asset**

Impairment of individual assets / cash generating unit (a group of assets that generates identified independent cash flows) is identified using external and internal sources of information and impairment loss if any, is determined and recognised in accordance with the Accounting Standard (AS) 28 "Impairment of Assets".

### **o) Provisions, Contingent liabilities and Contingent assets**

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if:

- i) the Company has a present obligation as a result of a past event;
- ii) a probable outflow of resources is expected to settle the obligation; and
- iii) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of

- i) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- ii) a possible obligation, unless the probability of outflow of resources is remote.

Contingent assets are not recognised.

**2. SHARE CAPITAL**

Particulars	(₹ in Lacs)	
	31.03.2015	31.03.2014
<b>AUTHORISED</b>		
50,00,00,000 Equity shares of ₹ 1/- each	5,000.00	5,000.00
2,00,00,000 Preference shares of ₹ 10/- each	2,000.00	2,000.00
	<b>7,000.00</b>	<b>7,000.00</b>
<b>ISSUED</b>		
25,79,53,110 (25,79,08,150) Equity shares of ₹ 1/- each	2,579.53	2,579.08
	<b>2,579.53</b>	<b>2,579.08</b>
<b>SUBSCRIBED AND PAID UP</b>		
25,79,45,110 (25,79,00,150) Equity shares of ₹ 1/- each	2,579.45	2,579.00
Add :Paid up value of 8,000 Equity shares of ₹ 1/- each forfeited	0.02	0.02
	<b>2,579.47</b>	<b>2,579.02</b>

**a) Reconciliation of the shares outstanding at the beginning and at the end of the year****Equity Shares**

Particulars	As at 31.03.2015		As at 31.03.2014	
	No of Shares	₹ in lacs	No of Shares	₹ in lacs
Outstanding at the beginning of the year	25,79,00,150	2,579.00	25,78,80,150	2,578.80
Add : Equity Shares issued pursuant to exercise of Employee Stock Options	44,960	0.45	20,000	0.20
Outstanding at the end of the year	25,79,45,110	2,579.45	25,79,00,150	2,579.00

**b) Terms / 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.

**c) Details of shareholders holding more than 5% equity shares in the Company**

Particulars	As at 31.03.2015		As at 31.03.2014	
	No of Shares	% holding	No of Shares	% holding
Dhruv M. Sawhney	3,83,91,756	14.88	3,83,91,756	14.89
Nalanda India Fund Limited	2,57,88,000	10.00	2,57,88,000	10.00
Umananda Trade & Finance Limited	2,09,91,589	8.14	2,09,91,589	8.14
Rati Sawhney	2,03,58,164	7.89	2,03,58,164	7.89
Tarnik Investments & Trading Limited	1,86,80,527	7.24	1,86,80,527	7.24
Subhadra Trade & Finance Limited	1,69,07,375	6.56	1,69,07,375	6.56
Nikhil Sawhney	1,52,77,653	5.92	1,52,77,653	5.92
Dhankari Investments Limited	1,47,14,901	5.70	1,47,14,901	5.71
Tarun Sawhney	1,46,95,375	5.70	1,46,95,375	5.70

**d) Shares reserved for issue under options - Nil**

Refer Note No. 45

### 3. RESERVES AND SURPLUS

(₹ in Lacs)

Particulars	31.03.2015	31.03.2014
<b>Capital Reserve</b>		
Balance as per the last financial statements	13,325.85	13,325.85
Less: Amount utilised	-	-
<b>Closing Balance</b>	<b>13,325.85</b>	<b>13,325.85</b>
<b>Securities Premium</b>		
Balance as per the last financial statements	26,541.09	26,538.49
Add: Amount received during the year / period pursuant to exercise of employee stock options	5.84	2.60
Less: Amount utilised	-	-
<b>Closing Balance</b>	<b>26,546.93</b>	<b>26,541.09</b>
<b>Revaluation Reserve - Fixed Assets</b>		
Balance as per the last financial statements	1,507.65	1,556.39
Less: Amount reversed (Refer Note No.34)	1,507.65	-
Less: Amount utilised *	-	48.74
<b>Closing Balance</b>	<b>-</b>	<b>1,507.65</b>
* Represents ₹ Nil (₹ 48.74 lacs) additional depreciation on revalued assets adjusted from revaluation reserve.		
<b>General Reserve</b>		
Balance as per the last financial statements	48,602.09	48,602.09
Add: Amount transferred from Debenture Redemption Reserve	2,000.00	-
Less: Impact of revision of useful lives of fixed assets pursuant to Schedule II to the Companies Act, 2013. [Refer Note No.33 (b)]	1,382.18	-
<b>Closing Balance</b>	<b>49,219.91</b>	<b>48,602.09</b>
<b>Capital Redemption Reserve</b>		
Balance as per the last financial statements	397.40	397.40
Add: Amount transferred	-	-
Less: Amount utilised	-	-
<b>Closing Balance</b>	<b>397.40</b>	<b>397.40</b>
<b>Amalgamation Reserve</b>		
Balance as per the last financial statements	926.34	926.34
Add: Amount transferred	-	-
Less: Amount utilised	-	-
<b>Closing Balance</b>	<b>926.34</b>	<b>926.34</b>
<b>Debenture Redemption Reserve</b>		
Balance as per the last financial statements	2,000.00	2,000.00
Add / (Less) : Amount transferred from surplus / (to deficit) in the statement of profit and loss	-	-
Less: Amount transferred to General Reserve	2,000.00	-
<b>Closing Balance</b>	<b>-</b>	<b>2,000.00</b>

(₹ in Lacs)

Particulars	31.03.2015	31.03.2014
<b>Molasses Storage Fund Reserve</b>		
Balance as per the last financial statements	185.50	234.81
Add: Amount transferred from surplus / (deficit) in the statement of profit and loss	25.78	50.69
Less: Amount transferred to surplus / (deficit) in the statement of profit and loss	16.00	100.00
<b>Closing Balance</b>	<b>195.28</b>	<b>185.50</b>
<b>Surplus / (deficit) in the statement of profit and loss</b>		
Balance as per the last financial statements	(15,228.54)	-
Add: Net profit / (loss) after tax transferred from statement of profit and loss	(16,409.09)	(15,277.82)
<b>Amount available for appropriation (A)</b>	<b>(31,637.63)</b>	<b>(15,277.82)</b>
<b>Appropriations:</b>		
Withdrawn from Molasses Storage Fund Reserve	(16.00)	(100.00)
Transfer to Molasses Storage Fund Reserve	25.78	50.69
Dividend adjustment of previous year	-	0.03
Tax on Dividend of previous year (Previous year ₹ 389/-)	-	0.00
<b>Total appropriations (B)</b>	<b>9.78</b>	<b>(49.28)</b>
<b>Net surplus / (deficit) in the statement of profit and loss (A-B)</b>	<b>(31,647.41)</b>	<b>(15,228.54)</b>
<b>Total Reserves and Surplus</b>	<b>58,964.30</b>	<b>78,257.38</b>

## 4. LONG-TERM BORROWINGS

(₹ in Lacs)

Particulars	Non- Current portion		Current maturities	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Debentures	-	-	-	4,000.00
Term loans from banks	38,978.97	41,003.50	11,642.57	11,273.34
Term loans from others	659.30	1,209.60	547.67	918.50
	39,638.27	42,213.10	12,190.24	16,191.84
The above amount includes				
Secured loans	39,638.27	42,213.10	12,190.24	16,191.84
	39,638.27	42,213.10	12,190.24	16,191.84
Less: Amount disclosed under the head "Other Current Liabilities" (Refer Note No 10)			12,190.24	16,191.84
	<b>39,638.27</b>	<b>42,213.10</b>	-	-

**Details of Securities and other terms :-**

<b>Name of the Bank / Others</b>	<b>Total loan outstanding (₹ in Lacs)</b>	<b>Repayment terms of loan outstanding</b>	<b>Rate of interest</b>	<b>Nature of Security</b>
A) Nil (400) Non Convertible Debentures of ₹ 10.00 lacs each issued to Life Insurance Corporation of India	Nil (4,000.00)	Redeemable in three annual instalments at the end of 4th, 5th & 6th year in the ratio of 30:30:40 from the deemed date of allotment i. e. 26th December 2008.	12.45% p. a. fixed payable quarterly.	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.
B) Term loans				
From banks (Indian Rupee Loan)				
1. Central Bank of India	Nil (630.71)	Nil (1) equal quarterly instalments upto June 2014.	At Banker's base rates plus applicable spread. The total interest rate as on 31.03.2015 range between 11.75% to 13.05% per annum.	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.
2. Canara Bank	7,028.31 (7,500.00)	15 (16) equal quarterly instalments upto December 2018.		
3. Axis Bank	4,166.67 (5,000.00)	10 (12) equal quarterly instalments upto August 2017.		
4. State Bank of Patiala	3,125.00 (5,625.00)	5 (9) equal quarterly instalments upto June 2016.		
5. Oriental Bank of Commerce	3,748.06 (6,248.68)	6 (10) equal quarterly instalments upto July 2016.		
6. Yes Bank	6,093.75 (7,500.00)	13 (16) equal quarterly instalments upto June 2018.		
7. Ratnakar Bank Limited	3,900.00 (4,000.00)	15 (16) quarterly instalments upto December 2018.		
8. Punjab National Bank	205.35 (2,966.00)	1 (13) equal monthly instalments upto April 2015.		Secured by first pari-passu charge on current assets and residual charge on the fixed assets of the Company
9. Central Bank of India	4,999.96 (Nil)	36 (Nil) equated monthly instalments commencing January 2017 and ending December 2019.		Secured by third charge on fixed assets of Khatauli and Ramkola units and second charge on fixed assets of other units of the Company.
10. Oriental Bank of Commerce	2,499.96 (Nil)	36 (Nil) equated monthly instalments commencing November 2016 and ending October 2019.		Secured by third charge on fixed assets of Khatauli and Ramkola units and second charge on fixed assets of other units of the Company.
11 Axis Bank	2,033.50 ( Nil )	12 (Nil) equal quarterly instalments commencing February 2017 and ending November 2019.		Secured by third charge on fixed assets of Khatauli and Ramkola units and second charge on fixed assets of other units of the Company.
12. Punjab National Bank (Excise Duty Loan)	8,876.00 (8,876.00)	36 (36) equated monthly instalments commencing March 2016 and ending February 2019.	Interest Free Loan	Secured by second charge on all business units except Khatauli and Ramkola .
13. Central Bank of India (Excise Duty Loan)	3,750.00 (3,750.00)	12 (12) equal quarterly instalments commencing June 2016 and ending March 2019.	Interest Free Loan	Secured by second charge on all business units except Khatauli and Ramkola .

Name of the Bank / Others	Total loan outstanding (₹ in Lacs)	Repayment terms of loan outstanding	Rate of interest	Nature of Security
14. Vehicle Loans		In equated monthly instalments ranging from 6 to 59 months (3 to 55 months)	At fixed rates ranging from 9.35% to 11.00% p.a.	Secured by hypothecation of vehicle acquired under the respective vehicle loans.
- Axis Bank	126.08 (94.47)			
- ICICI Bank	64.80 (85.98)			
From others (Indian Rupee)				
1. Vehicle Loan				
Daimler Financial Services P Ltd.	6.80 (15.23)	In 9 (21) equated monthly instalments	At fixed rate of 9.38% p.a.	Secured by hypothecation of vehicle acquired under the respective vehicle loans.
2. Other Loans - Sugar Development Fund, Govt. of India	1,204.27 (2,112.87)	5 & 10 equal yearly and half yearly instalments upto September 2018.	2% below the Bank Rate at present 4%	Secured by exclusive second charge created over moveable / immoveable assets of Khatauli and Ramkola units.
<b>Total</b>	<b>51,828.51</b> <b>(58,404.94)</b>			

Figures in brackets relate to previous period.

#### 5. DEFERRED TAX LIABILITIES (NET)

Particulars	(₹ in Lacs)	
	31.03.2015	31.03.2014
<b>Deferred Tax Liabilities :</b>		
Difference in net book value of fixed assets as per books and tax laws	16,727.83	14,218.19
<b>Deferred Tax Assets :</b>		
Unabsorbed business loss / depreciation	(12,485.18)	(8,287.21)
Expenses allowable on payment basis	(1,621.52)	(1,579.86)
Others (net)	(2,621.13)	(1,902.52)
<b>Net Deferred Tax Liabilities</b>	<b>-</b>	<b>2,448.60</b>

#### 6. OTHER LONG TERM LIABILITIES

Interest accrued but not due	91.86	178.78
Lease Equalisation	18.64	28.00
Trade Payable (Retentions)- (Refer Note No. 42 for details of dues to micro and small enterprises)	1,693.02	1,146.99
	<b>1,803.52</b>	<b>1,353.77</b>

## 7. PROVISIONS

(₹ in Lacs)

Particulars	Long-term		Short-term	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
<b>Provision for Employee Benefits</b>				
Gratuity (Refer Note No 38)	2,106.91	1,816.16	116.10	123.89
Compensated Absences	965.00	760.67	299.15	327.38
<b>Other Provisions</b>				
Warranty	-	-	236.40	276.23
Cost to Completion	-	-	60.00	40.15
Arbitration / Court case claims	-	-	251.67	238.11
Mark to market loss on Foreign Exchange Derivatives	-	-	6.65	0.20
Excise duty on closing stock	-	-	4,770.43	4,509.65
	<b>3,071.91</b>	<b>2,576.83</b>	<b>5,740.40</b>	<b>5,515.61</b>

For Movement in provisions - Refer Note No. 43

## 8. SHORT-TERM BORROWINGS

Particulars	31.03.2015	31.03.2014
Repayable on demand		
Cash credits from banks	95,173.08	58,001.62
Other borrowings		
From Banks		
Rupee term loans	-	1,000.00
Foreign currency loans (Buyers' credits)	198.58	218.21
From Others	-	7.89
	<b>95,371.66</b>	<b>59,227.72</b>
The above amount includes :		
Secured borrowings	95,173.08	58,001.62
Unsecured borrowings	198.58	1,226.10

Cash credit from banks is secured by pledge / hypothecation of the stock-in-trade, raw material, stores and spare parts, work-in-progress and receivables and second charge created / to be created on the properties of all the Engineering units and third charge on the properties of Sugar, Co Generation and Distillery units of the Company on pari passu basis.

## 9. TRADE PAYABLES

Trade payables (Refer Note No 42 for details of dues to micro and small enterprises)	66,243.50	82,004.44
	<b>66,243.50</b>	<b>82,004.44</b>

**10. OTHER CURRENT LIABILITIES**

(₹ in Lacs)

Particulars	31.03.2015	31.03.2014
Current maturities of long term borrowings (Refer Note No. 4)	12,190.24	16,191.84
Capital creditors	1,419.07	464.54
Advance from customers	1,462.25	3,142.59
Advance against sale of fixed assets	800.00	-
Security deposits	293.94	237.14
Interest accrued but not due on borrowings	134.74	153.54
Interest accrued and due on borrowings	-	78.81
Employee benefits & other dues payable	1,559.46	1,152.43
Statutory dues payable relating to employees	283.59	257.17
Other statutory dues payable	511.29	618.47
Amount payable to hedging banks	48.04	-
Other payables	191.36	267.77
Unclaimed preference shares redemption	90.46	90.87
Unpaid dividend *	12.91	14.68
Unclaimed matured deposits *	3.73	8.61
Unclaimed interest on deposits *	1.41	2.15
	<b>19,002.49</b>	<b>22,680.61</b>

\* 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.

**11. TANGIBLE ASSETS**

Particulars	Land Freehold <sup>*1</sup>	Land Lease Hold	Buildings & Roads	Plant and Machinery	Office Equipments	Furniture and Fixtures	Vehicles	Computers	Total
<b>Gross block</b>									
<b>As at October 1, 2012</b>	<b>4,737.55</b>	<b>390.76</b>	<b>26,611.19</b>	<b>126,416.54</b>	<b>587.06</b>	<b>797.85</b>	<b>664.29</b>	<b>1,145.86</b>	<b>161,351.10</b>
Additions	17.85	-	76.89	4,722.59	39.70	21.87	297.34	37.98	5,214.22
Deductions	-	-	27.94	1,005.71	16.30	(1.99)	155.68	33.70	1,237.34
<b>As at March 31, 2014</b>	<b>4,755.40</b>	<b>390.76</b>	<b>26,660.14</b>	<b>130,133.42</b>	<b>610.46</b>	<b>821.71</b>	<b>805.95</b>	<b>1,150.14</b>	<b>165,327.98</b>
Additions	-	50.00	119.60	1,533.26	43.09	3.46	132.83	46.08	1,928.32
Deductions	-	-	1.70	158.73	16.90	8.59	23.19	53.87	262.98
Adjustment due to reversal of Revaluation <sup>*3</sup>	-	-	(1,993.57)	(30.12)	-	-	-	-	(2,023.69)
Other adjustments	-	235.59 <sup>*3</sup>	(230.98)	66.37	(11.23)	(53.75)	-	(6.00)	-
<b>As at March 31, 2015</b>	<b>4,755.40</b>	<b>676.35</b>	<b>24,553.49</b>	<b>131,544.20</b>	<b>625.42</b>	<b>762.83</b>	<b>915.59</b>	<b>1,136.35</b>	<b>164,969.63</b>
<b>Depreciation</b>									
<b>As at October 1, 2012</b>	-	28.60	4,975.89	52,965.64	215.88	450.05	243.30	823.88	59,703.24
Charge for the year <sup>*2</sup>	-	6.97	1,010.44	10,307.86	47.98	55.75	104.73	142.72	11,676.45
Deductions	-	-	25.03	783.32	8.42	1.45	86.77	31.47	936.46
<b>As at March 31, 2014</b>	-	<b>35.57</b>	<b>5,961.30</b>	<b>62,490.18</b>	<b>255.44</b>	<b>504.35</b>	<b>261.26</b>	<b>935.13</b>	<b>70,443.23</b>
Charge for the year <sup>*2</sup>	-	4.65	656.52	4,807.82	94.39	67.73	93.05	80.39	5,804.55
Deductions	-	-	0.73	150.23	15.25	8.29	13.36	50.45	238.31
Adjustment due to reversal of Revaluation <sup>*3</sup>	-	-	(487.43)	(28.61)	-	-	-	-	(516.04)
Other adjustments	-	-	1.13	24.44	9.15	(31.95)	-	(2.77)	-
Depreciation written back <sup>*3</sup>	-	-	(44.54)	-	-	-	-	-	(44.54)
Adjustments-Transfer to General Reserve <sup>*4</sup>	-	-	1,549.28	385.83	78.58	5.19	29.00	46.02	2,093.90
<b>As at March 31, 2015</b>	-	<b>40.22</b>	<b>7,635.53</b>	<b>67,529.43</b>	<b>422.31</b>	<b>537.03</b>	<b>369.95</b>	<b>1,008.32</b>	<b>77,542.79</b>
<b>Net Block</b>									
<b>As at March 31, 2014</b>	<b>4,755.40</b>	<b>355.19</b>	<b>20,698.84</b>	<b>67,643.24</b>	<b>355.02</b>	<b>317.36</b>	<b>544.69</b>	<b>215.01</b>	<b>94,884.75</b>
<b>As at March 31, 2015</b>	<b>4,755.40</b>	<b>636.13</b>	<b>16,917.96</b>	<b>64,014.77</b>	<b>203.11</b>	<b>225.80</b>	<b>545.64</b>	<b>128.03</b>	<b>87,426.84</b>

\*1 Include land costing to ₹ 455.90 lacs proposed to be sold to wholly owned subsidiaries

\*2 Transferred to Revaluation Reserve ₹ Nil (previous year ₹ 48.74 lacs).

\*3 Refer Note No. 34

\*4 Refer Note No. 33(b)

12. INTANGIBLE ASSETS (OTHER THAN INTERNALLY GENERATED)

(₹ in Lacs)

Particulars	Computer Software	Technical know-how	Total
<b>Gross block</b>			
<b>As at October 1, 2012</b>	<b>1,509.42</b>	<b>30.81</b>	<b>1,540.23</b>
Additions	92.29	-	92.29
Disposals	-	-	-
<b>As at March 31, 2014</b>	<b>1,601.71</b>	<b>30.81</b>	<b>1,632.52</b>
Additions	87.30	-	87.30
Disposals	35.71	-	35.71
<b>As at March 31, 2015</b>	<b>1,653.30</b>	<b>30.81</b>	<b>1,684.11</b>
Amortisation			
<b>As at October 1, 2012</b>	<b>1,202.02</b>	<b>30.81</b>	<b>1,232.83</b>
Charge for the year	250.62	-	250.62
Disposals	-	-	-
<b>As at March 31, 2014</b>	<b>1,452.64</b>	<b>30.81</b>	<b>1,483.45</b>
Charge for the year	117.75	-	117.75
Disposals	35.71	-	35.71
<b>As at March 31, 2015</b>	<b>1,534.68</b>	<b>30.81</b>	<b>1,565.49</b>
<b>Net Block</b>			
<b>As at March 31, 2014</b>	<b>149.07</b>	<b>-</b>	<b>149.07</b>
<b>As at March 31, 2015</b>	<b>118.62</b>	<b>-</b>	<b>118.62</b>

**13. NON-CURRENT INVESTMENTS**

	(₹ in Lacs)	
Particulars	31.03.2015	31.03.2014
<b>LONG TERM (At Cost)</b>		
<b>OTHER THAN TRADE</b>		
GOVERNMENT SECURITIES		
<b>UNQUOTED</b>		
National Saving Certificates *1	0.11	0.11
OTHER SECURITIES		
SHARES - Fully paid-up		
<b>QUOTED</b>		
13,500 (13,500) Equity shares of ₹ 2/- each of Housing Development Finance Corporation Ltd	0.17	0.17
2,500 (2,500) Equity shares of ₹ 2/- each of HDFC Bank Ltd.	0.05	0.05
24,175 (4,835) Equity shares of ₹ 2/- (₹ 10/-) each of Punjab National Bank	2.34	2.34
76 (76) Equity shares of ₹ 10/- each of Central Bank of India	0.08	0.08
<b>UNQUOTED</b>		
1,821 (1,821) Ordinary shares of ₹ 10/- each of NBI Industrial Finance Co. Ltd.	0.13	0.13
<b>TRADE</b>		
OTHER SECURITIES		
SHARES - Fully paid-up		
<b>SUBSIDIARY COMPANIES (Wholly owned)</b>		
<b>UNQUOTED</b>		
2,05,00,000 (5,00,000) Equity shares of ₹ 1/-each of Triveni Engineering Ltd.	205.00	5.00
Less : Provision for diminution	(5.00)	(5.00)
2,05,00,000 (5,00,000) Equity shares of ₹ 1/-each of Triveni Energy Systems Ltd.	205.00	5.00
Less : Provision for diminution	(4.68)	(4.68)
5,00,000 (5,00,000) Equity shares of ₹ 1/-each of Bhudeva Projects Limited	5.00	5.00
2,05,00,000 (5,00,000) Equity shares of ₹ 1/-each of Svastida Projects Limited	205.00	5.00
2,08,70,000 (8,70,000) Equity shares of ₹ 10/-each of Triveni Entertainment Limited	274.02	74.02
<b>ASSOCIATE COMPANIES</b>		
<b>QUOTED</b>		
7,20,00,000 (7,20,00,000) Equity shares of ₹ 1/- each of Triveni Turbine Ltd.	720.07	720.07
<b>UNQUOTED</b>		
13,008 (13,008) Equity shares of NIS 0.10 each of Aqwise-Wise Water Technologies Ltd.(Israel)	3,006.19	3,006.19
	<b>4,613.48</b>	<b>3,813.48</b>
Aggregate book value of quoted investments	722.71	722.71
Aggregate book value of unquoted investments	3,890.77	3,090.77
Market value of quoted investments	93,730.18	52,050.05
Aggregate amount of provision made for diminution in value of investments	9.68	9.68

\*1 kept as security.

14. LOANS AND ADVANCES

(₹ in Lacs)

Particulars	Long-term		Short-term	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Capital advances				
Unsecured, considered good	409.78	83.59	-	-
Unsecured, considered doubtful	200.25	200.25	-	-
	610.03	283.84	-	-
Less: Provision for doubtful advances	200.25	200.25	-	-
<b>(A)</b>	<b>409.78</b>	<b>83.59</b>	-	-
Security deposit				
Unsecured, considered good	405.43	384.34	31.24	27.79
Unsecured, considered doubtful	0.40	2.70	-	-
	405.83	387.04	31.24	27.79
Less: Provision for doubtful security deposit	0.40	2.70	-	-
<b>(B)</b>	<b>405.43</b>	<b>384.34</b>	<b>31.24</b>	<b>27.79</b>
Loans and advances to related parties *1				
Unsecured, considered good				
Mobilisation advance	-	-	216.57	653.42
Unsecured, considered doubtful				
Other loans	13.76	13.76	-	-
	13.76	13.76	216.57	653.42
Less: Provision for doubtful loans and advances	13.76	13.76	-	-
<b>(C)</b>	<b>-</b>	<b>-</b>	<b>216.57</b>	<b>653.42</b>
Other loans and advances				
Unsecured, considered good				
Prepaid expenses	14.17	21.42	332.09	377.65
Loans and advances to employees	7.80	5.27	108.74	106.18
Advances to suppliers for purchases	13.17	10.13	523.52	640.67
Earnest money deposit	2.00	2.00	23.06	107.25
Service tax recoverable	558.95	498.43	192.73	185.82
Deposit with sales tax authorities	60.22	60.22	22.99	30.27
Sales tax refundable	-	-	3.95	67.43
Excise duty (Cenvat Balance)	2,634.48	3,276.40	640.69	389.76
Works contract tax recoverable	8.88	0.15	-	-
Advance payment of tax { net of provision for tax of ₹ 25.13 lacs (previous period: ₹ 24.47 lacs)}	4,465.37	3,958.18	-	-
VAT recoverable	57.36	57.44	573.28	377.31
Excise duty recoverable	329.96	325.13	33.05	41.79
Interest on excise loan recoverable	-	-	-	88.06
Incentives recoverable from UP Govt. (Refer Note No.35(a))	14,002.46	14,002.46	-	-
Society Commission Recoverable	-	-	3,102.39	1,578.23
Cane Price Recoverable [Refer Note No.35(d)]	-	-	13,443.68	-
Others	90.44	235.37	214.18	169.65
Sub-total (considered good)	22,245.26	22,452.60	19,214.35	4,160.07
Unsecured, considered doubtful				
Excise duty / Sales tax recoverable	449.48	38.06	-	0.30
Custom duty recoverable	-	-	-	0.47
Loans and advances to employees	2.26	2.26	-	-
Advances to suppliers for purchases	42.31	42.50	1.27	2.14
Bank guarantee encashments recoverable	1,122.74	1,122.74	-	-
Others	336.71	336.14	15.03	7.90
Sub-total (considered doubtful)	1,953.50	1,541.70	16.30	10.81
<b>Total Gross (other loans and advances)</b>	<b>24,198.76</b>	<b>23,994.30</b>	<b>19,230.65</b>	<b>4,170.88</b>
Less: Provision for doubtful loans and advances	1,953.50	1,541.70	16.30	10.81
<b>Total Net (other loans and advances) (D)</b>	<b>22,245.26</b>	<b>22,452.60</b>	<b>19,214.35</b>	<b>4,160.07</b>
<b>Total (A+B+C+D)</b>	<b>23,060.47</b>	<b>22,920.53</b>	<b>19,462.16</b>	<b>4,841.28</b>
*1 Loans and advances to related parties include the following:				
Triveni Engineering Limited (subsidiary company)	13.76	13.76	-	-
Triveni Turbine Limited (Associate Company)	-	-	216.57	653.42

**15. INVENTORIES**

(₹ in Lacs)

Particulars	31.03.2015	31.03.2014
Raw material and components	2,418.90	2,084.75
Less: Provision for obsolescence / slow moving raw materials and components	(153.49)	(107.35)
Work-in-progress	1,916.22	3,032.73
Stores and spares	3,214.80	3,242.91
Less: Provision for obsolescence / slow moving stores and spares	(31.49)	(20.58)
Finished goods	1,15,858.33	1,31,729.16
Stock- in- trade	24.55	34.00
Certified emission reductions (Refer Note No.48)	0.74	8.24
Patterns, loose tools, jigs and fixtures	26.28	48.62
Others (Scrap)	158.94	153.03
	<b>1,23,433.78</b>	<b>1,40,205.51</b>

**16. TRADE RECEIVABLES**

(₹ in Lacs)

Particulars	Non- Current		Current	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
<b>Over Six Months</b>				
Unsecured, considered good	12.95	17.54	3,643.44	4,096.74
Considered doubtful	2,653.86	1,976.58	2,197.67	1,120.83
	2,666.81	1,994.12	5,841.11	5,217.57
Less : Provision for doubtful receivables	2,653.86	1,976.58	2,197.67	1,120.83
<b>(A)</b>	<b>12.95</b>	<b>17.54</b>	<b>3,643.44</b>	<b>4,096.74</b>
<b>Others</b>				
Unsecured, considered good	2,853.48	3,404.59	19,628.34	18,710.06
Considered doubtful	-	-	11.39	327.28
	2,853.48	3,404.59	19,639.73	19,037.34
Less : Provision for doubtful receivables	-	-	11.39	327.28
<b>(B)</b>	<b>2,853.48</b>	<b>3,404.59</b>	<b>19,628.34</b>	<b>18,710.06</b>
<b>Total (A+B)</b>	<b>2,866.43</b>	<b>3,422.13</b>	<b>23,271.78</b>	<b>22,806.80</b>
Less: Amount disclosed under other non-current assets (Refer Note No. 18)	2,866.43	3,422.13		
	-	-	<b>23,271.78</b>	<b>22,806.80</b>

## 17. CASH AND BANK BALANCES

(₹ in Lacs)

Particulars	Non- Current		Current	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
<b>Cash and cash equivalents</b>				
Balance with banks				
Current accounts	-	-	259.77	379.03
Demand deposits (original maturity of less than three months)	-	-	-	6.03
Cheques / drafts on hand	-	-	188.25	266.30
Cash on hand	-	-	31.75	31.45
<b>(A)</b>	-	-	<b>479.77</b>	<b>682.81</b>
<b>Other bank balances</b>				
Earmarked balances :				
Deposit against molasses storage fund	174.28	201.55	-	-
Unpaid dividend account	-	-	103.38	105.56
Balances under lien / margin / kept as security :				
Post office savings account	1.80	1.85	-	-
Fixed / margin deposits (original maturity upto one year)	8.95	42.87	1.31	1.01
Fixed / margin deposits (original maturity more than one year)	212.76	277.38	-	-
Other balances:				
Demand deposits (original maturity more than one year)	3.90	-	-	-
Demand deposits (original maturity exceeding three months but upto one year)	-	-	8.53	602.50
<b>(B)</b>	<b>401.69</b>	<b>523.65</b>	<b>113.22</b>	<b>709.07</b>
<b>Total (A+B)</b>	<b>401.69</b>	<b>523.65</b>	<b>592.99</b>	<b>1,391.88</b>
Less: Amount disclosed under other non-current assets (Refer Note No 18)	401.69	523.65		
	-	-	<b>592.99</b>	<b>1,391.88</b>

## 18. OTHER ASSETS

Long-term trade receivables (Refer Note No 16)	2,866.43	3,422.13	-	-
Non current cash and bank balances (Refer Note No 17)	401.69	523.65	-	-
Interest accrued on bank deposits.	38.45	21.55	18.30	37.37
Duty drawback receivable	-	-	16.45	15.73
Forward premium / discount adjustable	-	-	20.91	0.73
Due from customers (Construction and project related activity)	-	-	4,932.92	3,343.65
Fixed assets pending disposal / sale	-	-	143.62	156.49
Insurance claim recoverable	-	-	16.09	16.40
Unamortised front end charges	89.09	71.72	38.63	33.21
Others	-	-	10.46	19.25
	<b>3,395.66</b>	<b>4,039.05</b>	<b>5,197.38</b>	<b>3,622.83</b>

**19. REVENUE FROM OPERATIONS**

	(₹ in Lacs)	
Particulars	31.03.2015 (12 Months)	31.03.2014 (18 Months)
<b>Sale of products</b>		
Finished goods	1,87,482.06	2,91,635.27
Traded goods	1,469.51	2,226.16
<b>Sale of services</b>		
Erection and commissioning	81.20	181.89
Servicing	227.98	211.52
Operation and maintenance	1,555.45	491.48
Others	19.04	20.84
<b>Construction contract revenue</b>	21,390.85	30,652.14
<b>Other operating revenue</b>		
Income from sale of certified emission reductions / renewable energy certificates	481.38	171.03
Export incentives	20.87	28.35
Sale of scrap	73.90	96.50
	<b>2,12,802.24</b>	<b>3,25,715.18</b>
<b>Details of Sales (Finished Goods)</b>		
Sugar	145,137.63	220,939.05
Molasses	2,425.87	8,091.19
Bagasse	3,871.97	6,898.96
Power	6,898.51	12,366.92
Alcohol	15,798.74	22,954.21
Mechanical equipment - Water / Waste-water	1,795.86	4,260.80
Gears / Gear Boxes	9,238.35	13,804.71
Bought outs and Spares	1,726.03	1,491.26
Others	589.10	828.17
	<b>1,87,482.06</b>	<b>2,91,635.27</b>
<b>Details of Sales (Traded Goods)</b>		
Diesel / Petrol / Lubricants	1,380.12	2,087.01
Other consumer goods	89.39	139.15
	<b>1,469.51</b>	<b>2,226.16</b>
<b>Details of Sales (Construction Contract Revenue)</b>		
Water, Waste-water and Sewage treatment	16,320.86	20,360.72
Power generation and evacuation system	5,069.99	10,291.42
	<b>21,390.85</b>	<b>30,652.14</b>

**20. OTHER INCOME**

(₹ in Lacs)

Particulars	31.03.2015 (12 Months)	31.03.2014 (18 Months)
Exchange rate fluctuation gain [Includes premium / discount received on foreign currency forward contracts : ₹ 8.95 lacs (Previous period: ₹ Nil)]	40.16	-
Rent received	26.17	60.52
Interest income from		
Bank deposits	79.66	95.24
Customers	9.18	6.78
Others	37.96	17.73
Dividend on long term investment	576.44	749.76
Credit balances written back [net of amounts written off: ₹ 68.14 lacs (previous period: ₹ 142.45 lacs)]	108.59	316.18
Excess provision for warranty written back (net) (Refer Note No 43)	20.25	-
Excess provision for cost to completion reversed (net) (Refer Note No 43)	-	24.85
Excess provision of expenses written back	141.42	152.80
Miscellaneous income	722.55	1,144.23
	<b>1,762.38</b>	<b>2,568.09</b>

**21. COST OF RAW MATERIAL AND COMPONENTS CONSUMED**

Stock at commencement	2,084.75	2,345.12
Purchases	1,45,819.17	3,18,424.43
	1,47,903.92	3,20,769.55
Less : Amount capitalised	15.84	74.36
Less: Stock at close	2,418.90	2,084.75
	<b>1,45,469.18</b>	<b>3,18,610.44</b>
<b>Details of raw material and components consumed</b>		
Sugar cane	1,28,270.82	2,89,527.48
Construction contracts materials:		
Clarifiers	468.63	1,438.70
RO plants	6,966.94	9,362.49
Operation and maintenance	400.08	105.37
Molasses	732.94	2,379.26
Forgings and castings	1,524.97	1,645.91
Sub contract charges	173.26	254.67
Others	6,931.54	13,896.56
	<b>1,45,469.18</b>	<b>3,18,610.44</b>

**22. PURCHASE OF TRADED GOODS**

Diesel / Petrol / Lubricants	1,430.47	2,160.86
Other consumer goods	77.21	128.54
	<b>1,507.68</b>	<b>2,289.40</b>

**23. (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

(₹ in Lacs)

Particulars	31.03.2015 (12 Months)	31.03.2014 (18 Months)
Stock at commencement		
Work-in-progress	3,032.73	669.80
Finished goods	1,31,729.16	47,759.43
Traded goods	34.00	13.08
Certified emission reductions	8.24	22.13
	1,34,804.13	48,464.44
Stock at close		
Work-in-progress	1,916.22	3,032.73
Finished goods	1,15,858.33	1,31,729.16
Traded goods	24.55	34.00
Certified emission reductions	0.74	8.24
	1,17,799.84	1,34,804.13
Add / (Less): Impact of excise duty on finished goods	235.02	2,577.82
	<b>17,239.31</b>	<b>(83,761.87)</b>
<b>Details of Work in Progress</b>		
Sugar	1,334.31	2,105.70
Molasses	155.78	287.12
Mechanical Equipment-Water / Waste Water	63.00	62.22
Gear / Gear Boxes	276.80	479.50
Others	86.33	98.19
	<b>1,916.22</b>	<b>3,032.73</b>
<b>Details of Finished Goods</b>		
Sugar	1,08,568.52	1,24,080.37
Molasses	4,743.07	5,429.66
Bagasse	237.96	382.52
Power	170.94	117.96
Alcohol	2,107.75	1,692.48
Others	30.09	26.17
	<b>1,15,858.33</b>	<b>1,31,729.16</b>
<b>Details of Traded Goods</b>		
Diesel / Petrol / Lubricants	23.16	30.38
Other consumer goods	1.39	3.62
	<b>24.55</b>	<b>34.00</b>

**24. EMPLOYEE BENEFIT EXPENSES**

Salaries,wages and bonus	13,136.08	18,741.58
Contributions to provident and other funds	996.56	1,401.55
Gratuity	643.78	600.70
Employee welfare	479.39	713.27
	<b>15,255.81</b>	<b>21,457.10</b>
Less : Amount capitalised	-	13.96
	<b>15,255.81</b>	<b>21,443.14</b>

25. OTHER EXPENSES

Particulars	(₹ in Lacs)	
	31.03.2015 (12 Months)	31.03.2014 (18 Months)
<b>(A) Manufacturing / Operating Expenses</b>		
Stores,spares and tools consumed	2,264.38	3,995.15
Power and fuel	2,420.94	2,939.96
Design and engineering charges	194.33	561.32
Cane development expenses	292.14	264.66
Machining / fabrication expenses	117.36	170.08
Erection and commissioning expenses	1,122.62	1,125.50
Civil construction charges	4,841.91	6,650.12
Packing and stacking expenses	2,166.74	4,122.05
Repairs and maintenance		
Machinery	3,303.85	4,821.15
Building	336.98	475.38
Others	377.94	515.00
Factory / operational expenses	1,165.60	1,668.94
	18,604.79	27,309.31
<b>(B) Administration Expenses</b>		
Travelling and conveyance	1,222.22	1,814.09
Rent	501.07	708.72
Rates and taxes	849.73	1,074.19
Insurance	224.18	367.75
Directors' fee	36.90	13.70
Legal and professional expenses	704.44	769.12
Security service expenses	750.82	974.80
Printing and stationery	142.97	236.08
Postage,telegram and telephone	185.44	313.50
Bank charges and guarantee commission	151.13	223.11
Warranty expenses (Includes provision for warranty (net) ₹ Nil (Previous period : ₹ 2.18 lacs) - Refer Note No. 43	1.01	8.35
Payment to Auditors (Refer Note No.49)	99.85	146.89
Provision for Arbitration / Court case claims (Refer Note No. 43)	13.56	20.34
Provision for mark to market loss on foreign exchange derivatives (Refer Note No. 43 )	6.65	0.20
Exchange rate fluctuation loss	-	39.19
[net of discount / premium received on F/E forward contracts : ₹ Nil (Previous period: ₹ 110.29 lacs)]		
Provision for diminution in value of long term investments	-	0.30
Provision for non moving / obsolete inventory	57.05	35.83
Provision for bad and doubtful debts / advances (net)	1,853.22	1,042.92
Provision for cost to completion on construction contracts (net) (Refer Note No. 43 )	19.85	-
Loss on sale / write off of fixed assets [Includes provision for diminution: ₹ Nil (Previous period: ₹ 20.13 lacs)]	2.33	106.26
Loss on sale / write off of stores & spares	0.34	47.56
Miscellaneous expenses	695.65	1,132.81
	7,518.41	9,075.71
<b>(C) Selling Expenses</b>		
Selling commission	537.27	839.99
Royalty	258.40	293.69
Advertisement and sales promotion	36.94	67.41
Rebate and discount	9.10	61.31
Outward freight and forwarding	1,460.10	2,273.25
Other selling expenses	18.67	36.31
	2,320.48	3,571.96
<b>(D) Off-season expenses deferred / charged</b>		
Off-season expenses deferred	-	10,047.06
<b>Sub-total (A+B+C+D)</b>	<b>28,443.68</b>	<b>50,004.04</b>
Less : Amount capitalised	15.80	11.27
<b>Total Other Expenses</b>	<b>28,427.88</b>	<b>49,992.77</b>

**26. PRIOR PERIOD ITEMS**

Particulars	(₹ in Lacs)	
	31.03.2015 (12 Months)	31.03.2014 (18 Months)
<b>(A) Expenses</b>		
Cost of raw material and components consumed	10.48	-
Repairs and maintenance		
Machinery	-	11.73
Rates & Taxes	2.45	71.56
Insurance	-	0.63
Legal and professional expenses	0.77	0.56
Loss on sale / write off of fixed assets	7.52	-
Miscellaneous expenses	6.42	7.33
Royalty	-	0.52
Depreciation	0.13	-
Other borrowing cost	0.05	0.28
	27.82	92.61
<b>(B) Income</b>		
Excess Depreciation written back	44.54	-
Miscellaneous income	3.02	22.96
	47.56	22.96
<b>Prior period items (net) (A) - (B)</b>	<b>(19.74)</b>	<b>69.65</b>

**27. DEPRECIATION AND AMORTISATION EXPENSES**

Depreciation	5,804.42	11,627.71
Amortisation		
Intangible assets	117.75	250.62
	<b>5,922.17</b>	<b>11,878.33</b>

**28. FINANCE COSTS**

Interest expense on		
Debentures	367.02	1,295.82
Fixed loans	4,919.20	8,523.65
Others	6,702.29	8,353.29
Other borrowing cost	184.61	232.74
Exchange rate fluctuation *	34.50	117.43
	<b>12,207.62</b>	<b>18,522.93</b>

\* Includes premium / discount paid on foreign currency forward contracts to hedge buyers credit availed : ₹ 33.81 lacs  
(Previous period: ₹ 112.48 lacs)

29. EXCEPTIONAL ITEMS

(₹ in Lacs)

Particulars	31.03.2015 (12 Months)	31.03.2014 (18 Months)
Premium received on capital reduction of equity investment under the Scheme of Capital Reduction sanctioned by Hon'ble Allahabad High Court in respect of erstwhile Associate Companies.	-	(950.09)
Profit on sale of long term investments in erstwhile Associate Companies	-	(3,431.54)
	-	<b>(4,381.63)</b>

30. TAX EXPENSE

For Current Year		
Deferred Tax	(1,736.88)	(4,159.97)
	<b>(1,736.88)</b>	<b>(4,159.97)</b>
For Earlier Years (Net)		
Current Tax	-	(250.10)
	-	<b>(250.10)</b>
	<b>(1,736.88)</b>	<b>(4,410.07)</b>
Less / (Add): Entitlement / (Reversal) of MAT Credit	-	(2,950.47)
	<b>(1,736.88)</b>	<b>(1,459.60)</b>

31. EARNING PER SHARE (EPS)

<b>Basic EPS</b>		
Net loss after tax as per statement of profit and loss (A)	(16,409.09)	(15,277.82)
Weighted average number of equity shares of ₹ 1/- each outstanding during the year / period (B)	25,79,40,676	25,78,80,589
<b>Basic EPS in ₹ (A / B)</b>	<b>(6.36)</b>	<b>(5.92)</b>
<b>Diluted EPS</b>		
Net loss after tax as per statement of profit and loss (A)	(16,409.09)	(15,277.82)
Weighted average number of equity shares deemed to be issued under options without consideration, outstanding during the year / period	-	1,573.00
Weighted average number of equity shares of ₹ 1/- each outstanding during the year / period (B)	25,79,40,676	25,78,82,162
<b>Diluted EPS in ₹ (A / B)</b>	<b>(6.36)</b>	<b>(5.92)</b>

**32. CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)**

- (a) Claims against the Company not acknowledged as debts (as certified by the management)

		(₹ in Lacs)																	
		31.03.2015	31.03.2014																
<b>i)</b>	Claims which are being contested by the company and in respect of which the company has paid amounts aggregating to ₹ 471.80 lacs (previous period ₹ 468.89 lacs) excluding interest under protest pending final adjudication of the cases:	2,208.25	2,175.75																
	<table border="1"> <thead> <tr> <th>Sl. no.</th> <th>Particulars</th> <th>Amount of contingent liability</th> <th>Amount paid</th> </tr> </thead> <tbody> <tr> <td>01.</td> <td>Sales Tax</td> <td style="text-align: right;">295.20 (220.22)</td> <td style="text-align: right;">91.92 (94.36)</td> </tr> <tr> <td>02.</td> <td>Excise Duty</td> <td style="text-align: right;">1,189.61 (1,232.91)</td> <td style="text-align: right;">340.42 (331.31)</td> </tr> <tr> <td>03.</td> <td>Others</td> <td style="text-align: right;">723.44 (722.62)</td> <td style="text-align: right;">39.46 (43.22)</td> </tr> </tbody> </table>	Sl. no.	Particulars	Amount of contingent liability	Amount paid	01.	Sales Tax	295.20 (220.22)	91.92 (94.36)	02.	Excise Duty	1,189.61 (1,232.91)	340.42 (331.31)	03.	Others	723.44 (722.62)	39.46 (43.22)		
Sl. no.	Particulars	Amount of contingent liability	Amount paid																
01.	Sales Tax	295.20 (220.22)	91.92 (94.36)																
02.	Excise Duty	1,189.61 (1,232.91)	340.42 (331.31)																
03.	Others	723.44 (722.62)	39.46 (43.22)																
	Figures in brackets relates to previous period.																		
<b>ii)</b>	The Company is contingently liable in respect of short provision against disputed income tax liabilities of ₹ 4,409.28 lacs (previous period ₹ 4,409.28 lacs) against which ₹ 2,844.88 lacs (previous period ₹ 2,711.88 lacs) stands paid. The disputed income tax liability mainly arises from additions made on a/c of unrealised incentives against which the Company has filed appeals. In the event such liability finally materialises ₹ 3,524.20 lacs (previous period ₹ 3,524.20 lacs) will be adjusted against the capital reserve.	4,409.28	4,409.28																
<b>iii)</b>	Statutory levies against which remission has been availed under U.P. Sugar Industry Promotion Policy 2004, issued by the State Government of Uttar Pradesh [refer note 35(a)]	3,591.14	3,570.27																
<b>iv)</b>	Liability arising from claims / counter claims / Interest in arbitration / court cases, claims of certain employees / ex-employees and in respect of service tax, if any, on certain activities of the Company which are being contested by the Company.	Indeterminate	Indeterminate																

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

- (b) Guarantees / surety given on behalf of companies ₹ 1,688.13 lacs (previous period ₹ 1,818.15 lacs), including a corporate guarantee of ₹ 1,647.13 lacs (previous period ₹ 1,777.15 lacs) equivalent to GBP 17.62 lacs (previous period GBP 17.62 lacs) given on behalf of an associate company as a surety for due performance of its obligations under a contract awarded by an overseas customer and in respect of which, the associate company has fully indemnified the Company against any claims, damages or expenses, including legal costs. The guarantees have been given in the normal course of operations of these companies and are not expected to result in any loss to the Company on the basis of such companies fulfilling their ordinary commercial obligations.
- (c) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 3,525.70 lacs (previous period ₹ 48.70 lacs), after adjusting advances aggregating to ₹ 409.78 lacs (previous period ₹ 83.59 lacs).

**33.** In accordance with Schedule II of the Companies Act 2013, the estimated useful lives of tangible fixed assets have been technically assessed and revised by the management with effect from April 1, 2014. Consequent to the above-

- (a) the depreciation charge for the year is lower by ₹ 1,819.91 lacs.
- (b) carrying amounts of ₹ 2,093.90 lacs in respect of fixed assets, the revised useful lives of which had expired prior to April 1, 2014, has been adjusted to the extent of ₹ 1,382.18 lacs against general reserves and the balance ₹ 711.72 lacs against deferred tax liability.

34. The Company had, in earlier years, revalued a property at New Delhi and certain plant and machinery installed at its sugar unit at Deoband. The increase in value consequent to such revaluation was credited to revaluation reserve in the accounts and depreciation proportionate to such increase in value was adjusted each year from the revaluation reserve created initially. During the current year, the Company has reversed the entire revaluation reserve appearing in the books as at the commencement of the year. Accordingly, the net book value of building and plant & machinery has been reduced by ₹ 1,506.14 lacs and ₹ 1.51 lacs respectively to reflect the reversal of revaluation of these assets. Further, the Company has, during the year, reclassified the amounts aggregating to ₹ 235.59 lacs paid on acquisition and subsequent improvement of title pertaining to the property at New Delhi, under leasehold land, earlier capitalised under building. Accordingly, excess depreciation charged on building in earlier years aggregating to ₹ 44.54 lacs has been written back during the year.

35. (a) The Company had, in respect of eligible projects, accounted for capital subsidy as well as remissions and reimbursement of certain statutory levies and other expenses, in accordance with and as prescribed under the U.P. Sugar Industry Promotion Policy 2004 ("Policy") issued by the State Government of U.P. Till the beginning of the current financial year, the Company had accounted for recoverable incentives, aggregating to ₹ 14,002.46 lacs (previous period ₹ 14,002.46 lacs) including capital subsidy of ₹ 10,470.00 lacs (previous period ₹ 10,470.00 lacs) credited to capital reserves, and had availed remission of ₹ 3,570.27 lacs (previous period ₹ 3,314.22 lacs).

On premature termination of the Policy by the State Government with effect from June 4, 2007, the Company has challenged before the Lucknow Bench of the Allahabad High Court, the action of the State Government in withdrawing the said Policy and not granting the incentives to the Company. Pending final adjudication in the matter, the High Court vide its interim order dated 09.05.2008 has permitted limited protection of remissions which were being enjoyed on the date when the Policy was revoked.

Accordingly, during the current year, the Company has accounted for only remissions of ₹ 20.88 lacs (previous period ₹ 256.04 lacs), net of reversals of ₹ Nil (previous period ₹ 170.26 lacs) in respect of certain incentives earlier excess booked, as permitted by the High Court in the interim order. Eligible reimbursements of ₹ 793.61 lacs (previous period ₹ 2,342.29 lacs) have however not been accounted for during the current year and the aggregate of such reimbursements not accounted for till the end of the current year

aggregating to ₹ 8,132.78 lacs (previous period ₹ 7,339.17 lacs) shall be accounted for in accordance with the final order of the High Court.

(b) The Company had availed loans aggregating ₹ 12,626.00 lacs during financial year 2012-14 under the "Scheme for Extending Financial Assistance to Sugar Undertakings, 2014" notified by the Government of India. Under the said scheme interest subvention @ 12% per annum is granted by the Government on such loan. The loan outstanding as at the end of the year is ₹ 12,626.00 lacs (previous period ₹ 12,626.00 lacs).

(c) During the year the Company has accounted subsidy of ₹ 3,624.21 lacs (Previous period ₹ 2,743.39 lacs) towards amount reimbursed / reimbursable by the State Government of Uttar Pradesh in respect of commission on purchase of cane.

(d) The State Government of Uttar Pradesh, vide notification dated 12.11.2014, had inter-alia announced cash subsidy for the Sugar Industry against the notified state advised cane price for the season 2014-15. The quantum of subsidy was linked to the average selling prices of sugar and its by-products during the period 1/10/2014 to 31/05/2015. In view of the selling prices of the relevant products having prevailed (and expected to during the balance period) well below the threshold limits specified in the notification, the Company has during the year accounted for the prescribed subsidies aggregating to ₹ 13,443.68 lacs in respect of cane purchased by it during the season 2014-15 up to the end of the financial year.

(e) During the year, the State Government of Uttar Pradesh has also provided a subsidy of ₹ 6 per quintal of cane purchased during the sugar season 2013-14. Accordingly, the Company has received subsidy amount of ₹ 2,793.45 lacs during the year which has been adjusted against the cost of material consumed.

36. Cost of material consumed is net of ₹ 217.03 lacs being refund received during the year (previous period ₹ 323.50 lacs being reversal of provision) in respect of administration charges on captive consumption of molasses paid by the Company in earlier years.

37. Due to decline in the free sugar prices below the cost of production of sugar, the sugar inventories held by certain unit(s) of the Company as on 31.03.2015 have been valued at their net realisable value. The impact of write down of inventories during the year is ₹ 11,109.47 lacs (previous period ₹ 5,536.24 lacs).

38. The Company has made provisions for the employee benefits in accordance with the Accounting Standard (AS) 15 "Employees Benefits". During the year/period, the Company has recognised the following amounts in its financial statements:

(i) Defined Contribution Plans

Particulars	(₹ in Lacs)	
	2014-15	2012-14
Employers' Contribution to Employees' Provident Fund*1	803.91	1171.24
Employers' Contribution to ESI	7.31	16.19
Employers' Contribution to Superannuation Scheme	114.63	94.85

(ii) Defined Benefit Plans

Changes in present value of obligation

Particulars	(₹ in Lacs)			
	Gratuity		Compensated Absence (unfunded)	
	2014-15	2012-14	2014-15	2012-14
Present value of obligation as at the beginning of the year / period	2,939.24	2648.49	909.65	779.36
Interest cost	207.89	293.29	70.12	92.75
Current service cost	261.61	180.49	130.29	131.46
Contribution by plan participants / employees	-	-	-	-
Transfers from other funds	-	-	-	-
Benefits paid	(358.47)	(458.01)	(66.22)	(106.63)
Actuarial (gain) / loss on obligation	259.90	274.98	35.89	12.71
Present value of obligation as at the end of the year / period	3,310.17	2,939.24	1,079.73	909.65

Change in the value of plan assets

Particulars	(₹ in Lacs)			
	Gratuity		Compensated Absence (unfunded)	
	2014-15	2012-14	2014-15	2012-14
Fair value of the plan assets at the beginning of the year / period	999.19	904.66	-	-
Expected return on plan assets	82.44	115.34	-	-
Contributions	334.86	500.97	-	-
Contribution by plan participants / employees	-	-	-	-
Transfers from other funds	-	-	-	-
Benefits paid	(332.52)	(554.50)	-	-
Actuarial gain / (loss) on plan assets	3.19	32.72	-	-
Fair value of the plan assets at the end of the year / period	1,087.16	999.19	-	-

Amount recognised in balance sheet

(₹ in Lacs)

Particulars	Gratuity		Compensated Absence (unfunded)	
	2014-15	2012-14	2014-15	2012-14
Present value of obligation as at the end of the year / period	3,310.17	2,939.24	1,079.73	909.65
Fair value of plan assets as at the end of the year / period	1,087.16	999.19	-	-
Funded Status	(2,223.01)	(1,940.05)	(1,079.73)	(909.65)
Net Assets / (Liability) recognised in the balance sheet	(2,223.01)	(1,940.05)	(1,079.73)	(909.65)

Amount recognised in the statement of profit and loss

(₹ in Lacs)

Particulars	Gratuity		Compensated Absence (unfunded)	
	2014-15	2012-14	2014-15	2012-14
Current service cost	261.61	180.49	130.29	131.46
Interest cost	207.89	293.29	70.12	92.75
Expected return on plan assets	(82.43)	(115.34)	-	-
Net actuarial (gain) / loss recognised during the year / period	256.71	242.26	35.89	12.71
Expenses recognised in the statement of profit and loss	643.78	600.70	236.31	236.92

Experience adjustment

(₹ in Lacs)

Particulars	Gratuity				
	2014-15	2012-14	2011-12	2010-11	2009-10
Present value of obligation as at the end of the year / period	3,310.17	2,939.24	2,648.49	2,423.88	2,860.68
Fair value of plan assets at the end of the year / period	1,087.16	999.19	904.66	861.07	813.50
Surplus / (Deficit)	(2,223.01)	(1,940.05)	(1,743.83)	(1,562.81)	(2,047.18)
Experience adjustment on plan liabilities - (gain) / loss	16.62	116.43	57.90	(26.34)	273.92
Experience adjustment on plan assets -(gain) / loss	(5.69)	(25.93)	(3.59)	(6.31)	1.14

## Experience adjustment

(₹ in Lacs)

Particulars	Compensated Absence (unfunded)				
	2014-15	2012-14	2011-12	2010-11	2009-10
Present value of obligation as at the end of the year / period	1,079.73	909.65	779.36	671.80	880.58
Fair value of plan assets at the end of the year / period	-	-	-	-	-
Surplus / (Deficit)	(1,079.73)	(909.65)	(779.36)	(671.80)	(880.58)
Experience adjustment on plan liabilities - (gain) / loss	(109.04)	(48.03)	(17.97)	(126.74)	89.21
Experience adjustment on plan assets - (gain) / loss	N.A.	N.A.	N.A.	N.A.	N.A.

The amount of contribution expected to be made to the Gratuity Fund during the year ended March 31, 2016 is ₹ 112.46 lacs (₹ 167.00 lacs).

## Major actuarial assumptions

(₹ in Lacs)

Particulars	Gratuity		Compensated Absence (unfunded)	
	2014-15	2012-14	2014-15	2012-14
Discounting rate	8%	8.50%	8%	8.50%
Future salary increase	7%	6.50%	7%	6.50%
Expected rate of return on plan assets	8.25%	8.50%	N.A.	N.A.
Mortality table	IALM 2006-08 Ultimate			
Method used	Projected unit credit method			

\*1 Contributions to provident fund also include contributions in respect of certain employees which are made to trusts administered by the Company. In terms of the guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of provident fund liability for the period ended 31.03.2015 and determined that there is no shortfall as at 31.03.2015. The disclosures and assumptions with respect to defined benefit provident fund plan are as under:

(₹ in Lacs)

Particulars	2014-15	2012-14
<b>Obligation / Plan Assets</b>		
Present value of benefit obligation at balance sheet date	8,555.35	7,850.28
Fair value of plan assets as at balance sheet date	8,662.76	7,904.12
Liability recognised in balance sheet	-	-
<b>Major actuarial assumptions</b>		
Discounting rate	8.75%	8.75%
Expected rate of return on plan assets	8.70%	8.70%
Expected statutory interest rate	8.75%	8.75%

39. Pursuant to compliance of Accounting Standard (AS) 18 "Related Party Disclosures", the relevant information is provided here below :

**a) Related party where control exists**

- (i) Mr D.M. Sawhney, Chairman & Managing Director (Key Management person).
- (ii) Wholly owned subsidiaries
  - Triveni Energy Systems Limited
  - Triveni Engineering Limited
  - Triveni Entertainment Limited \*1
  - Bhudeva Projects Limited
  - Svastida Projects Limited

**b) The details of related parties with whom transactions have taken place during the Year :**

**i) Wholly owned Subsidiaries (Group A)**

- Triveni Energy Systems Limited (TESL)
- Triveni Engineering Limited (TEL)
- Triveni Entertainment Limited (TENL) \*1
- Bhudeva Projects Limited (BPL)
- Svastida Projects Limited (SPL)

**ii) Associates (Group B)**

- Triveni Turbine Limited (TTL)
- Aqwise-Wise Water Technologies Limited (AWTL)
- Triveni Entertainment Limited (TENL) \*1
- TOFSL Trading & Investments Limited (TOFSL) \*2
- The Engineering & Technical Services Limited (ETS) \*2

**iii) Key Management Person (Group C)**

- Mr D.M. Sawhney, Chairman & Managing Director (DMS)
- Mr.Tarun Sawhney, Vice Chairman and Managing Director (TS)

**iv) Relatives of Key Management Person (Group D)**

- Mrs Rati Sawhney (RS – Wife of DMS)
- Mr Nikhil Sawhney (NS – Son of DMS)

**v) Companies / Parties in which key management person or his relatives have substantial interest / significant influence (Group E)**

- Kameni Upaskar Limited (KUL)
- The Engineering & Technical Services Limited (ETS)
- TOFSL Trading & Investments Limited (TOFSL)
- Subhadra Trade & Finance Limited (STFL)
- Tirath Ram Shah Charitable Trust (TR SCT)

\*1 Was an associate till 19.3.2014 and thereafter became a subsidiary company

\*2 Ceased to be Associates during the previous period

**c) Details of transactions with the related parties :**

Sr. No.	NATURE OF TRANSACTION	Group - A				Group - B				Group - C				Group - D				Group - E				TOTAL
		BPL	SPL	TENL*2	TENL*2	TEL	TTL	AWTL	TOPSLS*4	ETS*4	TENL	DMS	TS	NS	RS	MUL	ETS	TOPSLS	STFL	TRISCT		
1	Sales and Rending Services	0.68	0.67	0.67	0.67	0.67	3,610.78	(13.54)	(0.79)	(0.56)	(0.96)	-	-	-	-	-	(0.45)	(0.63)	-	-	3,614.15	
2	Purchases and receiving Services	-	-	-	-	-	5,446.34	-	-	-	-	-	-	-	-	-	-	-	-	0.76	5,447.10	
3	Amount received on redemption of investment	-	-	-	-	-	(280.00)	-	-	-	-	-	-	-	-	-	-	-	-	(1.47)	(10,233.33)	
4	Rent Paid	-	-	-	-	-	(0.29)	-	-	-	38.76	-	-	-	-	64.26	-	-	-	-	(280.00)	
5	Rent & Other Charges Received	-	-	-	-	-	20.90	(7.32)	-	-	(52.86)	-	-	-	-	(88.19)	-	-	-	-	103.02	
6	Advance against sale of land	200.00	200.00	200.00	200.00	200.00	(48.88)	-	-	-	-	-	-	-	-	-	-	-	-	-	20.90	
7	Amount Advanced	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(56.20)	
8	Expenses incurred by the Company on behalf of party (net)	-	-	-	-	-	(0.35)	-	-	-	-	-	-	-	-	-	-	-	-	-	800.00	
9	Sale of Investment in Shares	-	-	-	-	-	-	-	-	-	(2,718.16)	-	-	-	-	-	-	-	-	-	-	
10	Remuneration*1	-	-	-	-	-	-	-	-	-	111.69	-	-	-	-	-	-	-	-	-	(3,468.46)	
11	Recoveries against leased accommodation	-	-	-	-	-	-	-	-	-	(282.80)	-	-	-	-	-	-	-	-	-	267.02	
12	Investment in Shares	200.00	200.00	200.00	200.00	200.00	-	-	-	-	-	(4.28)	-	-	-	-	-	-	-	-	(512.62)	
13	Provision against Investment/Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.28)	
14	Charity & Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	800.00	
15	Directors fee paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10.00)	
16	Shares purchased TENL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.65)	
17	Outstanding balances as on 31.03.2015	0.61	0.61	-	0.62	14.38	438.61	-	-	-	-	-	-	-	-	-	-	-	-	-	454.83	
	A. Receivable	(-)	(-)	(-)	(-)	(13.76)	(1,309.84)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,325.60)	
	B. Payable	200.00	200.00	200.00	200.00	200.00	2,096.15	(42.52)	-	-	3.24	2.16	(2.00)	(0.10)	-	-	-	-	-	0.53	2,902.08	
	C. Guarantees / Surety Outstanding*3	-	-	-	-	-	1,648.13	-	-	-	(0.72)	(2.02)	-	-	-	-	-	-	-	(0.39)	1,688.13	
		-	-	-	-	-	(1,778.15)	(40.00)	-	-	-	-	-	-	-	-	(15.83)	(14.63)	-	-	(1,818.15)	

\*1 For TS gratuity is not included as it is provided on actuarial valuation for the entire Company.

\*2 Converted from associate to subsidiary w. e. f. 20/3/2014.

\*3 Refer Note 32 (b)

\*4 Ceased to be associate w. e. f. 29/8/2013.

Figures in brackets relate to previous period.

40. Disclosures under Accounting Standard (AS) 7 "Construction contracts" as at the end of the year/period are provided here-below :

Particulars of Disclosure	(₹ in Lacs)	
	31.03.2015	31.03.2014
Amount of contract revenue recognised as revenue during the year/period	21,390.85	30,652.14
<b>In respect of contracts in progress :</b>		
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto the reporting date	85,868.18	71,602.18
Advances Received	6,201.46	6,680.29
Retentions	6,573.29	6,473.37
Gross amount due from customers for contract work as on asset	4,932.92	3,343.65
Gross amount due to customers for contract work as liability	-	-

41. (a) The Company has taken various residential, office and godown premises under operating lease. These are generally not non-cancelable leases having unexpired period upto 4 years. The leases are renewable by mutual consent and on mutually agreeable terms. The Company has given refundable interest free security deposits under certain lease agreements. There is no contingent rent or restriction imposed in the lease agreement. Lease payments under operating lease are recognised in the statement of profit and loss under "Other expenses" in Note No. 25. The minimum future lease payments under non-cancellable leases are as under :

Particulars	(₹ in Lacs)	
	31.03.2015	31.03.2014
Not later than one year	94.50	90.00
Later than one year but not later than five years	24.00	118.50
Later than five years	Nil	Nil

- (b) The Company has given certain portion of its office / factory premises under operating leases. These leases are not non-cancelable and are extendable by mutual consent and at mutually agreeable terms. The gross carrying amount, accumulated depreciation and depreciation recognised in the statement of profit and loss in respect of such portion of the leased premises are not separately identifiable. There is no impairment loss in respect of such premises. No contingent rent has been recognised in the statement of profit and loss. There are no minimum future lease payments as there are no non-cancellable leases.

42. 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:-

S.No	Particulars	(₹ in Lacs)	
		31.03.2015	31.03.2014
1	Amounts due to Micro and Small Enterprises as at the end of the year/period		
	i) Principal amount	Nil	19.02
	ii) Interest due on above	Nil	Nil
2	i) Principal amount paid after due date or appointed day during the year/period	Nil	Nil
	ii) Interest paid during the year on (i) above	Nil	Nil
3	Interest due & payable (but not paid) on principal amounts paid during the year/period after the due date or appointed day	Nil	Nil
4	Total interest accrued and remaining unpaid as at the end of the year/period	Nil	Nil
5	Interest due and remaining payable pertaining to earlier years	Nil	Nil

## 43. Disclosures required by Accounting Standard (AS) 29 – Provisions, Contingent liabilities and Contingent assets:

## (a) Movement in provisions:

(₹ in Lacs)					
Nature of provision	Opening balance	Made during the year/period	Used during the year/period	Reversed during the year/period	Closing balance
Warranty	276.23	77.14	19.58	97.39	236.40
	(299.87)	(172.07)	(25.82)	(169.89)	(276.23)
Cost to completion	40.15	60.00	-	40.15	60.00
	(65.00)	(40.15)	(-)	(65.00)	(40.15)
Administrative charges on molasses	-	-	-	-	-
	(323.50)	(-)	(-)	(323.50)	(-)
Arbitration/ Court-case claims	238.11	13.56	-	-	251.67
	(224.79)	(20.34)	(7.02)	(-)	(238.11)
Mark to market Loss on foreign exchange derivatives	0.20	6.65	-	0.20	6.65
	(-)	(0.20)	(-)	(-)	(0.20)

Figures in brackets relate to previous period.

## (b) Nature of provisions:

**Warranties:** The Company gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provisions made represent the amount of expected cost of meeting such obligations of rectifications / replacements. The timing of the outflows is expected to be within the period of two years.

**Cost to completion:** The provision represents costs of materials and services required for integration of water treatment package at the site, prior to commissioning.

**Administrative charges on Molasses:** The provision was made in respect of disputed liability towards administrative charges on molasses captively consumed by the Company. The issue was settled during the previous period by the Supreme Court and accordingly, provision had been reversed.

**Arbitration / Court-case Claims:** Represents the provision made towards certain claims awarded against the company in legal proceedings which have been challenged by the Company before appropriate authorities. The timing of the outflows is uncertain.

**Loss on foreign exchange derivatives:** Provision is made for mark-to-market losses on derivative contracts outstanding at the year-end which were entered into for hedging certain firm commitments or highly probable forecast transactions. The timing of the outflows is expected to be within the period of one year.

## (c) Disclosure in respect of contingent liabilities is given as part of Note No.32

44. Information on Segment Reporting of the Company for the year ended 31.03.2015

	₹ in Lacs																			
	SUGAR						ENGINEERING						OTHERS		Total					
	Sugar	Co-generation	Distillery	Total Sugar	Gears	Water	Total Engineering	Other Operations	Eliminations	Total										
31.03.2015	31.03.2015	31.03.2015	31.03.2014	31.03.2015	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2014	31.03.2015								
<b>REVENUE</b>																				
External Sales	1,51,655.65	235,949.27	6,195.40	11,426.47	16,101.91	23,276.78	1,73,952.96	2,70,652.52	11,229.96	15,547.80	19,829.58	25,400.27	31,059.54	40,948.07	7,789.74	14,114.59	-	2,12,802.24	3,25,715.18	
Inter-segment Sales	17,454.28	23,736.52	9,484.26	15,141.54	-	-	26,938.54	38,878.06	0.90	97.18	28.45	31.20	29.35	128.38	89.28	102.21	(27,057.17)	(39,108.65)		
<b>Total Sales</b>	<b>1,69,109.93</b>	<b>2,59,685.79</b>	<b>15,679.66</b>	<b>26,568.01</b>	<b>16,101.91</b>	<b>23,276.78</b>	<b>2,00,891.50</b>	<b>3,09,530.58</b>	<b>11,230.86</b>	<b>15,644.98</b>	<b>19,858.03</b>	<b>25,431.47</b>	<b>31,088.89</b>	<b>41,076.45</b>	<b>7,879.02</b>	<b>14,216.80</b>	<b>(27,057.17)</b>	<b>(39,108.65)</b>	<b>2,12,802.24</b>	<b>3,25,715.18</b>
Other Income	467.48	924.04	27.81	37.82	6.35	20.77	501.64	982.63	75.59	95.91	11.96	121.72	87.55	217.63	3.98	1.93	-	593.17	1,202.19	
<b>Total Revenue</b>	<b>1,69,577.41</b>	<b>2,60,609.83</b>	<b>15,707.47</b>	<b>26,605.83</b>	<b>16,108.26</b>	<b>23,297.55</b>	<b>2,01,393.14</b>	<b>3,10,513.21</b>	<b>11,306.45</b>	<b>15,740.89</b>	<b>19,869.99</b>	<b>25,553.19</b>	<b>31,176.44</b>	<b>41,294.08</b>	<b>7,883.00</b>	<b>14,218.73</b>	<b>(27,057.17)</b>	<b>(39,108.65)</b>	<b>2,13,395.41</b>	<b>3,26,917.37</b>
Segment result	(16,588.87)	(19,193.11)	6,579.86	9,934.90	2,869.27	7,365.43	(7,139.74)	(1,892.78)	2,922.68	3,964.78	(370.54)	(1,409.00)	2,552.14	2,555.78	211.35	390.31	(572.48)	(1,768.52)	(4,948.73)	(715.21)
Unallocated expenses (Net)																			(1,692.86)	(2,750.42)
Operating profit	2,07,589.13	2,13,057.06	17,241.24	16,351.12	15,743.88	15,504.48	2,44,574.25	2,44,912.66	10,785.04	9,901.38	19,827.48	20,738.15	30,612.52	30,639.53	2,646.85	3,503.75			<b>(6,641.59)</b>	<b>(3,465.63)</b>
Interest expense																			(12,207.62)	(18,522.93)
Dividend Income																			126.80	119.75
Exceptional Items																			576.44	749.76
Income taxes (including deferred tax)																			-	4,381.63
<b>Net profit</b>																			<b>1,736.88</b>	<b>1,459.60</b>
<b>OTHER INFORMATION</b>																			<b>(16,409.09)</b>	<b>(15,277.82)</b>
Segment assets																			2,73,833.62	2,79,055.94
Unallocated assets																			18,381.90	19,801.14
<b>Total assets</b>																			<b>2,92,215.52</b>	<b>2,98,857.08</b>
Segment liabilities																			80,834.90	96,123.74
Unallocated liabilities																			1,50,036.85	1,21,896.94
<b>Total liabilities</b>																			<b>2,30,871.75</b>	<b>2,18,020.68</b>
Capital expenditure	1,992.54	4,077.79	0.05	2.91	117.99	143.96	2,110.58	4,224.66	1,208.17	74.37	200.45	215.89	1,408.62	290.26	-	-	-	-	-	-
Depreciation	3,637.72	7,277.71	768.53	2,250.63	562.77	806.31	4,969.02	10,334.65	558.09	984.69	175.96	165.38	734.05	1,150.07	6.71	7.63				
Amortisation	9.01	25.60	0.02	0.02	1.02	2.16	10.05	27.78	78.59	107.94	17.55	106.52	96.14	214.46						

Notes :

(i) In accordance with the Accounting Standard (AS) 17 "Segment Reporting", the Company's operations have been categorised into 5 major business segments, which constitute 96.34% (95.67%) of the total turnover of the Company. These business segments are classified under the two major businesses in which the Company is engaged in, and are briefly described hereunder :

**Sugar Businesses**

- a) Sugar: The Company is a manufacturer of white crystal sugar, having seven manufacturing plants situated in the State of Uttar Pradesh. After meeting the captive requirements, the Company sells the surplus molasses and bagasse, which are produced as a by-product in the manufacture of sugar. The Company also sells the surplus power produced at three of its sugar units.
- b) Co-generation: The business segment, apart from meeting part of the power and steam requirements of the associated sugar units, also exports power to the State grid. It has installed capacity of 68 MW spread over Khatauli and Deoband sugar mills.
- c) Distillery: The 160 kilo-liters per day capacity distillery located at Muzaffarnagar, Uttar Pradesh, uses the molasses produced in manufacture of sugar as the principal raw material in production of various categories of alcohol.

**Engineering Businesses**

- a) High Speed Gears: This business segment manufactures high speed gears and gear boxes at the manufacturing facility located at Mysore, Karnataka.
- b) Water/Wastewater Treatment: This business segment operates from Noida, Uttar Pradesh and provides engineered to order process equipment and comprehensive solutions in the water and wastewater management.
- (ii) The Other Operations' mainly include execution of a turnkey project relating to installation of Steam Turbine based power evacuation system, trading of various packaged fast moving consumer goods under the Company's brand name (including sugar) and retailing of diesel/petrol through a Company operated fuel station.
- (iii) There are no geographical segments as the volume of exports is not significant and the major turnover of the Company takes place indigenously. There is no major reliance on a few customers or suppliers.
- (iv) Inter-segment transfers are priced based on competitive market prices or determined to yield a desired margin or agreed on a negotiated basis. These are then eliminated on consolidation.
- (v) Segment result is the segment revenue less segment expenses. Segment expenses include all expenses directly attributable to the segments and portion of the enterprise expenses that can be allocated on a reasonable basis to the segments. Interest expense is not included in segment expenses and accordingly, segment liabilities do not include any corresponding borrowings.

45. 2,00,000 stock options had been granted to certain employees of the Company on April 30, 2010, prior to the demerger of its steam turbine business and vesting of the same in M/s Triveni Turbine Ltd. (TTL). This included 40,000 options granted to an employee whose services were transferred to TTL. In respect of the remaining employees to whom stock options had been earlier granted, in accordance with the Scheme of Arrangement, and in line with the best practices, adjustment has been made by the Company for the corporate action of demerger, by adjusting the exercise price of such options, so as to ensure that the fair value of options immediately prior to and immediately subsequent to the corporate action remains unchanged.

Consequent to the adjustments carried out on account of the corporate action of demerger, in accordance with the Scheme of Arrangement, the revised options granted are deemed to have been granted from the appointed date of the Scheme of Arrangement i.e., 01.10.2010. The required disclosures of the options granted are as under:

(a) Employee Stock Option Scheme:

No. of Options originally granted to the employees of the Company	1,60,000
Original grant date of Options	30.04.2010
No. of Options which lapsed prior to corporate action necessiated consequent to demerger of steam turbine undertaking	20,000
Balance no. of Options in force at the time of corporate action	1,40,000
No. of Options granted consequent to corporate action	1,57,360
Date of grant (to give effect to corporate action)	10.04.2013
Number of equity shares entitlement in respect of the Options granted under the New Stock Option Scheme	1,57,360
	Graded Vesting as under: 50% vested on 30.04.2011 Balance 50% vested on 30.04.2012
Vesting Plan	Within 2 years from the date of vesting
Normal Exercise Period	vesting
Exercise Price per share (consequent to corporate action) (₹)	14

(b) Movement of Options Granted:

	31.03.2015	31.03.2014
Outstanding at the beginning of the year/period	47,440	1,57,360
Granted during the year/period	Nil	Nil
Exercised during the year/period	44,960	20,000
Lapsed during the year/period	2,480	89,920
Outstanding at the end of the year/period	Nil	47,440
Unvested at the end of the year/period	Nil	Nil
Exercisable at the end of the year/period	Nil	47,440

(c) Fair Valuation

The fair value of options used to compute proforma net income and earning per equity share has been done by an independent professional using the Black Scholes Options pricing formula

The key assumptions in Black Scholes Options pricing for calculating fair value are as follows:

(a) Risk free rate	8.36%
(b) Option life	1.99 years
(c) Expected volatility	49.02%
(d) Expected dividend	0.63%
(e) Exercise price of each underlying share under the option	₹ 14

The weighted average fair value of each option of the Company, as considered on the date of the corporate adjustment was ₹ 26.07.

Had the compensation cost for the stock options granted been determined based on fair value approach, the Company's net profit/loss and earning per share would have been as per the proforma amounts indicated below:

	(₹ in Lacs)	
	<b>31.03.2015</b>	<b>31.03.2014</b>
Net Profit/ (Loss) (as reported)	(16,409.09)	(15,277.82)
Add : Compensation expense under ESOP considered in the net profit	Nil	Nil
Less/(Add) : Compensation cost/(reversals) under ESOP as per fair value *	(0.65)	(23.44)
Net Profit/(Loss) (fair value basis) attributable to equity shareholders	(16,408.44)	(15,254.38)
Basic earnings per share (as reported) – ₹/Share	(6.36)	(5.92)
Basic earnings per share (fair value basis) – ₹/Share	(6.36)	(5.92)
Diluted earnings per share (as reported) – ₹/Share	(6.36)	(5.92)
Diluted earnings per share (fair value basis) – ₹/Share	(6.36)	(5.92)

\* The compensation expenses for the year on a fair value basis has been computed with reference to the fair value as on 03.05.2011, being the date with reference to which corporate adjustment was carried out in respect of the stock options originally granted.

#### 46. Derivative Instruments

- (a) Derivative instruments outstanding as on 31.03.2015 for hedging foreign currency risks (including firm commitments and highly probable forecasted transactions)

Currency	(Foreign Currency in lacs)			
	As on 31.03.15		As on 31.03.14	
	Payables	Receivables	Payables	Receivables
Forward Contracts				
USD	5.15	2.32	11.31	2.90
(INR Equivalent)	(324.99)	(144.54)	(684.37)	(172.12)
EURO	12.96	1.25	-	-
(INR Equivalent)	(886.38)	(83.61)	(-)	(-)
EURO(hedged only to USD)	-	-	0.51	-
(USD Equivalent)	(-)	(-)	(0.70)	(-)
JPY	813.00	-	-	1,113.29
(INR Equivalent)	(427.88)	(-)	(-)	(639.70)
AUD(hedged only to USD)	-	-	4.93	-
(USD Equivalent)	(-)	(-)	(4.57)	(-)

- (b) Year end foreign exchange exposures that have not been hedged by a derivative instrument or otherwise :

Currency	(Foreign Currency in lacs)					
	As on 31.03.15			As on 31.03.14		
	Payables	Receivables	Net*1	Payables	Receivables	Net*1
USD	2.25	4.33	-2.10	2.30	4.41	-2.11
(INR Equivalent)	(141.65)	(270.26)	(-128.61)	(139.16)	(261.65)	(-122.49)
EURO	0.77	0.96	-0.19	1.66	0.31	1.35
(INR Equivalent)	(52.89)	(64.45)	(-11.56)	(138.76)	(24.88)	(113.88)
GBP	0.02	-	0.02	0.22	-	0.22
(INR Equivalent)	(1.53)	(-)	(1.53)	(21.80)	(-)	(21.80)
JPY	-	-	-	-	215.83	-215.83
(INR Equivalent)	(-)	(-)	(-)	(-)	(124.01)	(-124.01)
AUD (previous period 72/-)	-	-	-	0.00	-	0.00
(INR Equivalent)	(-)	(-)	(-)	(0.04)	(-)	(0.04)

\*1 Negative figures in net column indicate open receivables.

47. Pursuant to compliance of clause 32 of the Listing Agreement, on disclosure of loans/advances in the nature of loans, the relevant information is provided hereunder :

		(₹ in Lacs)	
S.No	Particulars	As at 31.3.2015	Maximum amount due During the year
1	Loans & advances to subsidiaries (Note 1) - Triveni Engineering Limited	13.76 (13.76)	13.76 (13.76)
2	Loans & advances to associates	Nil (Nil)	Nil (Nil)
3	Loans & advances to firms/companies in which directors are interested	Nil (Nil)	Nil (Nil)
4	Investment by the loanee in the shares of Triveni Engineering & Industries Ltd. and its subsidiaries	Nil (Nil)	Nil (Nil)

Figures in brackets relate to previous period.

Note 1. There are no repayment schedule for the loans and advances to subsidiary companies mentioned above, which are repayable on demand.

48. a) In accordance with the Guidance Note on Accounting for Self-generated Certified Emission Reductions (CERs), issued by the Institute of Chartered Accountants of India, the Company has recognised the CERs held by it as inventories in its financial statements. Disclosures as required under the Guidance Note are as under:
- 86562 (previous period 86562) CERs (net of fee for UNFCCC adaptation fund) have been held as inventory by the Company as at the end of the year ;
  - There are no CERs under certification as on the date of the financial statements;
  - The Company's Deoband and Khatauli Phase-I projects are registered as Clean Development Mechanism (CDM) projects with United Nations Framework Convention on Climate Change (UNFCCC) and it is not feasible to identify specific items of machinery/equipment as an "emission reduction equipment". Accordingly, details of depreciation and operation & maintenance costs, pertaining to emission reducing equipment have not been provided.
- b) During the year the National Load Despatch Centre (NLDC) has issued 54275 (previous period 95752) Renewable Energy Certificates (RECs) to the Company under the Central Electricity Regulatory Commission (CERC) Regulation on RECs. At the close of the year 106533 (previous period 84350) RECs remained unsold and are held as inventory. However, since no cost has been incurred by the Company in respect of the RECs lying in inventory, the value of such inventories has been considered as Nil in accounts.

49. Payment to Auditors represents amount paid/payable to the auditors on account of:

		(₹ in Lacs)					
Sl. No.	Particulars	Statutory Auditors		Branch Auditors		Cost Auditors	
		2014-15	2012-14	2014-15	2012-14	2014-15	2012-14
1	Audit fee	36.99	49.36	5.15	7.18	3.62	5.21
2	Tax audit fee	19.05	29.63	3.36	4.65	-	-
3	Limited review fee	18.20	28.14	2.31	3.59	-	-
4	Other services						
	Certification	2.94	8.19	-	0.12	0.58	0.05
5	Reimbursement of expenses	4.33	5.68	2.89	4.90	0.43	0.19
	<b>Total</b>	<b>81.51</b>	<b>121.00</b>	<b>13.71</b>	<b>20.44</b>	<b>4.63</b>	<b>5.45</b>

50. Statement of Additional Information:

(₹ in Lacs)

Particulars	2014-15	2012-14
a. Value of imports on CIF basis		
i) Raw materials	1,487.44	2,130.42
ii) Components and spare parts	56.41	54.81
iii) Capital goods	521.38	5.41
b. Expenditure in foreign currency		
i) Travelling	41.69	65.89
ii) Royalty	258.40	293.69
iii) Legal/Professional Charges	–	6.56
iv) Interest on loans	4.71	20.82
v) Others	20.41	46.82
c. Earnings in foreign currency		
i) Export of goods on FOB basis	1,217.79	1,770.88
ii) Others	26.09	18.44

d. Consumption of raw materials, spare-parts and components

(₹ in Lacs)

Particulars	2014-15	%	2012-14	%
i) Raw material				
Directly imported	1,604.24	1.10	2,341.33	0.73
Indigenous	1,43,864.94	98.90	3,16,269.11	99.27
Total	1,45,469.18	100.00	3,18,610.44	100.00
ii) Spare-parts and components				
Directly imported	52.11	2.30	60.59	1.52
Indigenous	2,212.27	97.70	3,934.56	98.48
Total	2,264.38	100.00	3,995.15	100.00

e. Remittance in foreign currencies for dividend:

The Company has not remitted any amount in foreign currencies on account of dividend during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividend have been made by /on behalf of non-resident shareholders. The particulars of dividend payable to non-resident shareholders (including non-resident Indian shareholders) which were declared during the period/year are as under:

Particulars	2014-15	2012-14
i) Number of non-resident shareholders	N.A.	531
ii) Number of Ordinary Shares held by them	N.A.	35,053,586
iii) Gross amount of dividend – ₹ in lacs	Nil	35.05

51. The figures of the previous period have been regrouped/rearranged to the extent necessary. Previous accounting year of the Company was for a period of eighteen months ended on 31/3/2014. Accordingly, the previous period figures given in these financial statements in so far as relating to the items of income and expenses and cashflows are for a period of eighteen months ended on that date and are therefore, not comparable with the current year figures.

As per our report of even date.

For and on behalf of  
**J.C. Bhalla & Company**  
 Chartered Accountants  
 FRN : 001111N

**Sudhir Mallick**  
 Partner  
 Membership No.80051

**Tarun Sawhney**  
 Vice Chairman &  
 Managing Director

**Lt. Gen. K.K. Hazari (Retd.)**  
 Director

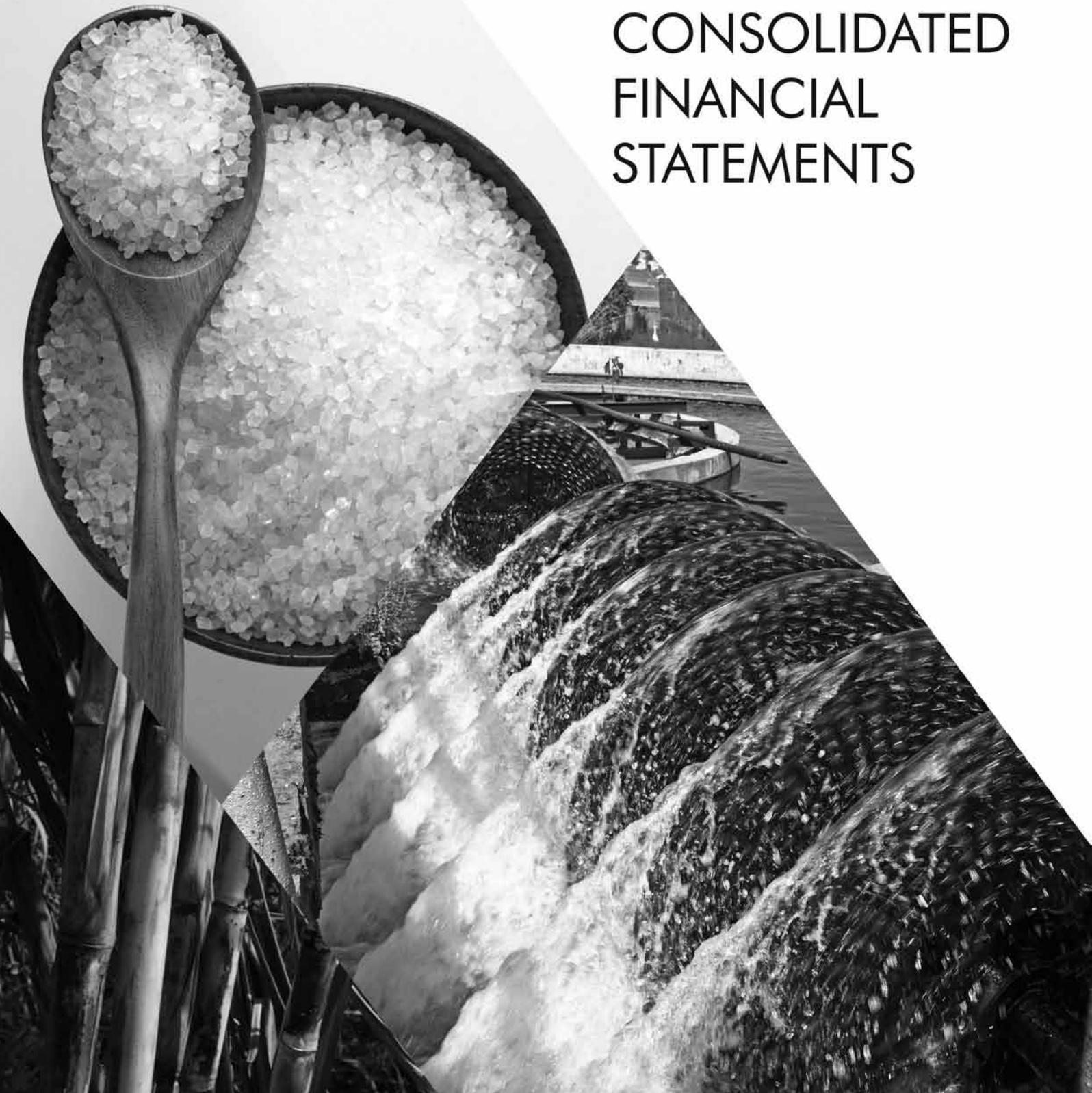
**Suresh Taneja**  
 Group  
 CFO

**Geeta Bhalla**  
 Group General Manager &  
 Company Secretary

Place : Noida (U.P.)  
 Dated : May 27, 2015



# CONSOLIDATED FINANCIAL STATEMENTS



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF TRIVENI ENGINEERING & INDUSTRIES LIMITED

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **TRIVENI ENGINEERING & INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on

Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated 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 control 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and 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.

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 sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, 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 of the Group and its associates as at 31<sup>st</sup> March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### OTHER MATTERS

- a) We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹468.04 lakhs as at 31<sup>st</sup> March, 2015, total revenues of ₹5.51 lakhs and net cash flows amounting to ₹9.53 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor 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 our report in terms of

sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

- b) The consolidated financial statements include the Group's share of net loss of ₹ 1.57 lakhs for the year ended 31<sup>st</sup> March, 2015, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us, by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's reports of the Holding Company, subsidiary companies and associate company incorporated in India, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of other auditors on separate financial statements of the subsidiaries as mentioned in sub-paragraph (a) of the Other Matters paragraph, we report, to the extent applicable, that :
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated

Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group Companies and its associate company incorporated in India is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements of the subsidiaries as mentioned in sub-paragraph (a) of the Other Matters paragraph:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company, its subsidiary companies and its associate companies. – Refer Note Nos.32 & 33 to the consolidated financial statements.
- ii) The Holding Company, its subsidiary companies and its associate companies did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate company incorporated in India.

**For J.C. Bhalla and Co.**  
Chartered Accountants  
FRN : 001111N

**Sudhir Mallick**  
Partner

Place : Noida (U.P.)  
Date : May 27, 2015

Membership No. 80051

# ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 of the Independent Auditors' Report of even date under the heading "Report on Other Legal and Regulatory Requirements" to the members of Triveni Engineering and Industries Limited on the consolidated financial statements as of and for the year March 31, 2015. The following statement is based on the comments in the Independent Auditor's Report on the standalone financial statements of the Holding Company, its subsidiary companies and associate company, incorporated in India.

We report that:

- 1) a) In our opinion and based on the reports of the other auditors, the Holding Company has generally maintained and its associate company incorporated in India has maintained proper records showing full particulars including quantitative details and situation of fixed assets. Since the subsidiary companies incorporated in India do not have any fixed assets with them, hence the provisions of clause 3(i)(a) of the Companies (Auditor's Report) Order, 2015 are not applicable to the said subsidiaries.
  - b) In our opinion and based on the reports of the other auditors, major items of fixed assets have been physically verified in case of Holding Company and all fixed assets have been physically verified in case of its associate company by the respective management during the year and no material discrepancies were noticed on such verification as compared to the book records. In our opinion, the frequency of verification is reasonable having regard to the size of the Holding Company and its associate company incorporated in India and nature of their activities. Since the subsidiary companies incorporated in India do not have any fixed assets with them, hence the provisions of clause 3(i)(b) of the Companies (Auditor's Report) Order, 2015 are not applicable to the said subsidiaries.
- 2) a) In our opinion and based on the reports of the other auditors, inventories have been physically verified by the respective management of the Holding Company and its associate company incorporated in India to the extent practicable at reasonable intervals during the year. The frequency of such verification is reasonable. Since the subsidiary companies incorporated in India do not have any inventories with them, hence the provisions of clause 3(ii)(a) of the Companies (Auditor's Report) Order, 2015 are not applicable to the said subsidiaries.
  - b) In our opinion and according to the information given to us and based on the reports of the other auditors, the procedures for physical verification of the inventories followed by the respective management are reasonable and adequate in relation to the size of the Holding Company and its associate company incorporated in India and nature of their business. Since the subsidiary companies incorporated in India do not have any inventories with them, hence the provisions of clause 3(ii)(b) of the Companies (Auditor's Report) Order, 2015 are not applicable to the said subsidiaries.
- c) In our opinion and based on the reports of the other auditors, the Holding Company and its associate company incorporated in India are maintaining proper records of inventory. The discrepancies noticed on such verification as compared to the book records were not material having regard to the size and nature of the operations of the Holding Company and its associate company incorporated in India and have been properly adjusted in the books of account. Since the subsidiary companies incorporated in India do not have any inventories with them, hence the provisions of clause 3(ii)(c) of the Companies (Auditor's Report) Order, 2015 are not applicable to the said subsidiaries.
- 3) In our opinion and based on the reports of the other auditors, the Holding Company, its three subsidiary companies and associate company incorporated in India have not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly paragraphs 3 (iii) (a) and 3 (iii) (b) of the Companies (Auditor's Report) Order, 2015 are not applicable to such companies. The two subsidiary companies have granted unsecured loan to companies covered in the register maintained under Section 189 of the Act.
    - a) The receipts of principal amounts and interest have been regular in respect of such loans.
    - b) There are no overdue amounts in excess of ₹ 1 Lakh remaining outstanding as at the year end.
- 4) In our opinion and according to the information given to us and based on the reports of the other auditors of its subsidiary companies and associate company incorporated in India, there are adequate internal control procedures in the case of holding company and associate company incorporated in India commensurate with the size and the nature of their businesses for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our and other auditor's audit, no continuing failure to correct major weaknesses in internal control system has been observed in any of these companies. Since the subsidiary companies incorporated in India have not purchased inventory and fixed assets and sold any goods and services during the year the provisions of clause 3(iv) of the Companies (Auditor's Report) Order, 2015 are not applicable to the said subsidiaries.

- 5) In our opinion and according to the information given to us and based on the reports of the other auditors, the subsidiary companies and associate company incorporated in India have not accepted any deposits from the public under the provisions of Sections 73 to 76 of the Act or other relevant provisions of the Act and rules framed there under. The Holding Company has complied with the provisions of Sections 73 to 76 of the Act or any other relevant provisions of Act, and the Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public in the earlier period. As per the information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal on the Holding Company in respect of deposits accepted.
- 6) We have broadly reviewed the books of accounts maintained by the Holding Company in respect of the products where pursuant to the rules made by the Central Government the maintenance of cost records has been prescribed under Section 148 (1) of the Companies Act, 2013, and are of the opinion that prima facie the prescribed accounts and records have been maintained. However, we have not carried out a detailed examination of the records with a view to determine whether they are accurate or complete. According to the reports of the other auditors, in case of the subsidiary companies and associate company incorporated in India, the central government has not prescribed the maintenance of cost records under section 148 (1) of the Act for any of their products manufactured and services rendered.
- 7) a) In our opinion and based on the reports of the other auditors, the Holding Company, its subsidiary companies and associate company incorporated in India are generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, value added tax, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on the reports of other auditors of its subsidiary companies and associate company incorporated in India, no undisputed amounts payable in respect of aforesaid dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- b) In our opinion and according to the information given to us and based on the reports of the other auditors of subsidiary companies and associate company incorporated in India, there are no dues of wealth tax, custom duty, and cess which have not been deposited on account of any dispute. Further in case of four subsidiary companies, there are no dues of income tax, sales tax, service tax, value added tax and excise duty which have not been deposited on account of any dispute. Details of disputed income tax, sales tax, value added tax, service tax and excise duty in the case of Holding Company, a subsidiary company and an associate company which have not been deposited on account of matters pending before appropriate authorities are as under:

S. No.	Name of the Company	Relationship	Name of Statute	Forum where dispute is pending	Nature of dues	Amount* (₹ in Lakhs)	Financial Year
1	Triveni Engg. & Inds. Ltd.	Holding company	Income Tax Act, 1961	Commissioner Income Tax (Appeal)	Income Tax	1717.63	2004-05, 2005-06, 2006-07 & 2009-10
				Assessing Authority	Income Tax	117.73	2010-11
	Triveni Entertainment Ltd.	Subsidiary company	Income Tax Act, 1961	Assessing Officer	Income Tax	5.58	1992-93, 1998-99, 2000-01, 2008-09
	Triveni Turbine Ltd	Associate company	Income-tax Act 1961	Commissioner of Income-tax (Appeals)	Income tax	45.77	FY 2010-11
				Commissioner of Income-tax (Appeals)	Income-tax	2.51	FY 2011-12

S. No.	Name of the Company	Relationship	Name of Statute	Forum where dispute is pending	Nature of dues	Amount* (₹ in Lakhs)	Financial Year
2	Triveni Engg. & Inds. Ltd.	Holding company	Central Sales Act & Sales/ Trade Tax Acts of various states	Assessing Authority	Sales Tax	149.61	1991-92, 1993-94, 1994-95, 1996-97 1997-98, 2000-01 2002-03
				Commissioner (Appeal)	Sales Tax Penalty Interest	37.74 52.20 74.24	1996-97, 2008-09 to 2011-12
				Appellate Tribunal	Sales Tax	4.01	1987-88, 1994-95, 1998-99, 1999-00, 2007-08
				High Court	Sales Tax Penalty	101.22 0.21	1993-94, 1994-95 1996-97, 1999-00, 2006-07, 2007-08
3	Triveni Engg. & Inds. Ltd.	Holding company	Central Excise Act, 1944	Commissioner (Appeal)	Excise Duty Penalty	21.18 9.62	1994-95, 1995-96, 2007-08 to 2009-10, 2011-12 to 2013-14
				Appellate Tribunal	Excise Duty Penalty	567.49 390.07	1995-96, 1996-97, 2003-04, 2004-05 to 2006-07, 2008-09 to 2013-14
				High Court	Excise Duty Penalty	234.56 12.90	1997-98, 1998-99, 1999-00, 2003-04 2005-06 2007-08 to 2010-11
				Supreme Court	Excise Duty Penalty	1.70 1.73	2010-2011
	Triveni Turbine Ltd.	Associate company		CESTAT, Bangalore	Excise Duty Interest Penalty	20.74 24.71 21.61	FY 2007-08

S. No.	Name of the Company	Relationship	Name of Statute	Forum where dispute is pending	Nature of dues	Amount* (₹ in Lakhs)	Financial Year
4	Triveni Engg. & Inds. Ltd.	Holding company	The Finance Act, 1994	Appellate Tribunal	Service Tax Penalty	55.97 31.29	2004-05, 2005-06, 2007-08 to 2011-12
				Commissioner (Appeal)	Service Tax Penalty	1.15 0.02	2012-13, 2013-14
	Triveni Turbine Ltd.	Associate company		CESTAT, Bangalore	Service Tax -Interest -Penalty	28.21 32.53	FY 2008-09 to FY 2011-12
				CESTAT, Bangalore	Service Tax Interest Penalty	90.57 126.75 103.25	FY 2007-08 to FY 2011-12
5	Triveni Engg. & Inds. Ltd.	Holding company	UP Sugar Promotion Policy 2004	High Court	Entry Tax Sales Tax	997.49 36.24	2006-07 to 2014-15

\* Net of amounts paid under protest or otherwise.

- c) According to the information and explanation given to us and based on the reports of the other auditors of the subsidiary companies and associate company incorporated in India, the amount required to be transferred to the Investor Education and Protection Fund by the Holding Company in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder has been transferred to such fund within time. In case of subsidiary companies and associate company, there were no amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
- 8) On a consolidated basis, the accumulated losses of the Holding Company, its subsidiary companies and associate company incorporated in India are not more than fifty percent of its net worth and have incurred cash losses during the year and in the immediately preceding financial period.
- 9) In our opinion and according to the information given to us, the Holding Company and its associate company incorporated in India have not defaulted in repayment of their respective dues to financial institutions, banks or debenture holders during the year wherever applicable. Based on the reports of the other auditors, the subsidiary companies have not borrowed any amount from financial institutions, banks or debenture holder, therefore, the question of default in repayment of dues do not arise.
- 10) In our opinion and according to the information given to us and based on the reports of the other auditors, the Holding Company, its subsidiary companies and associate company incorporated in India have not given any guarantee for loans taken by others from banks or financial institutions.
- 11) In our opinion, term loans raised during the year have been applied for the purpose for which they were raised by the Holding Company and its associate company. Based on the reports of the other auditors, in case of subsidiary companies, no term loan has been raised during the year.
- 12) During the course of examination of the books of accounts and records of the Holding Company, its subsidiary companies and associate company, carried out in accordance with the generally accepted auditing practices and according to the information and explanations given to us and based on the reports of the other auditors, no fraud on or by the Holding Company, its subsidiary companies and associate company incorporated in India have been noticed or reported during the year.

**For J.C. Bhalla and Co.**  
Chartered Accountants  
FRN : 001111N

**Sudhir Mallick**  
Partner  
Membership No.80051

Place : Noida (U.P.)  
Date : May 27,2015

# CONSOLIDATED BALANCE SHEET

as at 31st March 2015

(₹ in lacs)

Particulars	Note No.	31.03.2015	31.03.2014
<b>I EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
Share capital	2	2,579.47	2,579.02
Reserves and surplus	3	63,302.40	81,356.91
		<b>65,881.87</b>	<b>83,935.93</b>
<b>2. Non - current liabilities</b>			
Long-term borrowings	4	39,638.27	42,213.10
Deferred tax liabilities (net)	5	-	2,448.60
Other long term liabilities	6	1,803.52	1,353.77
Long-term provisions	7	3,071.91	2,576.83
		<b>44,513.70</b>	<b>48,592.30</b>
<b>3. Current liabilities</b>			
Short-term borrowings	8	95,371.66	59,227.72
Trade payables	9	66,243.50	82,004.44
Other current liabilities	10	18,203.59	22,681.45
Short-term provisions	7	5,740.40	5,515.61
		<b>1,85,559.15</b>	<b>1,69,429.22</b>
<b>Total</b>		<b>2,95,954.72</b>	<b>3,01,957.45</b>
<b>II ASSETS</b>			
<b>1. Non-current assets</b>			
<b>Fixed assets</b>			
(i) Tangible assets	11	87,426.84	94,884.75
(ii) Intangible assets	12	118.62	149.07
(iii) Capital work-in-progress		1,842.36	181.90
Non-current investments	13	8,086.78	6,840.07
Long-term loans and advances	14	23,061.86	22,921.80
Other non-current assets	18	3,395.66	4,039.05
		<b>1,23,932.12</b>	<b>1,29,016.64</b>
<b>2. Current assets</b>			
Inventories	15	1,23,433.78	1,40,205.51
Trade receivables	16	23,269.33	22,806.80
Cash and bank balances	17	656.10	1,463.13
Short-term loans and advances	14	19,462.16	4,841.28
Other current assets	18	5,201.23	3,624.09
		<b>1,72,022.60</b>	<b>1,72,940.81</b>
<b>Total</b>		<b>2,95,954.72</b>	<b>3,01,957.45</b>

Summary of Significant Accounting Policies

1

The accompanying Note Nos.1 to 53 form an integral part of the consolidated financial statements.

As per our report of even date.

For and on behalf of

**J.C. Bhalla & Company**

Chartered Accountants

FRN : 001111N

**Sudhir Mallick**

Partner

Membership No.80051

Place : Noida (U.P.)

Dated : May 27, 2015

**Tarun Sawhney**

Vice Chairman &

Managing Director

**Lt. Gen. K.K. Hazari (Retd.)**

Director

**Suresh Taneja**

Group

CFO

**Geeta Bhalla**

Group General Manager &

Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2015

(₹ in lacs)

Particulars	Note No.	31.03.2015 (12 Months)	31.03.2014 (18 Months)
<b>Continuing operations</b>			
<b>INCOME</b>			
Revenue from operations (gross)	19	2,12,802.24	3,25,715.18
Less : Excise duty		6,700.68	10,357.53
Revenue from operations (net)		2,06,101.56	3,15,357.65
Other Income	20	1,188.81	1,822.13
Income from Associates		1,787.04	2,249.19
<b>Total revenue</b>		<b>2,09,077.41</b>	<b>3,19,428.97</b>
<b>EXPENSES</b>			
Cost of raw material and components consumed	21	1,45,469.18	3,18,610.44
Purchase of traded goods	22	1,507.68	2,289.40
(Increase)/decrease in inventories of finished goods and work-in-progress	23	17,239.31	(83,761.87)
Employee benefit expenses	24	15,255.81	21,443.14
Other expenses	25	28,437.48	49,993.35
Prior period items (net)	26	(19.74)	69.65
<b>Total</b>		<b>2,07,889.72</b>	<b>3,08,644.11</b>
<b>Earnings before exceptional items, extraordinary item, interest, tax, depreciation and amortisation (EBITDA)</b>		<b>1,187.69</b>	<b>10,784.86</b>
Depreciation and amortisation expenses	27	5,922.17	11,878.33
Finance costs	28	12,207.62	18,522.93
<b>Profit/(loss) before exceptional items, extraordinary item &amp; tax</b>		<b>(16,942.10)</b>	<b>(19,616.40)</b>
Exceptional items	29	-	(524.01)
<b>Profit/(loss) before extraordinary item &amp; tax</b>		<b>(16,942.10)</b>	<b>(19,092.39)</b>
Extraordinary item		-	-
<b>Profit/(loss) before tax</b>		<b>(16,942.10)</b>	<b>(19,092.39)</b>
Tax expense	30	(1,735.90)	(1,459.60)
<b>Profit/(loss) after tax</b>		<b>(15,206.20)</b>	<b>(17,632.79)</b>
Earning per equity share of ₹ 1/ each	31		
Basic and diluted (in ₹)		(5.90)	(6.84)

Summary of Significant Accounting Policies

1

The accompanying Note Nos. 1 to 53 form an integral part of the consolidated financial statements.

As per our report of even date.

For and on behalf of  
**J.C. Bhalla & Company**  
Chartered Accountants  
FRN : 001111N

**Sudhir Mallick**  
Partner  
Membership No.80051

**Tarun Sawhney**  
Vice Chairman &  
Managing Director

**Lt. Gen. K.K. Hazari (Retd.)**  
Director

**Suresh Taneja**  
Group  
CFO

**Geeta Bhalla**  
Group General Manager &  
Company Secretary

Place : Noida (U.P.)

Dated : May 27, 2015

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March 2015

(₹ in lacs)

Particulars	31.03.2015 (12 Months)	31.03.2014 (18 Months)
<b>A Cash Flow from Operating Activities</b>		
<b>Profit before tax</b>	<b>(16,942.10)</b>	<b>(19,092.39)</b>
Income from Associates	1,787.04	2,249.19
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation / amortisation	5,877.76	11,878.33
Loss / (profit) on sale of fixed assets	9.85	106.26
Loss / (Profit) on sale of long term investments	-	(524.01)
Interest Expense	12,207.66	18,523.20
Interest Income	(132.23)	(119.93)
Dividend Income	(0.44)	(3.61)
<b>Operating profit before working capital changes</b>	<b>(766.54)</b>	<b>8,518.66</b>
Movements in working capital :		
Change in Liabilities	(14,880.54)	74,751.11
Change in Inventories	16,771.72	(86,387.94)
Change in Trade Receivables	93.17	(4,988.35)
Change in Loans and Advances	(13,305.92)	(1,857.96)
Change in Other Current Assets	(1,479.11)	12,847.24
<b>Cash generated from / (used in) operations</b>	<b>(13,567.22)</b>	<b>2,882.76</b>
Direct taxes paid (net of refunds)	(508.96)	(570.21)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(14,076.18)</b>	<b>2,312.55</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(4,002.28)	(4,204.76)
Proceeds from sale of fixed assets	27.70	82.10
Proceeds of non-current investments		
From Associate - Dividend	576.00	746.15
- Others	-	4,711.63
Purchase of non-current investments		
Others	-	(30.55)
Interest received	131.82	106.24
Dividends received	0.44	3.61
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(3,266.32)</b>	<b>1,414.42</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from issuance of share capital	6.29	2.80
Proceeds from long-term borrowings	10,101.99	24,330.48
Repayment of long-term borrowings	(16,678.42)	(25,820.60)
Increase / (Decrease) in short-term borrowings	36,143.94	16,861.22
Interest paid	(12,415.71)	(19,031.55)
Dividend paid on equity shares	(1.77)	(260.13)
Tax on equity dividend paid	-	(41.84)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>17,156.32</b>	<b>(3,959.62)</b>
Net increase / (decrease) in cash and cash equivalents (A + B+ C)	(186.18)	(232.65)
Cash and cash equivalents at the beginning of the year	695.06	926.18
Adjustment of cash and cash equivalents pursuant to acquisition of associates / disposal of subsidiary	-	1.53
<b>Cash and cash equivalents at the end of the year</b>	<b>508.88</b>	<b>695.06</b>

As per our report of even date.

For and on behalf of

**J.C. Bhalla & Company**

Chartered Accountants

FRN : 001111N

**Sudhir Mallick**

Partner

Membership No.80051

Place : Noida (U.P.)

Dated : May 27, 2015

**Tarun Sawhney**

Vice Chairman &

Managing Director

**Lt. Gen. K.K. Hazari (Retd.)**

Director

**Suresh Taneja**

Group

CFO

**Geeta Bhalla**

Group General Manager &

Company Secretary

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2015

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a) Basis and Principles of Consolidation

- i) The consolidated financial statements of Triveni Engineering and Industries Limited and its subsidiaries and associates (hereinafter referred to as "the Group"/"the Company") have been prepared in accordance with the applicable accounting standard relating to preparation of consolidated financial statements.
- ii) The consolidated financial statements comprise the audited financial statements of following entities :
  - Triveni Engineering and Industries Ltd., the holding company, incorporated in India
  - Triveni Engineering Limited, a wholly owned subsidiary company, incorporated in India
  - Triveni Energy Systems Limited, a wholly owned subsidiary company, incorporated in India
  - Triveni Entertainment Limited, a wholly owned subsidiary company, incorporated in India
  - Bhudeva Projects Limited, a wholly owned subsidiary company, incorporated in India
  - Svastida Projects Limited, a wholly owned subsidiary company, incorporated in India
- iii) The consolidated financial statements also incorporate proportionate share of income/losses of its following associate companies:
  - Triveni Turbine Ltd, a company incorporated in India
  - Aqwise-Wise Water Technologies Ltd., a company incorporated in Israel
- iv) The financial statements of the holding company and its subsidiaries are combined on a line-by-line basis adding together the book values of like items of assets, liabilities, incomes and expenses. The effects of inter-company transactions are eliminated in consolidation.
- v) The Company accounts for its share in the change in net assets of the associates, post-acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its statement of profit and loss and through its reserves for the balance, based on available information.
- vi) Investments in associate companies are accounted under the equity Method prescribed under

Accounting Standard (AS) 23 "Accounting for investment in Associates in Consolidated Financial Statements". The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

- vii) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of profit and loss, being the profit or loss on disposal of investment in subsidiary.
- viii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- ix) Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 "Accounting for Investments".

### b) Basis of preparation of Financial Statements

The financial statements of the Group have been prepared as a going concern on accrual basis of accounting under the historical cost convention and in accordance with generally accepted accounting principles in India. The financial statements comply in all material respects with the applicable accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), in accordance with section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current and non-current as per the criteria set out in the Schedule III of the Companies Act 2013. In line with the accounting and disclosure standards applicable and normal operating cycle of the main products, the Company has considered a period of 12 months for the purpose of determination of classification between current and non-current assets and liabilities.

### c) Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialise.

**d) Fixed Assets**

- i) Fixed assets are stated at their acquisition cost less accumulated depreciation. Acquisition cost includes taxes, duties (excluding excise duty, service tax and VAT for which CENVAT/VAT credit is available), freight and other incidental expenses relating to acquisition and installation. In case of certain machineries acquired under lease prior to 01.04.2001, the cost of acquisition represents the principal value of the respective lease (including the residual value at expiry of lease). In the acquisition of fixed assets involved in the establishment of a new project /factory, all direct expenses including borrowing costs are capitalised.
- ii) Fixed assets pending disposal are stated at lower of net book value (at the time of discarding of assets) and net realisable value. Wherever, the net book value of the assets can not be reasonably determined, it is stated at net realisable value.

**e) Recognition of Income/Expenditure**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria are applied for revenue recognition:

- i) Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and therefore these are not economic benefits flowing to the Company and accordingly they are excluded from revenue.
- ii) In contracts involving the rendering of services, revenue is recognised as and when the services are rendered. The Company collects service tax on behalf of the government and therefore, it is not an economic benefit flowing to the Company and is accordingly excluded from revenue.
- iii) Income from sale of Certified Emission Reductions (CERs) and Renewable Energy Certificates (RECs) is recognised on the delivery of the CERs/RECs to the customers' account as evidenced by the receipt of confirmation of execution of delivery instructions.
- iv) Revenue from construction contracts is recognised on the percentage of completion method, measured by the proportion that contract costs incurred for work performed till the reporting date bear to the estimated total contract cost. Contract costs for this purpose include :
  - a) Costs that relate directly to the specific contract;
  - b) Costs that are attributable to contract activity in general and can be allocated to the contract; and

- c) Such other costs as are specifically chargeable to the customer under the terms of contract.

Foreseeable losses, if any, are provided for immediately.

- v) Income / Expenditure relating to prior periods and prepaid expenses which do not exceed ₹ 10,000/- in each case, are treated as Income / Expenditure of current year.
- vi) Compensation under Voluntary Retirement Scheme and all other termination benefits, if any, incurred during the year, are recognised as expense in the statement of profit and loss.

**f) Foreign Currency Transactions**

- i) Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing at the date of transaction.
- ii) Foreign currency monetary items (including forward contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculative purposes) are translated at year end rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.
- iii) The premium or discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculative purposes is amortised as expense or income over the life of the contracts.
- iv) In respect of derivative contracts relating to firm commitments or highly probable forecast transactions, provision is made for mark to market losses, if any, at the balance sheet date. Gains, if any, are not recognised till settlement.
- v) In case of foreign associates, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the relevant period. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the exchange fluctuation reserve.

**g) Inventories**

- i) Inventories of raw materials, components, stores and spares are valued at lower of cost and net realisable value. By-products used as raw material are valued at transfer cost. Cost for the purpose of valuation of raw materials and components, stores and spares is considered on the following basis :

**Raw Materials & Components**

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

**Stores and Spares**

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

- ii) Finished goods and Work-in-progress are valued at lower of cost and net realisable value. The cost of finished goods and work-in-progress includes raw material costs, direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition. Excise duty is included in the value of finished goods.
- iii) Unsold certified emission reductions (CERs) and renewable energy certificates (RECs) are recognised as inventory in accordance with the Guidance Note on Accounting for Self-generated Certified Emission Reductions, issued by the Institute of Chartered Accountants of India. Inventory of CERs and RECs is valued at lower of cost and net realisable value. The cost incurred on verification/certification of CERs/ RECs is considered as the cost of inventories of CERs/ RECs.
- iv) Patterns, Loose tools, Jigs and Fixtures are written off equally over three years.
- v) By-products (excluding those used as raw materials) and scrap are valued at estimated net realisable value.

**h) Depreciation**

- i) Depreciation on fixed assets is provided on the straight line method in accordance with Schedule II of the Companies Act, 2013. Schedule II provides the useful lives of various categories of fixed assets and allows the Company to use higher / lower useful lives and residual values if such lives and residual values can be technically supported and the justification for any difference is disclosed in the financial statements.

Accordingly, the management has re-estimated the useful lives and residual values of all its fixed assets and adopted useful lives as stated in Schedule II along with residual values of 5% except for the following:

- On the basis of technical assessment involving technology obsolescence and past experience, the useful lives of instrumentation and control

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

- Based on the experience and assessment, mobile phones costing ₹ 5,000/- or more are depreciated over 2 years.
  - Assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.
- ii) Double or triple shift depreciation, wherever applicable, is provided in respect of machines on the basis of actual number of days for which such machines work on double or triple shift.
- iii) Intangible assets are recognised as specified in the applicable accounting standard and are amortised as follows:

Particulars	Period of amortisation
Computer software	36 months
Technical know-how	72 months

- iv) Cost of leasehold land, other than acquired on perpetual basis, is amortised over the lease period.
- v) Fixture and fittings and improvements to leasehold buildings not owned by the Company are amortised over the lease period or estimated useful life of such fixture, fittings and improvements, whichever is lower.
- i) Investments**
- Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current / long-term investments. Current investments are carried at the lower of cost and fair value. Long-term investments are carried at cost. However, provision is made to recognise a decline, other than temporary, in the value of long-term investments, such reduction being determined and made for each investment individually.

**j) Employee Benefits**

- 1) Short Term Employee Benefits:

All employee benefits payable wholly within 12 months after the end of the period in which the employees render the related services are classified as short term employee benefits and are recognised as expense in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short term employee benefits expected to be paid (including compensated absences) in exchange for services rendered, as a liability.

2) Long Term Employee Benefits:

i) 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's contribution to defined contribution plans is recognised in the statement of profit and loss in the financial year to which they relate.

The Company operates the following defined contribution plans.

- **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.

ii) Defined Benefit Plans

Defined benefit plans are plans under which the Company pays certain defined benefits to its employees at the time of their retirement / resignation / death based on rules framed for such schemes. The Company operates following defined benefit plans:

- **Provident fund (set-up by the Company and administered through trust)**  
The Company also contributes to certain funds which were set-up by the Company and administered through trust for the benefit of certain employees. The interest rate payable by the trust to the beneficiaries is regulated by statutory authorities. The Company has an obligation to make good the shortfall, if any, between the return on investments of the Trust and the notified interest rate.
- **Gratuity**  
The Company provides for gratuity obligations through a defined benefit

retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement/termination of employment or death of an employee, based on the respective employees' salary and years of employment with the Company. The Company provides for its liability under the Gratuity Plan based on actuarial valuation.

- **Earned Leaves / Sick Leaves**

The Company provides for the liability at year end on account of un-availed accumulated leaves on the basis of actuarial valuation.

3) Employee Stock Options:

Compensation cost in respect of stock options granted to eligible employees is recognised using the intrinsic value of the stock options and is amortised over the vesting period of such options granted .

**k) Borrowing costs**

Borrowing costs attributable to the acquisition of qualifying assets are capitalised till the period such assets are ready for their intended use. All other borrowing costs are charged to the statement of profit and loss.

**l) Operating leases**

Lease payments under an operating lease are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

**m) Government Grants**

Recognition

Government grants are recognised where:

- i) There is reasonable assurance of complying with the conditions attached to the grant.
- ii) Such grant / benefit has been earned and it is reasonably certain that the ultimate collection will be made.

Presentation in Financial Statements:

- i) Government grants relating to specific fixed assets are adjusted with the value of such fixed assets.
- ii) Government grants in the nature of promoters' contribution, i.e. which have reference to the total investment in an undertaking or by way of contribution towards total capital outlay, are credited to capital reserve.
- iii) Government grants related to revenue items are either adjusted with the related expenditure / revenue or shown under "Other Income", in case direct linkage with cost / income is not determinable.

**n) Taxes on Income**

- i) Current tax on income is determined on the basis of taxable income computed in accordance with the applicable provisions of the Income Tax Act, 1961.
- ii) Deferred tax is recognised for all timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.
- iii) Deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised, except in the case of unabsorbed depreciation or carry forward of losses under the Income Tax Act, 1961, where such deferred tax asset is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- iv) Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will be in a position to avail of such credit under the provisions of the Income Tax Act, 1961.

**o) Impairment of Asset**

Impairment of individual assets/cash generating unit (a group of assets that generates identified independent

cash flows) is identified using external and internal sources of information and impairment loss if any, is determined and recognised in accordance with the Accounting Standard (AS) 28 "Impairment of Assets".

**p) Provisions, Contingent liabilities and Contingent assets**

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if:

- i) the Company has a present obligation as a result of a past event;
- ii) a probable outflow of resources is expected to settle the obligation; and
- iii) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of

- i) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- ii) a possible obligation, unless the probability of outflow of resources is remote.

Contingent assets are not recognised.

## 2. SHARE CAPITAL

(₹ in Lacs)

Particulars	31.03.2015	31.03.2014
<b>AUTHORISED</b>		
50,00,00,000 Equity shares of ₹ 1/- each	5,000.00	5,000.00
2,00,00,000 Preference shares of ₹ 10/- each	2,000.00	2,000.00
	<b>7,000.00</b>	<b>7,000.00</b>
<b>ISSUED</b>		
25,79,53,110 (25,79,08,150) Equity shares of ₹ 1/- each	2,579.53	2,579.08
	<b>2,579.53</b>	<b>2,579.08</b>
<b>SUBSCRIBED AND PAID UP</b>		
25,79,45,110 (25,79,00,150) Equity shares of ₹ 1/- each	2,579.45	2,579.00
Add :Paid up value of 8,000 Equity shares of ₹ 1/- each forfeited	0.02	0.02
	<b>2,579.47</b>	<b>2,579.02</b>

### a) Reconciliation of the shares outstanding at the beginning and at the end of the year

#### Equity Shares

Particulars	As at 31.03.2015		As at 31.03.2014	
	No of Shares	₹ in lacs	No of Shares	₹ in lacs
Outstanding at the beginning of the year	25,79,00,150	2,579.00	25,78,80,150	2,578.80
Add: Issued during the period pursuant to exercise of employee stock options	44,960	0.45	20,000	0.20
Outstanding at the end of the year	25,79,45,110	2,579.45	25,79,00,150	2,579.00

### b) Terms / 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.

### c) Details of shareholders holding more than 5% equity shares in the Company

Particulars	As at 31.03.2015		As at 31.03.2014	
	No of Shares	% holding	No of Shares	% holding
Dhruv M. Sawhney	3,83,91,756	14.88	3,83,91,756	14.89
Nalanda India Fund Limited	2,57,88,000	10.00	2,57,88,000	10.00
Umananda Trade & Finance Limited	2,09,91,589	8.14	2,09,91,589	8.14
Rati Sawhney	2,03,58,164	7.89	2,03,58,164	7.89
Tarnik Investments & Trading Limited	1,86,80,527	7.24	1,86,80,527	7.24
Subhadra Trade & Finance Limited	1,69,07,375	6.56	1,69,07,375	6.56
Nikhil Sawhney	1,52,77,653	5.92	1,52,77,653	5.92
Dhankari Investments Limited	1,47,14,901	5.70	1,47,14,901	5.71
Tarun Sawhney	1,46,95,375	5.70	1,46,95,375	5.70

### d) Shares reserved for issue under options - Nil

Refer Note No. 46

**3. RESERVES AND SURPLUS**

	(₹ in Lacs)	
<b>Particulars</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
<b>Capital Reserve</b>		
Balance as per the last consolidated financial statements	13,338.83	13,325.85
Add: Excess nominal value of share capital over investments in a subsidiary	-	12.98
Less: Amount utilised	-	-
<b>Closing Balance</b>	<b>13,338.83</b>	<b>13,338.83</b>
<b>Securities Premium</b>		
Balance as per the last consolidated financial statements	26,552.70	26,538.49
Add: Amount received during the year/period pursuant to exercise of employee stock options	5.84	2.60
Add: Proportinate share of Associates	2.68	11.61
Less: Amount utilised	-	-
<b>Closing Balance</b>	<b>26,561.22</b>	<b>26,552.70</b>
<b>Revaluation Reserve - Fixed Assets</b>		
Balance as per the last consolidated financial statements	1,507.65	1,556.39
Less: Amount reversed (Refer Note No.35)	1,507.65	-
Less: Amount utilised *	-	48.74
<b>Closing Balance</b>	<b>-</b>	<b>1,507.65</b>
* Represents ₹ Nil ( ₹ 48.74 lacs) additional depreciation on revalued assets adjusted from revaluation reserve.		
<b>General Reserve</b>		
Balance as per the last consolidated financial statements	50,831.13	50,843.38
Less: Impact of change in holding in an associate	0.86	-
Add: Reserves of a subsidiary till date of becoming subsidiary, already considered as an associate	-	12.23
Less: Impact of revision of useful lives of fixed assets pursuant to Schedule II to the Companies Act, 2013. [Refer Note No.34 (b)]	1,382.18	-
Less : Adjusted on recognition of write back of losses in respect of an associate upon its becoming a subsidiary.	-	24.48
Add: Amount transferred from Debenture Redemption Reserve	2,000.00	-
<b>Closing Balance</b>	<b>51,448.09</b>	<b>50,831.13</b>
<b>Capital Redemption Reserve</b>		
Balance as per the last consolidated financial statements	397.40	397.40
Add: Amount transferred	-	-
Less: Amount utilised	-	-
<b>Closing Balance</b>	<b>397.40</b>	<b>397.40</b>
<b>Amalgamation Reserve</b>		
Balance as per the last consolidated financial statements	926.34	926.34
Add: Amount transferred	-	-
Less: Amount utilised	-	-
<b>Closing Balance</b>	<b>926.34</b>	<b>926.34</b>

(₹ in Lacs)

Particulars	31.03.2015		31.03.2014	
<b>Debenture Redemption Reserve</b>				
Balance as per the last consolidated financial statements		2,000.00		2,000.00
Add / (Less) : Amount transferred from surplus / (to deficit) in the consolidated statement of profit and loss		-		-
Less: Amount transferred to General Reserve		2,000.00		-
<b>Closing Balance</b>		<b>-</b>		<b>2,000.00</b>
<b>Molasses Storage Fund Reserve</b>				
Balance as per the last consolidated financial statements		185.50		234.81
Add : Amount transferred from surplus / (deficit) in the consolidated statement of profit and loss		25.78		50.69
Less: Amount transferred to surplus / (deficit) in the consolidated statement of profit and loss		16.00		100.00
<b>Closing Balance</b>		<b>195.28</b>		<b>185.50</b>
<b>Foreign Exchange Translation Reserve</b>				
Balance as per the last consolidated financial statements		(32.64)		0.53
Add / (Less): Proportinate share of Associate		33.86		(33.17)
Less: Amount utilised		-		-
<b>Closing Balance</b>		<b>1.22</b>		<b>(32.64)</b>
<b>Surplus / (deficit) in the consolidated statement of profit and loss</b>				
Balance as per the last consolidated financial statements		(14,350.00)		3,233.51
Add: Net profit / (loss) after tax transferred from consolidated statement of profit and loss		(15,206.20)		(17,632.79)
<b>Amount available for appropriation (A)</b>		<b>(29,556.20)</b>		<b>(14,399.28)</b>
<b>Appropriations:</b>				
Withdrawn from Molasses Storage Fund Reserve		(16.00)		(100.00)
Transfer to Molasses Storage Fund Reserve		25.78		50.69
Dividend adjustment of previous year		-		0.03
Tax on Dividend of previous year (Previous year ₹ 389/-)		-		0.00
<b>Total appropriations (B)</b>		<b>9.78</b>		<b>(49.28)</b>
<b>Net surplus / (deficit) in the consolidated statement of profit and loss (A-B)</b>		<b>(29,565.98)</b>		<b>(14,350.00)</b>
<b>Total Reserves and Surplus</b>		<b>63,302.40</b>		<b>81,356.91</b>

#### 4. LONG-TERM BORROWINGS

(₹ in Lacs)

Particulars	Non- Current portion		Current maturities	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Debentures	-	-	-	4,000.00
Term loans from banks	38,978.97	41,003.50	11,642.57	11,273.34
Term loans from others	659.30	1,209.60	547.67	918.50
	39,638.27	42,213.10	12,190.24	16,191.84
The above amount includes				
Secured loans	39,638.27	42,213.10	12,190.24	16,191.84
	39,638.27	42,213.10	12,190.24	16,191.84
Less: Amount disclosed under the head "Other Current Liabilities" (Refer Note No 10)			12,190.24	16,191.84
	<b>39,638.27</b>	<b>42,213.10</b>	<b>-</b>	<b>-</b>

**Details of Securities and other terms :-**

<b>Name of the Bank / Others</b>	<b>Total loan outstanding (₹ in Lacs)</b>	<b>Repayment terms of loan outstanding</b>	<b>Rate of interest</b>	<b>Nature of Security</b>	
A) Nil (400) Non-Convertible Debentures of ₹ 10.00 lacs each issued to Life Insurance Corporation of India	Nil (4,000.00)	Redeemable in three annual instalments at the end of 4th, 5th & 6th year in the ratio of 30:30:40 from the deemed date of allotment i. e. 26th December 2008.	12.45% p. a. fixed payable quarterly.	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.	
B) Term loans					
From banks (Indian Rupee Loan)					
1. Central Bank of India	Nil (630.71)	Nil (1) equal quarterly instalments upto June 2014.	At Banker's base rates plus applicable spread. The total interest rate as on 31.03.2015 range between 11.75% to 13.05% per annum.	Secured by first pari-passu charge created / to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.	
2. Canara Bank	7,028.31 (7,500.00)	15 (16) equal quarterly instalments upto December 2018.			
3. Axis Bank	4,166.67 (5,000.00)	10 (12) equal quarterly instalments upto August 2017.			
4. State Bank of Patiala	3,125.00 (5,625.00)	5 (9) equal quarterly instalments upto June 2016.			
5. Oriental Bank of Commerce	3,748.06 (6,248.68)	6 (10) equal quarterly instalments upto July 2016.			
6. Yes Bank	6,093.75 (7,500.00)	13 (16) equal quarterly instalments upto June 2018.			
7. Ratnakar Bank Limited	3,900.00 (4,000.00)	15 (16) quarterly instalments upto December 2018.			
8. Punjab National Bank	205.35 (2,966.00)	1 (13) equal monthly instalments upto April 2015.			Secured by first pari-passu charge on current assets and residual charge on the fixed assets of the Company
9. Central Bank of India	4,999.96 (Nil)	36 (Nil) equated monthly instalments commencing January 2017 and ending December 2019.			Secured by third charge on fixed assets of Khatauli and Ramkola units and second charge on fixed assets of other units of the Company.
10. Oriental Bank of Commerce	2,499.96 (Nil)	36 (Nil) equated monthly instalments commencing November 2016 and ending October 2019.			Secured by third charge on fixed assets of Khatauli and Ramkola units and second charge on fixed assets of other units of the Company.
11. Axis Bank	2,033.50 (Nil)	12 (Nil) equal quarterly instalments commencing February 2017 and ending November 2019.			Secured by third charge on fixed assets of Khatauli and Ramkola units and second charge on fixed assets of other units of the Company.
12. Punjab National Bank (Excise Duty Loan)	8,876.00 (8,876.00)	36 (36) equated monthly instalments commencing March 2016 and ending February 2019.	Interest Free Loan	Secured by second charge on all business units except Khatauli and Ramkola .	
13. Central Bank of India (Excise Duty Loan)	3,750.00 (3,750.00)	12 (12) equal quarterly instalments commencing June 2016 and ending March 2019.	Interest Free Loan	Secured by second charge on all business units except Khatauli and Ramkola .	
14. Vehicle Loans		In equated monthly instalments ranging from 6 to 59 months (3 to 55 months)	At fixed rates ranging from 9.35% to 11.00% p.a.	Secured by hypothecation of vehicle acquired under the respective vehicle loans.	
- Axis Bank	126.08 (94.47)				
- ICICI Bank	64.80 (85.98)				

Name of the Bank / Others	Total loan outstanding (₹ in Lacs)	Repayment terms of loan outstanding	Rate of interest	Nature of Security
From others (Indian Rupee Loan)				
1. Vehicle Loan				
Daimler Financial Services P Ltd.	6.80 (15.23)	In 9 (21) equated monthly instalments	At fixed rate of 9.38% p.a.	Secured by hypothecation of vehicle acquired under the respective vehicle loans.
2. Other Loans - Sugar Development Fund, Govt. of India	1204.27 (2,112.87)	5 & 10 equal yearly and half yearly instalments upto September 2018.	2% below the Bank Rate at present 4%	Secured by exclusive second charge created over moveable / immoveable assets of Khatauli and Ramkola units.
<b>Total</b>	<b>51,828.51</b> <b>(58,404.94)</b>			

Figures in brackets relate to previous period.

#### 5. DEFERRED TAX LIABILITIES (NET)

Particulars	(₹ in Lacs)	
	31.03.2015	31.03.2014
<b>Deferred Tax Liabilities :</b>		
Difference in net book value of fixed assets as per books and tax laws	16,727.83	14,218.19
<b>Deferred Tax Assets :</b>		
Unabsorbed business loss / depreciation	(12,485.18)	(8,287.21)
Expenses allowable on payment basis	(1,621.52)	(1,579.86)
Others (net)	(2,621.13)	(1,902.52)
<b>Net Deferred Tax Liabilities</b>	<b>-</b>	<b>2,448.60</b>

#### 6. OTHER LONG TERM LIABILITIES

Particulars	(₹ in Lacs)	
	31.03.2015	31.03.2014
Interest accrued but not due	91.86	178.78
Lease Equalisation	18.64	28.00
Trade Payable (Retentions)- (Refer Note No. 43 for details of dues to micro and small enterprises)	1,693.02	1,146.99
	<b>1,803.52</b>	<b>1,353.77</b>

#### 7. PROVISIONS

Particulars	(₹ in Lacs)			
	Long-term		Short-term	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
<b>Provision for Employee Benefits</b>				
Gratuity (Refer Note No 39)	2,106.91	1,816.16	116.10	123.89
Compensated Absences	965.00	760.67	299.15	327.38
<b>Other Provisions</b>				
Warranty	-	-	236.40	276.23
Cost to Completion	-	-	60.00	40.15
Arbitration / Court case claims	-	-	251.67	238.11
Mark to market loss on Foreign Exchange Derivatives	-	-	6.65	0.20
Excise duty on closing stock	-	-	4,770.43	4,509.65
	<b>3,071.91</b>	<b>2,576.83</b>	<b>5,740.40</b>	<b>5,515.61</b>

For Movement in provisions - Refer Note No. 44

**8. SHORT-TERM BORROWINGS**

(₹ in Lacs)

Particulars	31.03.2015	31.03.2014
Repayable on demand		
Cash credits from banks	95,173.08	58,001.62
Other borrowings		
From Banks		
Rupee term loans	-	1,000.00
Foreign currency loans (Buyers' credits)	198.58	218.21
From Others	-	7.89
	<b>95,371.66</b>	<b>59,227.72</b>
The above amount includes :		
Secured borrowings	95,173.08	58,001.62
Unsecured borrowings	198.58	1,226.10

Cash credit from banks is secured by pledge / hypothecation of the stock-in-trade, raw material, stores and spare parts, work-in-progress and receivables and second charge created / to be created on the properties of all the Engineering units and third charge on the properties of Sugar, Co Generation and Distillery units of the Company on pari passu basis.

**9. TRADE PAYABLES**

Trade payables (Refer Note No 43 for details of dues to micro and small enterprises)	66,243.50	82,004.44
	<b>66,243.50</b>	<b>82,004.44</b>

**10. OTHER CURRENT LIABILITIES**

Current maturities of long term borrowings (Refer Note No 4)	12,190.24	16,191.84
Capital creditors	1,419.07	464.54
Advance from customers	1,462.25	3,142.59
Security deposits	293.94	237.14
Interest accrued but not due on borrowings	134.74	153.54
Interest accrued and due on borrowings	-	78.81
Employee benefits & other dues payable	1,559.46	1,152.43
Statutory dues payable relating to employees	283.59	257.17
Other statutory dues payable	511.54	618.47
Amount payable to hedging banks	48.04	-
Other payables	192.21	268.61
Unclaimed preference shares redemption	90.46	90.87
Unpaid dividend *	12.91	14.68
Unclaimed matured deposits *	3.73	8.61
Unclaimed interest on deposits *	1.41	2.15
	<b>18,203.59</b>	<b>22,681.45</b>

\* 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.

## 11. TANGIBLE ASSETS

(₹ in Lacs)

Particulars	Land Freehold	Land Lease Hold	Buildings & Roads	Plant and Machinery	Office Equipments	Furniture and Fixtures	Vehicles	Computers	Total
<b>Gross block</b>									
<b>As at October 1, 2012</b>	<b>4,737.55</b>	<b>390.76</b>	<b>26,611.19</b>	<b>126,416.54</b>	<b>587.06</b>	<b>797.85</b>	<b>664.29</b>	<b>1,145.86</b>	<b>161,351.10</b>
Additions	17.85	-	76.89	4,722.59	39.70	21.87	297.34	37.98	5,214.22
Deductions	-	-	27.94	1,005.71	16.30	(1.99)	155.68	33.70	1,237.34
<b>As at March 31, 2014</b>	<b>4,755.40</b>	<b>390.76</b>	<b>26,660.14</b>	<b>130,133.42</b>	<b>610.46</b>	<b>821.71</b>	<b>805.95</b>	<b>1,150.14</b>	<b>165,327.98</b>
Additions	-	50.00	119.60	1,533.26	43.09	3.46	132.83	46.08	1,928.32
Deductions	-	-	1.70	158.73	16.90	8.59	23.19	53.87	262.98
Adjustment due to reversal of Revaluation <sup>2</sup>	-	-	(1,993.57)	(30.12)	-	-	-	-	(2,023.69)
Other adjustments	-	235.59 <sup>2</sup>	(230.98)	66.37	(11.23)	(53.75)	-	(6.00)	-
<b>As at March 31, 2015</b>	<b>4,755.40</b>	<b>676.35</b>	<b>24,553.49</b>	<b>131,544.20</b>	<b>625.42</b>	<b>762.83</b>	<b>915.59</b>	<b>1,136.35</b>	<b>164,969.63</b>
<b>Depreciation</b>									
<b>As at October 1, 2012</b>	-	28.60	4,975.89	52,965.64	215.88	450.05	243.30	823.88	59,703.24
Charge for the year <sup>1</sup>	-	6.97	1,010.44	10,307.86	47.98	55.75	104.73	142.72	11,676.45
Deductions	-	-	25.03	783.32	8.42	1.45	86.77	31.47	936.46
<b>As at March 31, 2014</b>	-	<b>35.57</b>	<b>5,961.30</b>	<b>62,490.18</b>	<b>255.44</b>	<b>504.35</b>	<b>261.26</b>	<b>935.13</b>	<b>70,443.23</b>
Charge for the year <sup>1</sup>	-	4.65	656.52	4,807.82	94.39	67.73	93.05	80.39	5,804.55
Deductions	-	-	0.73	150.23	15.25	8.29	13.36	50.45	238.31
Adjustment due to reversal of Revaluation <sup>2</sup>	-	-	(487.43)	(28.61)	-	-	-	-	(516.04)
Other adjustments	-	-	1.13	24.44	9.15	(31.95)	-	(2.77)	-
Depreciation written back <sup>2</sup>	-	-	(44.54)	-	-	-	-	-	(44.54)
Adjustments-Transfer to General Reserve <sup>3</sup>	-	-	1,549.28	385.83	78.58	5.19	29.00	46.02	2,093.90
<b>As at March 31, 2015</b>	-	<b>40.22</b>	<b>7,635.53</b>	<b>67,529.43</b>	<b>422.31</b>	<b>537.03</b>	<b>369.95</b>	<b>1,008.32</b>	<b>77,542.79</b>
<b>Net Block</b>									
<b>As at March 31, 2014</b>	<b>4,755.40</b>	<b>355.19</b>	<b>20,698.84</b>	<b>67,643.24</b>	<b>355.02</b>	<b>317.36</b>	<b>544.69</b>	<b>215.01</b>	<b>94,884.75</b>
<b>As at March 31, 2015</b>	<b>4,755.40</b>	<b>636.13</b>	<b>16,917.96</b>	<b>64,014.77</b>	<b>203.11</b>	<b>225.80</b>	<b>545.64</b>	<b>128.03</b>	<b>87,426.84</b>

\*1 Transferred to Revaluation Reserve ₹ Nil (previous year ₹ 48.74 lacs).

\*2 Refer Note No. 35

\*3 Refer Note No. 34(b)

## 12. INTANGIBLE ASSETS (OTHER THAN INTERNALLY GENERATED)

(₹ in Lacs)

Particulars	Computer Software	Technical know-how	Total
<b>Gross block</b>			
<b>As at October 1, 2012</b>	<b>1,509.42</b>	<b>30.81</b>	<b>1,540.23</b>
Additions	92.29	-	92.29
Disposals	-	-	-
<b>As at March 31, 2014</b>	<b>1,601.71</b>	<b>30.81</b>	<b>1,632.52</b>
Additions	87.30	-	87.30
Disposals	35.71	-	35.71
<b>As at March 31, 2015</b>	<b>1,653.30</b>	<b>30.81</b>	<b>1,684.11</b>
Amortisation			
<b>As at October 1, 2012</b>	<b>1,202.02</b>	<b>30.81</b>	<b>1,232.83</b>
Charge for the year	250.62	-	250.62
Disposals	-	-	-
<b>As at March 31, 2014</b>	<b>1,452.64</b>	<b>30.81</b>	<b>1,483.45</b>
Charge for the year	117.75	-	117.75
Disposals	35.71	-	35.71
<b>As at March 31, 2015</b>	<b>1,534.68</b>	<b>30.81</b>	<b>1,565.49</b>
<b>Net Block</b>			
<b>As at March 31, 2014</b>	<b>149.07</b>	-	<b>149.07</b>
<b>As at March 31, 2015</b>	<b>118.62</b>	-	<b>118.62</b>

**13. NON-CURRENT INVESTMENTS**

	(₹ in Lacs)	
Particulars	31.03.2015	31.03.2014
<b>LONG TERM (At Cost)</b>		
<b>OTHER THAN TRADE</b>		
GOVERNMENT SECURITIES		
<b>UNQUOTED</b>		
National Saving Certificates *1	0.11	0.11
OTHER SECURITIES		
SHARES - Fully paid-up		
<b>QUOTED</b>		
13,500 (13,500) Equity shares of ₹ 2/- each of Housing Development Finance Corporation Ltd	0.17	0.17
2,500 (2,500) Equity shares of ₹ 2/- each of HDFC Bank Ltd.	0.05	0.05
24,175 (4,835) Equity shares of ₹ 2/- (₹ 10/-) each of Punjab National Bank	2.34	2.34
76 (76) Equity shares of ₹ 10/- each of Central Bank of India	0.08	0.08
<b>UNQUOTED</b>		
1,821 (1,821) Ordinary shares of ₹ 10/- each of NBI Industrial Finance Co. Ltd.	0.13	0.13
<b>TRADE</b>		
OTHER SECURITIES		
SHARES - Fully paid-up		
<b>ASSOCIATE COMPANIES</b>		
Equity Shares at cost		
[including goodwill (net of capital reserve) amounting to ₹ 2,359.04 lacs (Previous period: ₹ 2,359.04 lacs arising on acquisition of associates as per equity method)]		
<b>QUOTED</b>		
7,20,00,000 (7,20,00,000) Equity shares of ₹ 1/- each of Triveni Turbine Ltd.	720.07	720.07
Accumulated Income / (Loss) from Triveni Turbine Ltd. (Refer Note No. 49)	4,698.23	3,483.44
<b>UNQUOTED</b>		
13,008 (13,008) Equity shares of NIS 0.10 each of Aqwise-Wise Water Technologies Ltd. (Israel)	3,006.19	3,006.19
Accumulated Income / (Loss) from Aqwise-Wise Water Technologies Ltd. (Israel) (Refer Note No. 49)	(340.59)	(372.51)
	<b>8,086.78</b>	<b>6,840.07</b>
Aggregate book value of quoted investments	5,420.94	4,206.15
Aggregate book value of unquoted investments	2,665.84	2,633.92
Market value of quoted investments	93,730.18	52,050.05

\*1 kept as security.

14. LOANS AND ADVANCES

(₹ in Lacs)

Particulars	Long-term		Short-term	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Capital advances				
Unsecured, considered good	409.78	83.59	-	-
Unsecured, considered doubtful	200.25	200.25	-	-
	610.03	283.84	-	-
Less: Provision for doubtful advances	200.25	200.25	-	-
<b>(A)</b>	<b>409.78</b>	<b>83.59</b>	-	-
Security deposit				
Unsecured, considered good	405.43	384.34	31.24	27.79
Unsecured, considered doubtful	0.40	2.70	-	-
	405.83	387.04	31.24	27.79
Less: Provision for doubtful security deposit	0.40	2.70	-	-
<b>(B)</b>	<b>405.43</b>	<b>384.34</b>	<b>31.24</b>	<b>27.79</b>
Loans and advances to related parties *1				
Unsecured, considered good				
Mobilisation advance	-	-	216.57	653.42
Unsecured, considered doubtful				
Other loans	-	-	-	-
	-	-	216.57	653.42
Less: Provision for doubtful loans and advances	-	-	-	-
<b>(C)</b>	-	-	<b>216.57</b>	<b>653.42</b>
Other loans and advances				
Unsecured, considered good				
Prepaid expenses	14.17	21.42	332.09	377.65
Loans and advances to employees	7.80	5.27	108.74	106.18
Advances to suppliers for purchases	13.17	10.13	523.52	640.67
Earnest money deposit	2.00	2.00	23.06	107.25
Service tax recoverable	558.95	498.43	192.73	185.82
Deposit with sales tax authorities	60.22	60.22	22.99	30.27
Sales tax refundable	-	-	3.95	67.43
Excise duty (Cenvat Balance)	2,634.48	3,276.40	640.69	389.76
Works contract tax recoverable	8.88	0.15	-	-
Advance payment of tax { net of provision for tax of ₹ 26.11 lacs (previous period: ₹ 24.47 lacs)}	4,466.76	3,959.45	-	-
VAT recoverable	57.36	57.44	573.28	377.31
Excise duty recoverable	329.96	325.13	33.05	41.79
Interest on excise loan recoverable	-	-	-	88.06
Incentives recoverable from UP Govt.{Refer Note No.36(a)}	14,002.46	14,002.46	-	-
Society Commission Recoverable	-	-	3,102.39	1,578.23
Cane Price Recoverable [Refer Note No.36(d)]	-	-	13,443.68	-
Others	90.44	235.37	214.18	169.65
Sub-total (considered good)	22,246.65	22,453.87	19,214.35	4,160.07
Unsecured, considered doubtful				
Excise duty / Sales tax recoverable	449.48	38.06	-	0.30
Custom duty recoverable	-	-	-	0.47
Loans and advances to employees	2.26	2.26	-	-
Advances to suppliers for purchases	42.31	42.50	1.27	2.14
guarantee encashments recoverable	1,122.74	1,122.74	-	-
Others	336.71	336.14	15.03	7.90
Sub-total (considered doubtful)	1,953.50	1,541.70	16.30	10.81
<b>Total Gross (other loans and advances)</b>	<b>24,200.15</b>	<b>23,995.57</b>	<b>19,230.65</b>	<b>4,170.88</b>
Less: Provision for doubtful loans and advances	1,953.50	1,541.70	16.30	10.81
<b>Total Net (other loans and advances)</b>	<b>22,246.65</b>	<b>22,453.87</b>	<b>19,214.35</b>	<b>4,160.07</b>
<b>Total (A+B+C+D)</b>	<b>23,061.86</b>	<b>22,921.80</b>	<b>19,462.16</b>	<b>4,841.28</b>
*1 Loans and advances to related parties include the following:				
Triveni Turbine Limited (Associate Company)	-	-	216.57	653.42

**15. INVENTORIES**

(₹ in Lacs)

Particulars	31.03.2015	31.03.2014
Raw material and components	2,418.90	2,084.75
Less: Provision for obsolescence/slow moving raw materials and components	(153.49)	(107.35)
Work-in-progress	1,916.22	3,032.73
Stores and spares	3,214.80	3,242.91
Less: Provision for obsolescence/slow moving stores and spares	(31.49)	(20.58)
Finished goods	1,15,858.33	1,31,729.16
Stock- in- trade	24.55	34.00
Certified emission reductions (Refer Note No.50)	0.74	8.24
Patterns, loose tools, jigs and fixtures	26.28	48.62
Others (Scrap)	158.94	153.03
	<b>1,23,433.78</b>	<b>1,40,205.51</b>

**16. TRADE RECEIVABLES**

Particulars	Non- Current		Current	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
<b>Over Six Months</b>				
Unsecured, considered good	12.95	17.54	3,643.44	4,096.74
Considered doubtful	2,653.86	1,976.58	2,197.67	1,120.83
	2,666.81	1,994.12	5,841.11	5,217.57
Less : Provision for doubtful receivables	2,653.86	1,976.58	2,197.67	1,120.83
<b>(A)</b>	<b>12.95</b>	<b>17.54</b>	<b>3,643.44</b>	<b>4,096.74</b>
<b>Others</b>				
Unsecured, considered good	2,853.48	3,404.59	19,625.89	18,710.06
Considered doubtful	-	-	11.39	327.28
	2,853.48	3,404.59	19,637.28	19,037.34
Less : Provision for doubtful receivables	-	-	11.39	327.28
<b>(B)</b>	<b>2,853.48</b>	<b>3,404.59</b>	<b>19,625.89</b>	<b>18,710.06</b>
<b>Total (A+B)</b>	<b>2,866.43</b>	<b>3,422.13</b>	<b>23,269.33</b>	<b>22,806.80</b>
Less: Amount disclosed under other non-current assets (Refer Note No. 18)	2,866.43	3,422.13		
	-	-	<b>23,269.33</b>	<b>22,806.80</b>

17. CASH AND BANK BALANCES

(₹ in Lacs)

Particulars	Non- Current		Current	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
<b>Cash and cash equivalents</b>				
Balance with banks				
Current accounts	-	-	288.86	391.25
Demand deposits (original maturity of less than three months)	-	-	-	6.03
Cheques / drafts on hand	-	-	188.25	266.30
Cash on hand	-	-	31.77	31.48
<b>(A)</b>	-	-	<b>508.88</b>	<b>695.06</b>
<b>Other bank balances</b>				
Earmarked balances :				
Deposit against molasses storage fund	174.28	201.55	-	-
Unpaid dividend account	-	-	103.38	105.56
Balances under lien/margin/kept as security :				
Post office savings account	1.80	1.85	-	-
Fixed / margin deposits (original maturity upto one year)	8.95	42.87	1.31	1.01
Fixed / margin deposits (original maturity more than one year)	212.76	277.38	-	-
Other balances:				
Demand deposits (original maturity more than one year)	3.90	-	34.00	-
Demand deposits (original maturity exceeding three months but upto one year)	-	-	8.53	661.50
<b>(B)</b>	<b>401.69</b>	<b>523.65</b>	<b>147.22</b>	<b>768.07</b>
<b>Total (A+B)</b>	<b>401.69</b>	<b>523.65</b>	<b>656.10</b>	<b>1,463.13</b>
Less: Amount disclosed under other non-current assets (Refer Note No 18)	401.69	523.65		
	-	-	<b>656.10</b>	<b>1,463.13</b>

18. OTHER ASSETS

Long-term trade receivables (Refer Note No 16)	2,866.43	3,422.13	-	-
Non current cash and bank balances (Refer Note No 17)	401.69	523.65	-	-
Interest accrued on bank deposits.	38.45	21.55	22.15	38.63
Duty drawback receivable	-	-	16.45	15.73
Forward premium /discount adjustable	-	-	20.91	0.73
Due from customers (Construction and project related activity)	-	-	4,932.92	3,343.65
Fixed assets pending disposal /sale	-	-	143.62	156.49
Insurance claim recoverable	-	-	16.09	16.40
Unamortised front end charges	89.09	71.72	38.63	33.21
Others	-	-	10.46	19.25
	<b>3,395.66</b>	<b>4,039.05</b>	<b>5,201.23</b>	<b>3,624.09</b>

**19. REVENUE FROM OPERATIONS**

Particulars	(₹ in Lacs)	
	31.03.2015 (12 Months)	31.03.2014 (18 Months)
<b>Sale of products</b>		
Finished goods	1,87,482.06	2,91,635.27
Traded goods	1,469.51	2,226.16
<b>Sale of services</b>		
Erection and commissioning	81.20	181.89
Servicing	227.98	211.52
Operation and maintenance	1,555.45	491.48
Others	19.04	20.84
<b>Construction contract revenue</b>	21,390.85	30,652.14
<b>Other operating revenue</b>		
Income from sale of certified emission reductions/renewable energy certificates	481.38	171.03
Export incentives	20.87	28.35
Sale of scrap	73.90	96.50
	<b>2,12,802.24</b>	<b>3,25,715.18</b>
<b>Details of Sales (Finished Goods)</b>		
Sugar	1,45,137.63	2,20,939.05
Molasses	2,425.87	8,091.19
Bagasse	3,871.97	6,898.96
Power	6,898.51	12,366.92
Alcohol	15,798.74	22,954.21
Mechanical equipment - Water/Waste-water	1,795.86	4,260.80
Gears / Gear Boxes	9,238.35	13,804.71
Bought outs and Spares	1,726.03	1,491.26
Others	589.10	828.17
	<b>1,87,482.06</b>	<b>2,91,635.27</b>
<b>Details of Sales (Traded Goods)</b>		
Diesel / Petrol / Lubricants	1,380.12	2,087.01
Other consumer goods	89.39	139.15
	<b>1,469.51</b>	<b>2,226.16</b>
<b>Details of Sales (Construction Contract Revenue)</b>		
Water, Waste-water and Sewage treatment	16,320.86	20,360.72
Power generation and evacuation system	5,069.99	10,291.42
	<b>21,390.85</b>	<b>30,652.14</b>

**20. OTHER INCOME**

Particulars	(₹ in Lacs)	
	31.03.2015 (12 Months)	31.03.2014 (18 Months)
Exchange rate fluctuation gain	40.16	-
Includes premium/discount received on foreign currency forward contracts : ₹ 8.95 lacs (Previous period: ₹ Nil)]		
Rent received	26.17	60.52
Interest income from		
Bank deposits	85.09	95.43
Customers	9.18	6.78
Others	37.96	17.73
Dividend on long term investment	0.44	3.61
Credit balances written back [net of amounts written off: ₹ 68.14 lacs (previous period: ₹ 142.45 lacs)]	108.59	316.18
Excess provision for warranty written back (net) (Refer Note No 44)	20.25	-
Excess provision for cost to completion reversed (net) (Refer Note No 44)	-	24.85
Excess provision of expenses written back	141.42	152.80
Miscellaneous income	719.55	1,144.23
	<b>1,188.81</b>	<b>1,822.13</b>

**21. COST OF RAW MATERIAL AND COMPONENTS CONSUMED**

Stock at commencement	2,084.75	2,345.12
Purchases	1,45,819.17	3,18,424.43
	1,47,903.92	3,20,769.55
Less : Amount capitalised	15.84	74.36
Less: Stock at close	2,418.90	2,084.75
	<b>1,45,469.18</b>	<b>3,18,610.44</b>
<b>Details of raw material and components consumed</b>		
Sugar cane	1,28,270.82	2,89,527.48
Construction contracts materials:		
Clarifiers	468.63	1,438.70
RO plants	6,966.94	9,362.49
Operation and maintenance	400.08	105.37
Molasses	732.94	2,379.26
Forgings and castings	1,524.97	1,645.91
Sub contract charges	173.26	254.67
Others	6,931.54	13,896.56
	<b>1,45,469.18</b>	<b>3,18,610.44</b>

**22. PURCHASE OF TRADED GOODS**

Diesel / Petrol / Lubricants	1,430.47	2,160.86
Other consumer goods	77.21	128.54
	<b>1,507.68</b>	<b>2,289.40</b>

**23. (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

Particulars	(₹ in Lacs)	
	31.03.2015 (12 Months)	31.03.2014 (18 Months)
<b>Stock at commencement</b>		
Work-in-progress	3,032.73	669.80
Finished goods	1,31,729.16	47,759.43
Traded goods	34.00	13.08
Certified emission reductions	8.24	22.13
	1,34,804.13	48,464.44
<b>Stock at close</b>		
Work-in-progress	1,916.22	3,032.73
Finished goods	1,15,858.33	1,31,729.16
Traded goods	24.55	34.00
Certified emission reductions	0.74	8.24
	1,17,799.84	1,34,804.13
Add / (Less): Impact of excise duty on finished goods	235.02	2,577.82
	<b>17,239.31</b>	<b>(83,761.87)</b>
<b>Details of Work in Progress</b>		
Sugar	1,334.31	2,105.70
Molasses	155.78	287.12
Mechanical Equipment-Water / Waste Water	63.00	62.22
Gear / Gear Boxes	276.80	479.50
Others	86.33	98.19
	<b>1,916.22</b>	<b>3,032.73</b>
<b>Details of Finished Goods</b>		
Sugar	1,08,568.52	1,24,080.37
Molasses	4,743.07	5,429.66
Bagasse	237.96	382.52
Power	170.94	117.96
Alcohol	2,107.75	1,692.48
Others	30.09	26.17
	<b>1,15,858.33</b>	<b>1,31,729.16</b>
<b>Details of Traded Goods</b>		
Diesel / Petrol / Lubricants	23.16	30.38
Other consumer goods	1.39	3.62
	<b>24.55</b>	<b>34.00</b>

**24. EMPLOYEE BENEFIT EXPENSES**

Salaries, wages and bonus	13,136.08	18,741.58
Contributions to provident and other funds	996.56	1,401.55
Gratuity	643.78	600.70
Employee welfare	479.39	713.27
	15,255.81	21,457.10
Less : Amount capitalised	-	13.96
	<b>15,255.81</b>	<b>21,443.14</b>

25. OTHER EXPENSES

(₹ in Lacs)

Particulars	31.03.2015 (12 Months)	31.03.2014 (18 Months)
<b>(A) Manufacturing/Operating Expenses</b>		
Stores,spares and tools consumed	2,264.38	3,995.15
Power and fuel	2,420.94	2,939.96
Design and engineering charges	194.33	561.32
Cane development expenses	292.14	264.66
Machining / fabrication expenses	117.36	170.08
Erection and commissioning expenses	1,122.62	1,125.50
Civil construction charges	4,841.91	6,650.12
Packing and stacking expenses	2,166.74	4,122.05
Repairs and maintenance		
Machinery	3,303.85	4,821.15
Building	336.98	475.38
Others	377.94	515.00
Factory / operational expenses	1,165.60	1,668.94
	18,604.79	27,309.31
<b>(B) Administration Expenses</b>		
Travelling and conveyance	1,222.22	1,814.10
Rent	501.55	708.72
Rates and taxes	857.13	1,074.61
Insurance	224.18	367.75
Directors' fee	36.90	13.70
Legal and professional expenses	705.42	769.69
Security service expenses	750.82	974.80
Printing and stationery	142.98	236.08
Postage, telegram and telephone	185.45	313.50
Bank charges and guarantee commission	151.14	223.11
Warranty expenses (Includes provision for warranty (net) ₹ Nil (Previous period : ₹ 2.18 lacs) (Refer Note No. 44)	1.01	8.35
Payment to Auditors (Refer Note No 51)	100.55	147.08
Provision for Arbitration/Court case claims (Refer Note No.44)	13.56	20.34
Provision for mark to market loss on foreign exchange derivatives (Refer Note No.44)	6.65	0.20
Exchange rate fluctuation loss	-	39.19
[net of discount / premium received on F/E forward contracts : ₹ Nil (Previous period: ₹ 110.29 lacs)]		
Provision for non moving / obsolete inventory	57.05	35.83
Provision for bad and doubtful debts/advances (net)	1,853.22	1,042.57
Provision for cost to completion on construction contracts (net) (Refer Note No. 44)	19.85	-
Loss on sale / write off of fixed assets [Includes provision for diminution: ₹ Nil (Previous period: ₹ 20.13 lacs)]	2.33	106.26
Loss on sale / write off of stores & spares	0.34	47.56
Miscellaneous expenses	695.66	1,132.85
	7,528.01	9,076.29
<b>(C) Selling Expenses</b>		
Selling commission	537.27	839.99
Royalty	258.40	293.69
Advertisement and sales promotion	36.94	67.41
Rebate and discount	9.10	61.31
Outward freight and forwarding	1,460.10	2,273.25
Other selling expenses	18.67	36.31
	2,320.48	3,571.96
<b>(D) Off-season expenses deferred/charged (Net)</b>		
Off-season expenses deferred	-	10,047.06
<b>Sub-total (A+B+C+D)</b>	<b>28,453.28</b>	<b>50,004.62</b>
Less : Amount capitalised	15.80	11.27
<b>Total Other Expenses</b>	<b>28,437.48</b>	<b>49,993.35</b>

**26. PRIOR PERIOD ITEMS**

Particulars	(₹ in Lacs)	
	31.03.2015 (12 Months)	31.03.2014 (18 Months)
<b>(A) Expenses</b>		
Cost of raw material and components consumed	10.48	-
Repairs and maintenance		
Machinery	-	11.73
Rates & Taxes	2.45	71.56
Insurance	-	0.63
Legal and professional expenses	0.77	0.56
Loss on sale/write off of fixed assets	7.52	-
Miscellaneous expenses	6.42	7.35
Royalty	-	0.52
Depreciation	0.13	-
Other borrowing cost	0.05	0.28
	<b>27.82</b>	<b>92.63</b>
<b>(B) Income</b>		
Excess Depreciation written back	44.54	-
Miscellaneous income	3.02	22.98
	<b>47.56</b>	<b>22.98</b>
<b>Prior period items (net) (A) - (B)</b>	<b>(19.74)</b>	<b>69.65</b>

**27. DEPRECIATION AND AMORTISATION EXPENSES**

Depreciation	5,804.42	11,627.71
Amortisation		
Intangible assets	117.75	250.62
	<b>5,922.17</b>	<b>11,878.33</b>

**28. FINANCE COSTS**

Interest expense on		
Debentures	367.02	1,295.82
Fixed loans	4,919.20	8,523.65
Others	6,702.29	8,353.29
Other borrowing cost	184.61	232.74
Exchange rate fluctuation *	34.50	117.43
	<b>12,207.62</b>	<b>18,522.93</b>

\* Includes premium/discount paid on foreign currency forward contracts to hedge buyers credit availed : ₹ 33.81 lacs (Previous period: ₹ 112.48 lacs)

**29. EXCEPTIONAL ITEMS**

Profit on disposal of long term investments in erstwhile Associate Companies	-	(524.01)
	<b>-</b>	<b>(524.01)</b>

30. TAX EXPENSE

(₹ in Lacs)

Particulars	31.03.2015 (12 Months)	31.03.2014 (18 Months)
<b>For Current Year</b>		
Current Tax	0.98	-
Deferred Tax	(1,736.88)	(4,159.97)
	<b>(1,735.90)</b>	<b>(4,159.97)</b>
<b>For Earlier Years (Net)</b>		
Current Tax	-	(250.10)
	-	<b>(250.10)</b>
	(1,735.90)	(4,410.07)
Less/(Add):Entitlement / (Reversal) of MAT Credit	-	(2,950.47)
	<b>(1,735.90)</b>	<b>(1,459.60)</b>

31. EARNING PER SHARE (EPS)

<b>Basic EPS</b>		
Net loss after tax as per consolidated statement of profit and loss (A)	(15,206.20)	(17,632.79)
Weighted average number of equity shares of ₹ 1/- each outstanding during the year / period (B)	25,79,40,676	25,78,80,589
<b>Basic EPS in ₹ (A/B)</b>	<b>(5.90)</b>	<b>(6.84)</b>
<b>Diluted EPS</b>		
Net loss after tax as per consolidated statement of profit and loss (A)	(15,206.20)	(17,632.79)
Weighted average number of equity shares deemed to be issued under options without consideration, outstanding during the year / period	-	1,573
Weighted average number of equity shares of ₹ 1/- each outstanding during the year / period (B)	25,79,40,676	25,78,82,162
<b>Diluted EPS in ₹ (A/B)</b>	<b>(5.90)</b>	<b>(6.84)</b>

32. The contingent liabilities of the Group are mainly of the holding company. The Group, besides the contingent liabilities of the holding company disclosed here-under, is also contingently liable for ₹ 115.31 lacs (previous period ₹ 189.30 lacs) in respect of its associate companies, proportionate to the equity investment in such associates, excluding the cases where the amounts are not quantifiable.

### 33. CONTINGENT LIABILITIES OF THE HOLDING COMPANY (TO THE EXTENT NOT PROVIDED FOR)

(a) Claims against the Group not acknowledged as debts (as certified by the management)

		(₹ in Lacs)																	
		31.03.2015	31.03.2014																
<b>i)</b>	Claims which are being contested by the company and in respect of which the company has paid amounts aggregating to ₹471.81 lacs (previous period ₹ 468.89 lacs) excluding interest under protest pending final adjudication of the cases:	2,208.25	2,175.75																
	<table border="1"> <thead> <tr> <th>Sl. no.</th> <th>Particulars</th> <th>Amount of contingent liability</th> <th>Amount paid</th> </tr> </thead> <tbody> <tr> <td>01.</td> <td>Sales Tax</td> <td style="text-align: right;">295.20 (220.22)</td> <td style="text-align: right;">91.92 (94.36)</td> </tr> <tr> <td>02.</td> <td>Excise Duty</td> <td style="text-align: right;">1,189.61 (1,232.91)</td> <td style="text-align: right;">340.42 (331.31)</td> </tr> <tr> <td>03.</td> <td>Others</td> <td style="text-align: right;">723.44 (722.62)</td> <td style="text-align: right;">39.46 (43.22)</td> </tr> </tbody> </table>	Sl. no.	Particulars	Amount of contingent liability	Amount paid	01.	Sales Tax	295.20 (220.22)	91.92 (94.36)	02.	Excise Duty	1,189.61 (1,232.91)	340.42 (331.31)	03.	Others	723.44 (722.62)	39.46 (43.22)		
Sl. no.	Particulars	Amount of contingent liability	Amount paid																
01.	Sales Tax	295.20 (220.22)	91.92 (94.36)																
02.	Excise Duty	1,189.61 (1,232.91)	340.42 (331.31)																
03.	Others	723.44 (722.62)	39.46 (43.22)																
	Figures in brackets relates to previous period.																		
<b>ii)</b>	The Group is contingently liable in respect of short provision against disputed income tax liabilities of ₹ 4,414.86 lacs (previous period ₹ 4,414.86 lacs) against which ₹ 2,844.88 lacs (previous period ₹ 2,711.88 lacs) stands paid. The disputed income tax liability mainly arises from additions made on a/c of unrealised incentives against which the Company has filed appeals. In the event such liability finally materialises, ₹ 3,524.20 lacs (previous period ₹ 3,524.20 lacs) will be adjusted against the capital reserve.	4,414.86	4,414.86																
<b>iii)</b>	Statutory levies against which remission has been availed under U.P. Sugar Industry Promotion Policy 2004 issued by the State Government of Uttar Pradesh [refer note 36(a)]	3,591.14	3,570.27																
<b>iv)</b>	Liability arising from claims / counter claims / Interest in arbitration / court cases, claims of certain employees / ex-employees and in respect of service tax, if any, on certain activities of the Company which are being contested by the Company.	Indeterminate	Indeterminate																

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

- (b) Guarantees / surety given on behalf of companies ₹ 1,688.13 lacs (previous period ₹ 1,818.15 lacs), including a corporate guarantee of ₹ 1,647.13 lacs (previous period ₹ 1,777.15 lacs) equivalent to GBP 17.62 lacs (previous period GBP 17.62 lacs) given on behalf of an associate company as a surety for due performance of its obligations under a contract awarded by an overseas customer and in respect of which, the associate company has fully indemnified the Group against any claims, damages or expenses, including legal costs. The guarantees have been given in the normal course of operations of these companies and are not expected to result in any loss to the Company on the basis of such companies fulfilling their ordinary commercial obligations.
- (c) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 3,620.63 lacs (previous period ₹ 103.06 lacs), after adjusting advances aggregating to ₹ 413.66 lacs (previous period ₹ 93.19 lacs).

34. In accordance with Schedule II of the Companies Act 2013, the estimated useful lives of tangible fixed assets have been technically assessed and revised by the management with effect from April 1, 2014. Consequent to the above -

- (a) the depreciation charge for the year is lower by ₹ 1,819.91 lacs.
- (b) carrying amounts of ₹ 2,093.90 lacs in respect of fixed assets, the revised useful lives of which had expired prior to April 1, 2014, has been adjusted to the extent of ₹ 1,382.18 lacs against general reserves and the balance ₹ 711.72 lacs against deferred tax liability.

35. The Company had in earlier years revalued a property at New Delhi and certain plant and machinery installed at its sugar unit at Deoband. The increase in value consequent to such revaluation was credited to revaluation reserve in the accounts and depreciation proportionate to such increase in value was adjusted each year from the revaluation reserve created initially. During the current year, the Company has reversed the entire revaluation reserve appearing in the books as at the commencement of the year. Accordingly, the net book value of building and plant & machinery has been reduced by ₹ 1,506.14 lacs and ₹ 1.51 lacs respectively to reflect the reversal of revaluation of these assets. Further, the Company has, during the year, reclassified the amounts aggregating to ₹ 235.59 lacs paid on acquisition and subsequent improvement of title pertaining to the property at New Delhi, under leasehold land, earlier capitalised under building. Accordingly, excess depreciation charged on building in earlier years aggregating to ₹ 44.54 lacs has been written back during the year

36. (a) The Company had, in respect of eligible projects, accounted for capital subsidy as well as remissions and reimbursement of certain statutory levies and other expenses, in accordance with and as prescribed under the U.P. Sugar Industry Promotion Policy 2004 ("Policy") issued by the State Government of U.P. Till the beginning of the current financial year, the Company had accounted for recoverable incentives aggregating to ₹ 14,002.46 lacs (previous period ₹ 14,002.46 lacs), including capital subsidy of ₹ 10,470.00 lacs (previous period ₹ 10,470.00 lacs) credited to capital reserves, and had availed remission of ₹ 3,570.27 lacs (previous period ₹ 3,314.22 lacs).

On premature termination of the Policy by the State Government with effect from June 4, 2007, the Company has challenged before the Lucknow Bench of the Allahabad High Court, the action of the State Government in withdrawing the said Policy and not granting the incentives to the Company. Pending final adjudication in the matter, the High Court vide its interim order dated 09.05.2008 has permitted limited protection of remissions which were being enjoyed on the date when the Policy was revoked.

Accordingly, during the current year, the Company has accounted for only remissions of ₹ 20.88 lacs (previous period ₹ 256.05 lacs), net of reversals of ₹ Nil (previous period ₹ 170.26 lacs) in respect of certain incentives earlier excess booked, as permitted by the High Court in the interim order. Eligible reimbursements of ₹ 793.61 lacs (previous period ₹ 2,342.29 lacs) have however not been accounted for during the current year and the aggregate of such reimbursements not accounted for till the end of the current year aggregating to ₹ 8,132.78 lacs (previous period ₹ 7,339.17 lacs) shall be accounted for in accordance with the final order of the High Court.

- (b) The Company had availed loans aggregating to ₹ 12,626.00 lacs during the financial year 2012-14 under the "Scheme for Extending Financial Assistance to Sugar Undertakings, 2014" notified by the Government of India. Under the said scheme interest subvention @ 12% per annum is granted by the Government on such loan. The loan outstanding as at the end of the year is ₹ 12,626.00 lacs (previous period ₹ 12,626.00 lacs).
- (c) During the year the Company has accounted subsidy of ₹ 3,624.21 lacs (Previous period ₹ 2,743.39 lacs) towards amount reimbursed/reimbursable by the State Government of Uttar Pradesh in respect of commission on purchase of cane.
- (d) The State Government of Uttar Pradesh, vide notification dated 12.11.2014, had inter-alia announced cash subsidy for the Sugar Industry against the notified state advised cane price for the season 2014-15. The quantum of subsidy was linked to the average selling prices of sugar and its by-products during the period 1/10/2014 to 31/05/2015. In view of the selling prices of the relevant products having prevailed (and expected to during the balance period) well below the threshold limits specified in the notification, the Company has during the year accounted for the prescribed subsidies aggregating to ₹ 13,443.68 lacs in respect of cane purchased by it during the season 2014-15 up to the end of the financial year.
- (e) During the year, the State Government of Uttar Pradesh has also provided a subsidy of ₹ 6 per quintal of cane purchased during the sugar season 2013-14. Accordingly, the Company has received subsidy amount of ₹ 2,793.45 lacs during the year which has been adjusted against the cost of material consumed.

37. Cost of material consumed is net of ₹ 217.03 lacs being refund received during the year (previous period ₹ 323.50 lacs being reversal of provision) in respect of administration charges on captive consumption of molasses paid by the Company in earlier years.

38. Due to decline in the free sugar prices below the cost of production of sugar, the sugar inventories held by certain unit(s) of the Company as on 31.03.2015 have been valued at their net realisable value. The impact of write down of inventories during the year is ₹ 11,109.47 lacs (previous period ₹ 5,536.24 lacs).

39. The Company has made provisions for the employee benefits in accordance with the Accounting Standard (AS) 15 "Employees Benefits". During the year, the Company has recognised the following amounts in its financial statements:

(i) Defined Contribution Plans

Particulars	₹ in Lacs	
	2014-15	2012-14
Employers' Contribution to Employees' Provident Fund*1	803.91	1,171.24
Employers' Contribution to ESI	7.31	16.19
Employers' Contribution to Superannuation Scheme	114.63	94.85

(ii) Defined Benefit Plans

Changes in present value of obligation

Particulars	₹ in Lacs			
	Gratuity		Compensated Absence (unfunded)	
	2014-15	2012-14	2014-15	2012-14
Present value of obligation as at the beginning of the year / period	2,939.24	2,648.49	909.65	779.36
Interest cost	207.89	293.29	70.12	92.74
Current service cost	261.61	180.49	130.29	131.46
Contribution by plan participants / employees	-	-	-	-
Transfers from other funds	-	-	-	-
Benefits paid	(358.47)	(458.01)	(66.22)	(106.63)
Actuarial (gain) / loss on obligation	259.90	274.98	35.89	12.71
Present value of obligation as at the end of year / period	3,310.17	2,939.24	1,079.73	909.65

Change in the value of plan assets

Particulars	₹ in Lacs			
	Gratuity		Compensated Absence (unfunded)	
	2014-15	2012-14	2014-15	2012-14
Fair value of the plan assets at the beginning of the year / period	999.19	904.66	-	-
Expected return on plan assets	82.44	115.34	-	-
Contributions	334.86	500.97	-	-
Contribution by plan participants / employees	-	-	-	-
Transfers from other funds	-	-	-	-
Benefits paid	(332.52)	(554.50)	-	-
Actuarial gain / (loss) on plan assets	3.19	32.72	-	-
Fair value of the plan assets at the end of the year / period	1,087.16	999.19	-	-

Amount recognised in balance sheet

(₹ in Lacs)

Particulars	Gratuity		Compensated Absence (unfunded)	
	2014-15	2012-14	2014-15	2012-14
Present value of obligation as at the end of year / period	3,310.17	2,939.24	1,079.73	909.65
Fair value of plan assets as at the end of the year / period	1,087.16	999.20	-	-
Funded Status	(2,223.01)	(1,940.05)	(1,079.73)	(909.65)
Net Assets / (Liability) recognised in the balance sheet	(2,223.01)	(1,940.05)	(1,079.73)	(909.65)

Amount recognised in the statement of profit and loss

(₹ in Lacs)

Particulars	Gratuity		Compensated Absence (unfunded)	
	2014-15	2012-14	2014-15	2012-14
Current service cost	261.61	180.49	130.29	131.46
Interest cost	207.89	293.29	70.12	92.75
Expected return on plan assets	(82.43)	(115.34)	-	-
Net actuarial (gain) / loss recognised during the year / period	256.71	242.26	35.89	12.71
Expenses recognised in the statement of profit and loss	643.78	600.70	236.31	236.92

Experience adjustment

(₹ in Lacs)

Particulars	Gratuity				
	2014-15	2012-14	2011-12	2010-11	2009-10
Present value of obligation as at the end of year / period	3,310.17	2,939.24	2,648.49	2,423.89	2,860.68
Fair value of plan assets at the end of the year / period	1,087.16	999.20	904.66	861.07	813.50
Surplus / (Deficit)	(2,223.01)	(1,940.05)	(1,743.83)	(1,562.81)	(2,047.18)
Experience adjustment on plan liabilities - (gain) / loss	16.62	116.43	57.90	(26.34)	273.92
Experience adjustment on plan assets -(gain) / loss	(5.69)	(25.93)	(3.59)	(6.31)	1.14

## Experience adjustment

(₹ in Lacs)

Particulars	Compensated Absence (unfunded)				
	2014-15	2012-14	2011-12	2010-11	2009-10
Present value of obligation as at the end of year / period	1,079.73	909.65	779.36	671.80	880.58
Fair value of plan assets at the end of the year / period	-	-	-	-	-
Surplus / (Deficit)	(1,079.73)	(909.65)	(779.36)	(671.80)	(880.58)
Experience adjustment on plan liabilities - (gain) / loss	(109.04)	(48.03)	(17.97)	(126.74)	89.21
Experience adjustment on plan assets - (gain) / loss	N.A.	N.A.	N.A.	N.A.	N.A.

The amount of contribution expected to be made to the Gratuity Fund during the year ended March 31, 2016 is ₹112.46 lacs (₹ 167.00 lacs).

## Major actuarial assumptions

(₹ in Lacs)

Particulars	Gratuity		Compensated Absence (unfunded)	
	2014-15	2012-14	2014-15	2012-14
Discounting rate	8%	8.50%	8%	8.50%
Future salary increase	7%	6.50%	7%	6.50%
Expected rate of return on plan assets	8.25%	8.50%	N.A.	N.A.
Mortality table	IALM 2006-08 Ultimate			
Method used	Projected unit credit method			

\*1 Contributions to provident fund also include contributions in respect of certain employees which are made to trusts administered by the Company. In terms of the guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of provident fund liability for the period ended 31.03.2015 and determined that there is no shortfall as at 31.03.2015. The disclosures and assumptions with respect to defined benefit provident fund plan are as under:

(₹ in Lacs)

Particulars	2014-15	2012-14
<b>Obligation / Plan Assets</b>		
Present value of benefit obligation at balance sheet date	8,555.35	7,850.28
Fair value of plan assets as at balance sheet date	8,662.76	7,904.12
Liability recognised in balance sheet	-	-
<b>Major actuarial assumptions</b>		
Discounting rate	8.75%	8.75%
Expected rate of return on plan assets	8.70%	8.70%
Expected statutory interest rate	8.75%	8.75%

40. Pursuant to compliance of Accounting Standard (AS) 18 "Related Party Disclosures", the relevant information is provided here below :

**a) Related party where control exists**

- i) Mr D.M. Sawhney, Chairman & Managing Director (Key Management person).

**b) The details of related parties with whom transactions have taken place during the Year :**

**i) Associates (Group A)**

- Triveni Turbine Limited (TTL)  
Aqwise-Wise Water Technologies Limited (AWTL)  
Triveni Entertainment Limited (TENL)\*1  
TOFSL Trading & Investments Limited (TOFSL)\*2  
The Engineering & Technical Services Limited (ETS) \*2

**ii) Key Management Person (Group B)**

- Mr D.M. Sawhney, Chairman & Managing Director (DMS)  
Mr. Tarun Sawhney, Vice Chairman and Managing Director (TS)

**iii) Relatives of Key Management Person (Group C)**

- Mrs Rati Sawhney (RS – Wife of DMS)  
Mr Nikhil Sawhney (NS – Son of DMS)

**iv) Companies / Parties in which key management person or his relatives have substantial interest / significant influence (Group D)**

- Kameni Upaskar Limited (KUL)  
The Engineering & Technical Services Limited (ETS)  
TOFSL Trading & Investments Limited (TOFSL)  
Subhadra Trade & Finance Limited (STFL)  
Tirath Ram Shah Charitable Trust (TRSCT)

*\*1 Was an associate till 19.3.2014 and thereafter became a subsidiary company*

*\*2 Ceased to be Associates during the previous period*

**c) Details of transactions with the related parties during the year ended 31.03.2015 :**

Sr. No.	NATURE OF TRANSACTION	Group - A			Group - B			Group - C			Group - D			TOTAL	
		TTL	AWTL	TOPSL	ETIS	TENL	DMS	TS	NS	RS	KUL	ETIS	TOPSL		STFL
1	Sales and Rendering Services	3,610.78 (4,224.52)	- (13.54)	- (0.79)	- (0.56)	- (0.96)	- (-)	- (-)	- (-)	- (-)	- (-)	- (0.45)	- (0.63)	- (-)	- (-)
2	Purchases and receiving Services	5,446.34 (10,231.86)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.76 (1.47)	- (-)
3	Amount received on redemption of investment	(280.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
4	Rent Paid	-	-	-	-	-	38.76	-	-	64.25	-	-	-	-	103.01
5	Rent & Other Charges Received	(0.29)	(-)	(-)	(-)	(-)	(52.86)	(-)	(-)	(88.19)	(-)	(-)	(-)	(-)	(141.34)
6	Expenses incurred by the Company on behalf of party (net)	20.90 (48.88)	(7.32)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	20.90 (56.20)
7	Sale of investment in Shares	48.19 (75.11)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	1.95 (3.43)	(-)	(-)	(-)	(-)	50.14 (78.54)
8	Remuneration *	(-)	(-)	(-)	(-)	(-)	(2,718.16)	(-)	(-)	(750.30)	(-)	(-)	(-)	(-)	(3,468.46)
9	Recoveries against leased accommodation	(-)	(-)	(-)	(-)	(-)	111.69 (282.80)	155.33 (229.82)	(-)	(-)	(-)	(-)	(-)	(-)	267.02 (512.62)
10	Charity & Donations	(-)	(-)	(-)	(-)	(-)	(-)	(4.28)	(-)	(-)	(-)	(-)	(-)	(-)	(4.28)
11	Directors fee paid	(-)	(-)	(-)	(-)	(-)	(-)	(-)	5.70 (2.00)	(-)	(-)	(-)	(-)	(15.00)	5.70 (2.00)
12	Shares purchased TENL	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(15.83)	(-)	(-)	(30.46)
13	Outstanding balances as on 31.03.2015														
	A. Receivable	438.61 (1,309.84)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	438.61 (1,309.84)
	B. Payable	2,096.15 (2,391.41)	(42.52)	(-)	(-)	(-)	3.24 (0.72)	2.16 (2.02)	(0.10)	(-)	(-)	(-)	(-)	0.53 (0.39)	2,102.08 (2,437.16)
	C. Guarantees / Surety Outstanding	1,648.13 (1,778.15)	(-)	(40.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	40.00	(-)	1,688.13 (1,818.15)

\* For 15 gratuity is not included as it is provided on actuarial valuation for the entire Company.

Figures in brackets relate to previous period.

41. Disclosures under Accounting Standard (AS) 7 "Construction contracts" as at the end of the year/period are provided here-below.

(₹ in Lacs)

Particulars of Disclosure	31.03.2015	31.03.2014
Amount of contract revenue recognised as revenue during the year/period	21,390.85	30,652.14
<b>In respect of contracts in progress :</b>		
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto the reporting date	85,868.18	71,602.18
Advances Received	6,201.46	6,680.29
Retentions	6,573.29	6,473.37
Gross amount due from customers for contract work as on asset	4,932.92	3,343.65
Gross amount due to customers for contract work as liability	-	-

42. (a) The Company has taken various residential, office and godown premises under operating lease. These are generally not non-cancelable leases having unexpired period upto 4 years. The leases are renewable by mutual consent and on mutually agreeable terms. The Company has given refundable interest free security deposits under certain lease agreements. There is no contingent rent or restriction imposed in the lease agreement. Lease payments under operating lease are recognised in the statement of profit and loss under "Other expenses" in Note No. 25. The minimum future lease payments under non-cancellable leases are as under :

(₹ in Lacs)

Particulars	31.03.2015	31.03.2014
Not later than one year	94.50	90.00
Later than one year but not later than five years	24.00	118.50
Later than five years	Nil	Nil

(b) The Company has given certain portion of its office / factory premises under operating leases. These leases are not non-cancelable and are extendable by mutual consent and at mutually agreeable terms. The gross carrying amount, accumulated depreciation and depreciation recognised in the statement of profit and loss in respect of such portion of the leased premises are not separately identifiable. There is no impairment loss in respect of such premises. No contingent rent has been recognised in the statement of profit and loss. There are no minimum future lease payments as there are no non-cancellable leases.

43. 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 Lacs)

S.No	Particulars	31.03.2015	31.03.2014
1	Amounts due to Micro and Small Enterprises as at the end of the year / period		
	i) Principal amount	Nil	19.02
	ii) Interest due on above	Nil	Nil
2	i) Principal amount paid after due date or appointed day during the year / period	Nil	Nil
	ii) Interest paid during the year on (i) above	Nil	Nil
3	Interest due & payable (but not paid) on principal amounts paid during the year / period after the due date or appointed day	Nil	Nil
4	Total interest accrued and remaining unpaid as at the end of the year / period	Nil	Nil
5	Interest due and remaining payable pertaining to earlier years	Nil	Nil

## 44. Disclosures required by Accounting Standard (AS) 29 – Provisions, Contingent liabilities and Contingent assets:

## (a) Movement in provisions:

(₹ in Lacs)

Nature of provision	Opening balance	Made during the year / period	Used during the year / period	Reversed during the year / period	Closing balance
Warranty	276.23	77.14	19.58	97.39	236.40
	(299.87)	(172.07)	(25.82)	(169.89)	(276.23)
Cost to completion	40.15	60.00	-	40.15	60.00
	(65.00)	(40.15)	(-)	(65.00)	(40.15)
Administrative charges on molasses	-	-	-	-	-
	(323.50)	(-)	(-)	(323.50)	(-)
Arbitration / Court-case claims	238.11	13.56	-	-	251.67
	(224.79)	(20.34)	(7.02)	(-)	(238.11)
Mark to market Loss on foreign exchange derivatives	0.20	6.65	-	0.20	6.65
	(-)	(0.20)	(-)	(-)	(0.20)

Figures in brackets relate to previous period.

## (b) Nature of provisions:

**Warranties:** The Company gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provisions made represent the amount of expected cost of meeting such obligations of rectifications / replacements. The timing of the outflows is expected to be within the period of two years.

**Cost to completion:** The provision represents costs of materials and services required for integration of water treatment package at the site, prior to commissioning.

**Administrative charges on Molasses:** The provision was made in respect of disputed liability towards administrative charges on molasses captively consumed by the Company. The issue was settled during the previous period by the Supreme Court and accordingly, provision had been reversed.

**Arbitration / Court-case Claims:** Represents the provision made towards certain claims awarded against the company in legal proceedings which have been challenged by the Company before appropriate authorities. The timing of the outflows is uncertain.

**Loss on foreign exchange derivatives:** Provision is made for mark-to-market losses on derivative contracts outstanding at the year-end which were entered into for hedging certain firm commitments or highly probable forecast transactions. The timing of the outflows is expected to be within the period of one year.

## (c) Disclosure in respect of contingent liabilities is given as part of note no. 32 &amp; 33.

45. INFORMATION ON SEGMENT REPORTING OF THE GROUP FOR THE PERIOD ENDED 31.03.2015

	SUGAR						ENGINEERING						OTHERS							
	Sugar		Co-generation		Distillery		Total Sugar		Gears		Water		Total Engineering		Other Operations		Eliminations		Total	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	
<b>REVENUE</b>																				
External Sales	1,51,655.65	2,35,949.27	6,195.40	11,426.47	16,101.91	23,276.78	1,73,952.96	2,70,652.52	11,229.96	15,547.80	19,829.58	25,400.27	31,059.54	40,948.07	7,789.74	14,114.59	-	-	2,12,802.24	3,25,715.18
Inter-segment Sales	17,454.28	23,726.52	9,484.26	15,141.54	-	-	26,938.54	38,878.06	0.90	97.18	28.45	31.20	29.35	128.38	102.21	89.28	(27,057.17)	(39,108.65)	-	-
<b>Total Sales</b>	<b>1,69,109.93</b>	<b>2,59,675.79</b>	<b>15,679.66</b>	<b>28,568.01</b>	<b>16,101.91</b>	<b>23,276.78</b>	<b>2,00,891.50</b>	<b>3,09,530.58</b>	<b>11,230.86</b>	<b>15,644.98</b>	<b>19,858.03</b>	<b>25,431.47</b>	<b>31,088.89</b>	<b>41,076.45</b>	<b>7,879.02</b>	<b>14,216.80</b>	<b>(27,057.17)</b>	<b>(39,108.65)</b>	<b>2,12,802.24</b>	<b>3,25,715.18</b>
Other Income	467.48	924.04	27.81	37.82	6.35	20.77	501.64	982.63	75.59	95.91	119.96	121.72	87.55	217.63	3.98	1.93	-	-	593.17	1,202.19
<b>Total Revenue</b>	<b>1,69,577.41</b>	<b>2,60,609.83</b>	<b>15,707.47</b>	<b>28,605.83</b>	<b>16,108.26</b>	<b>23,297.55</b>	<b>2,01,393.14</b>	<b>3,10,513.21</b>	<b>11,306.45</b>	<b>15,740.89</b>	<b>19,869.99</b>	<b>25,553.19</b>	<b>31,176.44</b>	<b>41,294.08</b>	<b>7,883.00</b>	<b>14,218.73</b>	<b>27,057.17</b>	<b>(39,108.65)</b>	<b>2,13,395.41</b>	<b>3,26,917.37</b>
Segment result	(16,588.87)	(19,193.11)	6,579.86	9,934.90	2,869.27	7,365.43	(7,139.74)	(1,882.78)	2,922.68	3,964.78	(370.50)	(1,409.00)	2,552.14	2,555.76	211.35	390.31	(572.48)	(1,768.52)	(4,948.73)	(715.21)
Unallocated expenses (Net)																			81.58	(501.81)
Operating profit																			(4,867.15)	(1,217.02)
Interest expense																			(12,207.62)	(18,522.93)
Dividend Income																			132.23	119.94
Exceptional Items																			0.44	3.61
Income taxes (including deferred tax)																			-	524.01
<b>Net profit</b>																			1,735.90	1,459.60
<b>OTHER INFORMATION</b>																			<b>(15,206.20)</b>	<b>(17,632.79)</b>
Segment assets	2,07,589.13	2,13,057.07	17,241.24	16,351.12	15,743.88	15,504.48	2,40,574.25	2,44,912.67	10,785.04	9,901.38	19,827.48	20,738.15	30,612.52	30,639.53	2,646.85	3,503.75			2,73,833.62	2,79,055.95
Unallocated assets																			22,121.10	22,901.50
<b>Total assets</b>	<b>68,758.22</b>	<b>83,718.66</b>	<b>280.07</b>	<b>193.15</b>	<b>539.73</b>	<b>528.64</b>	<b>69,578.02</b>	<b>84,440.47</b>	<b>2,286.15</b>	<b>1,680.47</b>	<b>6,614.06</b>	<b>6,873.21</b>	<b>8,900.21</b>	<b>8,553.68</b>	<b>2,356.67</b>	<b>3,129.60</b>			<b>2,95,954.72</b>	<b>3,01,957.45</b>
Segment liabilities																			80,834.90	96,133.75
Unallocated liabilities																			1,49,237.95	1,21,897.77
<b>Total liabilities</b>	<b>1,992.54</b>	<b>4,077.79</b>	<b>0.05</b>	<b>2.91</b>	<b>117.99</b>	<b>143.96</b>	<b>2,110.58</b>	<b>4,224.66</b>	<b>1,208.17</b>	<b>74.37</b>	<b>200.45</b>	<b>215.89</b>	<b>1,408.62</b>	<b>290.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,30,072.85</b>	<b>2,18,021.52</b>	
Capital expenditure	3,637.72	7,777.71	768.53	2,250.63	562.77	806.31	4,969.02	10,334.65	558.09	984.69	175.96	165.38	734.05	1,150.07	6.71	7.63				
Depreciation	9.01	25.60	0.02	0.02	1.02	2.16	10.05	27.78	78.39	107.94	17.55	106.52	96.14	214.46	-	-				
Amortisation																				

Notes :

(i) In accordance with the Accounting Standard (AS) 17 "Segment Reporting", the Group's operations have been categorised into 5 major business segments, which constitute 96.34% (95.67%) of the total turnover of the Group. These business segments are classified under the two major businesses in which the Group is engaged in, and are briefly described hereunder :

**Sugar Businesses**

- a) Sugar: The Group is a manufacturer of white crystal sugar, having seven manufacturing plants situated in the State of Uttar Pradesh. After meeting the captive requirements, the Group sells the surplus molasses and bagasse, which are produced as a by-product in the manufacture of sugar. The Group also sells the surplus power produced at three of its sugar units.
- b) Co-generation: The business segment, apart from meeting part of the power and steam requirements of the associated sugar units, also exports power to the State grid. It has installed capacity of 68 MW spread over Khatauli and Deoband sugar mills.
- c) Distillery: The 160 kilo-liters per day capacity distillery located at Muzaffarnagar, Uttar Pradesh, uses the molasses produced in manufacture of sugar as the principal raw material in production of various categories of alcohol.

**Engineering Businesses**

- a) High Speed Gears: This business segment manufactures high speed gears and gear boxes at the manufacturing facility located at Mysore, Karnataka.
- b) Water/Wastewater Treatment: This business segment operates from Noida, Uttar Pradesh and provides engineered to order process equipment and comprehensive solutions in the water and wastewater management.
- (ii) The Other Operations' mainly include execution of a turnkey project relating to installation of Steam Turbine based power evacuation system, trading of various packaged fast moving consumer goods under the Group's brand name (including sugar) and retailing of diesel/petrol through a Group operated fuel station.
- (iii) There are no geographical segments as the volume of exports is not significant and the major turnover of the Group takes place indigenously. There is no major reliance on a few customers or suppliers.
- (iv) Inter-segment transfers are priced based on competitive market prices or determined to yield a desired margin or agreed on a negotiated basis. These are then eliminated on consolidation.
- (v) Segment result is the segment revenue less segment expenses. Segment expenses include all expenses directly attributable to the segments and portion of the enterprise expenses that can be allocated on a reasonable basis to the segments. Interest expense is not included in segment expenses and accordingly, segment liabilities do not include any corresponding borrowings.

46. 2,00,000 stock options had been granted to certain employees of the Company on April 30, 2010, prior to the demerger of its steam turbine business and vesting of the same in M/s Triveni Turbine Ltd. (TTL). This included 40,000 options granted to an employee whose services were transferred to TTL. In respect of the remaining employees to whom stock options had been earlier granted, in accordance with the Scheme of Arrangement, and in line with the best practices, adjustment has been made by the Company for the corporate action of demerger, by adjusting the exercise price of such options, so as to ensure that the fair value of options immediately prior to and immediately subsequent to the corporate action remains unchanged.

Consequent to the adjustments carried out on account of the corporate action of demerger, in accordance with the Scheme of Arrangement, the revised options granted are deemed to have been granted from the appointed date of the Scheme of Arrangement i.e., 01.10.2010. The required disclosures of the options granted are as under:

(a) Employee Stock Option Scheme:

No. of Options originally granted to the employees of the Company	1,60,000
Original grant date of Options	30.04.2010
No. of Options which lapsed prior to corporate action necessiated consequent to demerger of steam turbine undertaking	20,000
Balance no. of Options in force at the time of corporate action	1,40,000
No. of Options granted consequent to corporate action	1,57,360
Date of grant (to give effect to corporate action)	10.04.2013
Number of equity shares entitlement in respect of the Options granted under the New Stock Option Scheme	1,57,360
Vesting Plan	Graded Vesting as under: 50% vested on 30.04.2011 Balance 50% vested on 30.04.2012
Normal Exercise Period	Within 2 years from the date of vesting
Exercise Price per share (consequent to corporate action) (₹)	14

(b) Movement of Options Granted:

	31.03.2015	31.03.2014
Outstanding at the beginning of the year/period	47,440	1,57,360
Granted during the year/period	Nil	Nil
Exercised during the year/period	44,960	20,000
Lapsed during the year/period	2,480	89,920
Outstanding at the end of the year/period	Nil	47,440
Unvested at the end of the year/period	Nil	Nil
Exercisable at the end of the year/period	Nil	47,440

(c) Fair Valuation

The fair value of options used to compute proforma net income and earning per equity share has been done by an independent professional using the Black Scholes Options pricing formula

The key assumptions in Black Scholes Options pricing for calculating fair value are as follows:

(a) Risk free rate	8.36%
(b) Option life	1.99 years
(c) Expected volatility	49.02%
(d) Expected dividend	0.63%
(e) Exercise price of each underlying share under the option	₹ 14

The weighted average fair value of each option of the Company, as considered on the date of the corporate adjustment was ₹ 26.07.

Had the compensation cost for the stock options granted been determined based on fair value approach, the Company's net profit / loss and earning per share would have been as per the proforma amounts indicated below:

	(₹ in Lacs)	
	<b>31.03.2015</b>	<b>31.03.2014</b>
Net Profit / (Loss) (as reported)	(15,206.20)	(17,632.79)
Add : Compensation expense under ESOP considered in the net profit	Nil	Nil
Less / (Add) : Compensation cost / (reversals) under ESOP as per fair value *	(0.65)	(23.44)
Net Profit / (Loss) (fair value basis) attributable to equity shareholders	(15,205.55)	(17,609.35)
Basic earnings per share (as reported) – ₹/Share	(5.90)	(6.84)
Basic earnings per share (fair value basis) – ₹/Share	(5.90)	(6.84)
Diluted earnings per share (as reported) – ₹/Share	(5.90)	(6.84)
Diluted earnings per share (fair value basis) – ₹/Share	(5.90)	(6.84)

\*The compensation expenses for the year on a fair value basis has been computed with reference to the fair value as on 03.05.2011, being the date with reference to which corporate adjustment was carried out in respect of the stock options originally granted.

**47. Derivative Instruments :**

- (a) Derivative instruments outstanding as on 31.03.2015 for hedging foreign currency risks (including firm commitments and highly probable forecasted transactions)

Currency	(Foreign Currency in Lacs)			
	As on 31.03.15		As on 31.03.14	
	Payables	Receivables	Payables	Receivables
Forward Contracts				
USD (INR Equivalent)	5.15 (324.99)	2.32 (144.54)	11.31 (684.37)	2.90 (172.12)
EURO (INR Equivalent)	12.95 (886.38)	1.25 (83.61)	- (-)	- (-)
EURO (hedged only to USD) (USD Equivalent)	- (-)	- (-)	0.51 (0.70)	- (-)
JPY (INR Equivalent)	813.00 (427.88)	- (-)	- (-)	1,113.29 (639.70)
AUD (hedged only to USD) (USD Equivalent)	- (-)	- (-)	4.93 (4.57)	- (-)

- (b) Year end foreign exchange exposures that have not been hedged by a derivative instrument or otherwise:

Currency	(Foreign Currency in lacs)					
	As on 31.03.15			As on 31.03.14		
	Payables	Receivables	Net *1	Payables	Receivables	Net *1
USD (INR Equivalent)	2.24 (141.65)	4.34 (270.26)	-2.10 (-128.61)	2.30 (139.16)	4.41 (261.65)	-2.11 (-122.49)
EURO (INR Equivalent)	0.77 (52.89)	0.96 (64.45)	-0.19 (-11.56)	1.66 (138.76)	0.31 (24.88)	1.35 (113.88)
GBP (INR Equivalent)	0.02 (1.53)	- (-)	0.02 (1.53)	0.22 (21.80)	- (-)	0.22 (21.80)
JPY (INR Equivalent)	- (-)	- (-)	- (-)	- (-)	215.83 (124.01)	-215.83 (-124.01)
AUD (previous period 72/-) (INR Equivalent)	- (-)	- (-)	- (-)	0.00 (0.04)	- (-)	0.00 (0.04)

\*1 Negative figures in net column indicate open receivables.

48. The financial information as required under Schedule III of the Companies Act 2013 is given hereunder:

(₹ in Lacs)

Name of the entity	Net Assets i.e total assets minus total liabilities		Share in profit or loss	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount
<b>PARENT</b>				
Triveni Engineering & Industries Ltd.	93.28%	61,457.00	-111.70%	-16,985.09
	(96.21%)	(80,752.06)	(-113.26%)	(-19,971.09)
<b>SUBSIDIARIES</b>				
<b>Indian</b>				
Triveni Engineering Ltd	0.00%	1.02	-0.01%	-1.14
	(-0.00%)	(0.52)	(0.00%)	(-0.34)
Triveni Energy Systems Limited	0.00%	0.82	-0.01%	-1.14
	(0.00%)	(0.32)	(0.00%)	(-0.30)
Triveni Entertainment Limited	0.10%	62.62	0.00%	-0.05
	(0.07%)	(62.62)	(0.00%)	(0.15)
Bhudeva Projects Limited	0.00%	2.48	-0.01%	-0.80
	(0.01%)	(4.72)	(0.00%)	(-0.28)
Svastida Projects Limited	0.00%	0.31	-0.03%	-5.02
	(0.01%)	(4.72)	(0.00%)	(-0.28)
<b>Before minority interests</b>	<b>93.39%</b>	<b>61,524.23</b>	<b>-111.75%</b>	<b>-16,993.23</b>
	<b>(96.29%)</b>	<b>(80,825.00)</b>	<b>(-131.34%)</b>	<b>(-19,972.14)</b>
<b>Minority Interests in all subsidiaries</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>
	<b>(0.00%)</b>	<b>(0.00)</b>	<b>(0.00%)</b>	<b>(0.00)</b>
<b>ASSOCIATES (INVESTMENT AS PER EQUITY METHOD)</b>				
<b>Indian</b>				
Triveni Turbine Ltd.	7.13%	4,698.23	11.76%	1,788.61
	(4.15%)	(3,483.44)	(14.80%)	(2,609.44)
Triveni Entertainment Limited				--
				1.90
The Engineering & Technical Services Limited				--
				(-45.57)
TOFSL Trading & Investments Ltd.				--
				(105.82)
<b>Foreign</b>				
Aqwise-Wise Water Technologies Ltd.	-0.52%	-340.59	-0.01%	-1.57
	(0.44%)	(-372.52)	(-1.88%)	(-332.25)
	<b>100.00%</b>	<b>65,881.87</b>	<b>-100.00%</b>	<b>-15,206.20</b>
	<b>(100.00%)</b>	<b>(83,935.93)</b>	<b>(-118.43%)</b>	<b>(-17,632.79)</b>

Figures in brackets relate to previous period.

▲ Consolidated

49. Pursuant to compliance of Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements" the Group has accounted investments in Associates under the equity method. The relevant information of the investments in Associates is given hereunder :

(₹ in Lacs)

Name of the Associate Company	Country of Incorporation	Ownership interest and voting Power at the year end	Original cost of investments	Goodwill/(Capital Reserve included in Original Cost)	Share of Accumulated Income/(Loss) at the year end
Triveni Turbine Ltd	India	21.82% (21.82%)	720.07 (720.07)	Nil (Nil)	4,698.23* (3,483.44)*
Aqwise-Wise Water Technologies Ltd	Israel	25.04% (25.04%)	3,006.19 (3,006.19)	2,359.04 (2,359.04)	-340.59 (-372.52)

Figures in brackets relate to previous period.

\* Net of ₹ 565.62 lacs being the Company's share of losses on the date it became an associate.

50. (a) In accordance with the Guidance Note on Accounting for Self-generated Certified Emission Reductions (CERs), issued by the Institute of Chartered Accountants of India, the Company has recognised the CERs held by it as inventories in its financial statements. Disclosures as required under the Guidance Note are as under:
- 86562 (previous period 86562) CERs (net of fee for UNFCCC adaptation fund) have been held as inventory by the Company as at the end of the year.
  - There are no CERs under certification as on the date of the financial statements;
  - The Company's Deoband and Khatauli Phase-I projects are registered as Clean Development Mechanism (CDM) projects with United Nations Framework Convention on Climate Change (UNFCCC) and it is not feasible to identify specific items of machinery/equipment as an "emission reduction equipment". Accordingly, details of depreciation and operation & maintenance costs, pertaining to emission reducing equipment have not been provided.
- (b) During the year the National Load Despatch Centre (NLDC) has issued 54275 (previous period 95752) Renewable Energy Certificates (RECs) to the Company under the Central Electricity Regulatory Commission (CERC) Regulation on RECs. At the close of the year 106533 (previous period 84350) RECs remained unsold and are held as inventory. However, since no cost has been incurred by the Company in respect of the RECs lying in inventory, the value of such inventories has been considered as Nil in accounts

51. Payment to Auditors represents amount paid/payable to the auditors on account of:

(₹ in Lacs)

Sl. No.	Particulars	Statutory Auditors		Branch Auditors		Cost Auditors	
		2014-15	2012-14	2014-15	2012-14	2014-15	2012-14
1	Audit fee	37.69	49.55	5.15	7.18	3.62	5.21
2	Tax audit fee	19.05	29.63	3.36	4.65	-	-
3	Limited review fee	18.20	28.14	2.31	3.59	-	-
4	Other services						
	Certification	2.95	8.19	-	0.12	0.58	0.05
5	Reimbursement of expenses	4.33	5.68	2.88	4.90	0.43	0.19
	<b>Total</b>	<b>82.22</b>	<b>121.19</b>	<b>13.70</b>	<b>20.44</b>	<b>4.63</b>	<b>5.45</b>

## 52. Statement of Additional Information:

Particulars	(₹ in Lacs)	
	2014-15	2012-14
a. Value of imports on CIF basis		
i) Raw materials	1,487.44	2,130.42
ii) Components and spare parts	56.41	54.81
iii) Capital goods	521.38	5.41
b. Expenditure in foreign currency		
i) Travelling	41.69	65.89
ii) Royalty	258.40	293.69
iii) Legal / Professional Charges	–	6.56
iv) Interest on loans	4.71	20.82
v) Others	20.41	46.82
c. Earnings in foreign currency		
i) Export of goods on FOB basis	1,217.79	1,770.88
ii) Others	26.09	18.44

## d. Consumption of raw materials, spare-parts and components:

Particulars	(₹ in Lacs)			
	2014-15	%	2012-14	%
i) Raw material				
Directly imported	1604.24	1.10	2,341.33	0.73
Indigenous	1,43,864.94	98.90	3,16,269.11	99.27
Total	1,45,469.18	100.00	3,18,610.44	100.00
ii) Spare-parts and components				
Directly imported	52.11	2.30	60.59	1.52
Indigenous	2,212.27	97.70	3,934.56	98.48
Total	2,264.38	100.00	3,995.15	100.00

## e. Remittance in foreign currencies for dividend:

The Company has not remitted any amount in foreign currencies on account of dividend during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividend have been made by/ on behalf of non-resident shareholders. The particulars of dividend payable to non-resident shareholders (including non-resident Indian shareholders) which were declared during the year/period are as under:

Particulars	2014-15	2012-14
i) Number of non-resident shareholders	N.A.	531
ii) Number of Ordinary Shares held by them	N.A.	3,50,53,586
iii) Gross amount of dividend – in ₹ in lacs	Nil	35.05

53. The figures of the previous period have been regrouped/rearranged to the extent necessary. Previous accounting year of the Company was for a period of eighteen months ended on 31/3/2014. Accordingly, the previous period figures given in these financial statements in so far as relating to the items of income and expenses and cashflows are for a period of eighteen months ended on that date and are therefore, not comparable with the current year figures.

As per our report of even date.

For and on behalf of  
**J.C. Bhalla & Company**  
Chartered Accountants  
FRN : 001111N

**Sudhir Mallick**  
Partner  
Membership No.80051

**Tarun Sawhney**  
Vice Chairman &  
Managing Director

**Lt. Gen. K.K. Hazari (Retd.)**  
Director

**Suresh Taneja**  
Group  
CFO

**Geeta Bhalla**  
Group General Manager &  
Company Secretary

Place : Noida (U.P.)

Dated : May 27, 2015



# Information on Company's business locations

## Registered Office

Deoband, District-Saharanpur  
Uttar Pradesh-247 554  
STD Code: 01336  
Phone: 222497, 222185  
Fax: 222220  
CIN- L15421UP1932PLC022174

## Corporate office

'Express Trade Towers',  
8<sup>th</sup> Floor 15-16, Sector- 16A  
Noida 201 301(U.P.)  
STD Code: 0120  
Phone: 4308000  
Fax: 4311010-11

## Share department/investors' grievances

'Express Trade Towers',  
8<sup>th</sup> Floor 15-16, Sector- 16A  
Noida 201 301(U.P.)  
STD Code: 0120  
Phone: 4308000  
Fax: 4311010-11  
Email: shares@trivenigroup.com

## Registrar and share transfer agents

For Equity shares held in physical and electronic mode  
(Correspondence Address)  
M/s Karvy Computershare Pvt. Ltd.,  
Unit: Triveni Engineering & Industries Limited  
Karvy Selenium Tower B  
Plot 31 - 32, Gachibowli,  
Financial District, Nanakramguda  
Hyderabad-500 032.  
Tel. 040-6716 2222,  
Fax 040-2300 1153  
Email: einward.ris@karvy.com

## Gears business group

1,2,3 Belagola Industrial Area,  
Metagalli Post, K.R.S. Road,  
Mysore-570 016  
STD Code: 0821  
Phone: 4280501, 4280502  
Fax: 2582694

## Khatauli sugar unit

Khatauli, District- Muzaffarnagar,  
Uttar Pradesh-251 201  
STD Code: 01396  
Phone: 272561 & 272562  
Fax: 272309

## Deoband sugar unit

Deoband, District-Saharanpur  
Uttar Pradesh-247 554  
STD Code: 01336  
Phone: 222497, 222185, 222866  
Fax: 222220

## Ramkola sugar unit

Ramkola, District-Kushinagar  
Uttar Pradesh-247 305  
STD Code: 05567  
Phone: 256021, 256071-2, 256182  
Fax: 256248

## Sabitgarh sugar unit

P.O. Karora, Tehsil Khurja  
District-Bulandshahar,  
Uttar Pradesh  
STD Code: 05738  
Phone: 228894,  
Fax: 228893

## Rani Nangal sugar unit

Rani Nangal, Thakurdwara  
District- Moradabad  
Uttar Pradesh  
STD Code: 0595  
Phone: 2564350, 2564627  
Fax: 2565002

## Milak Narayanpur sugar unit

Milak Narayanpur, P.O. Dadiyal  
District-Rampur  
Uttar Pradesh- 244 925  
STD Code: 0595  
Phone: 2564350, 2564627, 2564215  
Fax: 2565002

## Chandanpur sugar unit

P.O. Chapna, Tehsil-Hasanpur,  
District- Amroha  
Uttar Pradesh-244255  
STD Code: 05924  
Phone: 267002  
Fax: 267001

## Water business group

Plot No.44, Block-A, Phase II  
Extension,  
Hosiery Complex, Noida,  
District Gautam Budh Nagar, U.P.  
STD Code: 0120  
Phone: 4748000  
Fax: 4243049  
Email:  
wbg@projects.trivenigroup.com

## Co-generation Khatauli

Khatauli, District- Muzaffarnagar,  
Uttar Pradesh-251 201  
STD Code: 01396  
Phone: 272561 & 272562  
Fax: 272309

## Co-generation Deoband

Deoband, District-Saharanpur  
Uttar Pradesh-247 554  
STD Code: 01336  
Phone: 222497, 222185, 222866  
Fax: 222220

## Alco-chemical Unit

Village Bhikki Bilaspur,  
Jolly Road, District- Muzaffarnagar,  
Uttar Pradesh-251 001  
STD Code: 0131  
Phone: 2600659, 2600684  
Fax: 2600569

## Branded division

'Express Trade Towers', 8<sup>th</sup> Floor  
15-16, Sector- 16A  
Noida 201 301(U.P.)  
STD Code: 0120  
Phone: 4308000  
Fax: 4311010-11

## Subsidiary companies

Triveni Engineering Limited  
'Express Trade Towers', 8<sup>th</sup> Floor  
15-16, Sector- 16A  
Noida 201 301(U.P.)  
STD Code: 0120  
Phone: 4308000  
Fax: 4311010-11

## Triveni Energy Systems Limited

'Express Trade Towers', 8<sup>th</sup> Floor  
15-16, Sector- 16A  
Noida 201 301(U.P.)  
STD Code: 0120  
Phone: 4308000  
Fax: 4311010-11

## Triveni Entertainment Limited

Grand Plaza, 104, 1<sup>st</sup> Floor,  
99, Old Rajinder Nagar Market,  
New Delhi-110060  
STD Code: 011  
Phone: 25810660

## Bhudeva Projects Limited

Plot No.44, Block-A, Phase II  
Extension,  
Hosiery Complex, Noida,  
District Gautam Budh Nagar, U.P.  
STD Code: 0120  
Phone: 4748000  
Fax: 4243049

## Svastida Projects Limited

Plot No.44, Block-A, Phase II  
Extension,  
Hosiery Complex, Noida,  
District Gautam Budh Nagar, U.P.  
STD Code: 0120  
Phone: 4748000  
Fax: 4243049

## Corporate information

### Chairman and Managing Director

Mr. Dhruv M. Sawhney  
(DIN-00102999)

### Vice Chairman & Managing Director

Mr. Tarun Sawhney (DIN-00382878)

### Directors

Mr. Nikhil Sawhney (DIN-00029028)

Dr. F.C. Kohli (DIN-00102878)

Lt. Gen. K.K. Hazari (Retd.)  
(DIN-00090909)

Mr. M.K. Daga (DIN-00062503)

Mr. Shekhar Datta (DIN-00045591)

Ms. H.A. Daruwalla (DIN-00365880)

Mr. Santosh Pande (DIN-01070414)

### Group Chief Financial Officer

Mr. Suresh Taneja

### Group General Manager & Company Secretary

Ms. Geeta Bhalla

### Bankers

Axis Bank Ltd.  
Canara Bank  
Central Bank of India  
IDBI Bank Ltd.  
Indusind Bank Ltd.  
Oriental Bank of Commerce  
Punjab National Bank  
State Bank of India  
State Bank of Patiala  
Yes Bank Ltd

### Auditors

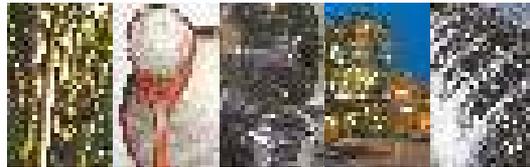
M/s J.C. Bhalla & Co.

### Branch Auditors

M/s Virmani & Associates

### Triveni Group website:

[www.trivenigroup.com](http://www.trivenigroup.com)



**Triveni**  
*ENGINEERING & INDUSTRIES LTD.*

CIN- L15421UP1932PLC022174

8<sup>th</sup> Floor, Express Trade Towers, Plot No. 15 & 16,  
Sector 16 - A, Noida - 201 301, Uttar Pradesh

[www.trivenigroup.com](http://www.trivenigroup.com)