

## Form A

(Pursuant to Clause 31(a) of the Listing Agreement)

1	Name of the Company	Triveni Turbine Limited
2	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3	Type of Audit observation	Unqualified
4	Frequency of observation	Not Applicable

**For J. C. Bhalla & Co.**  
Chartered Accountants  
(FRN:001111N)



**Sudhir Mallick**  
Partner  
Membership No.80051

**For Triveni Turbine Limited**

  
**Dhruv M. Sawhney**

Chairman & Managing Director



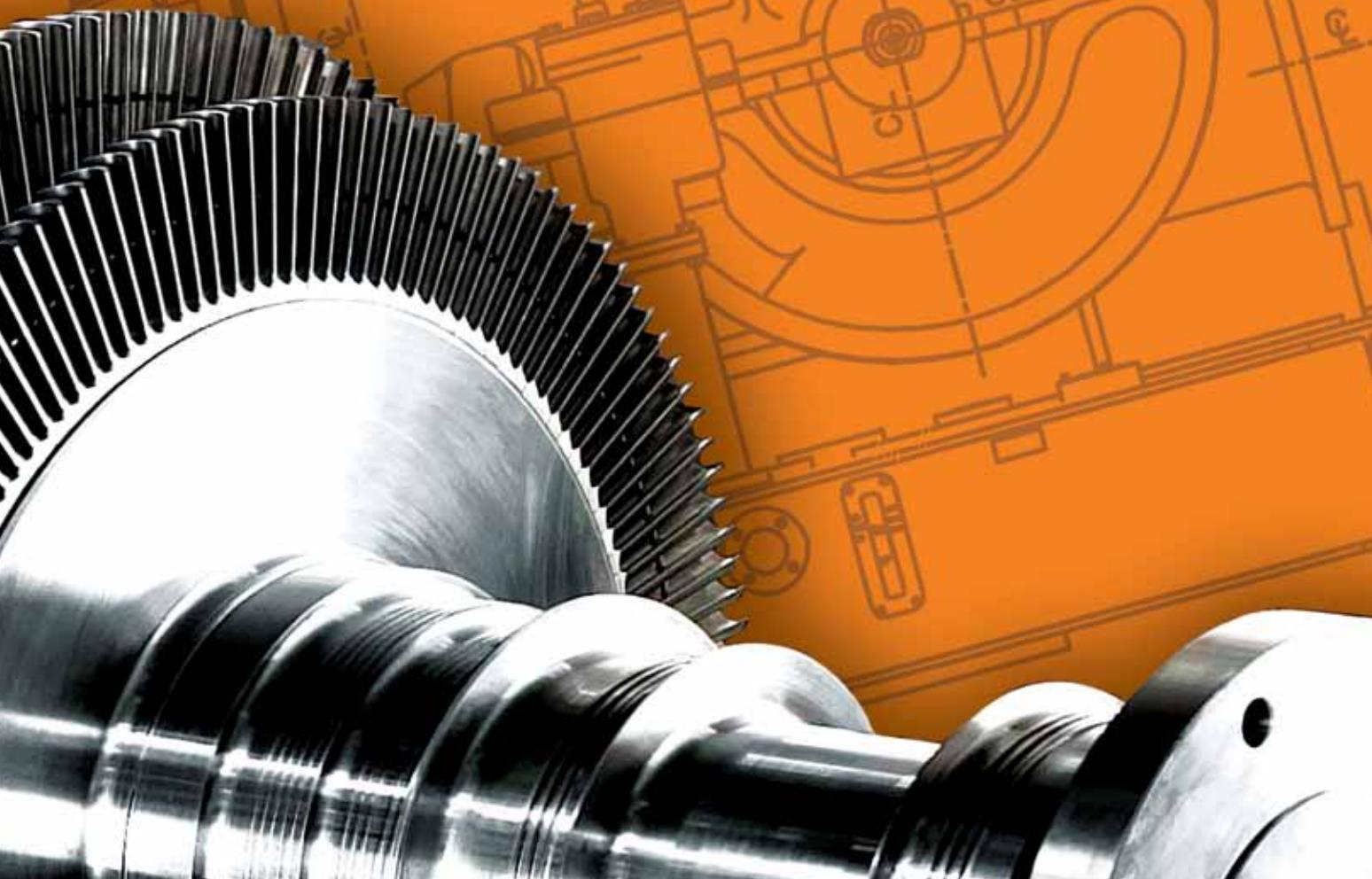
**Lt. Gen. K. K. Hazari (Retd.)**  
Director & Chairman, Audit Committee



**Deepak Kumar Sen**  
General Manager & CFO

Noida (U.P.), May 27, 2014

# STRONG FUNDAMENTALS



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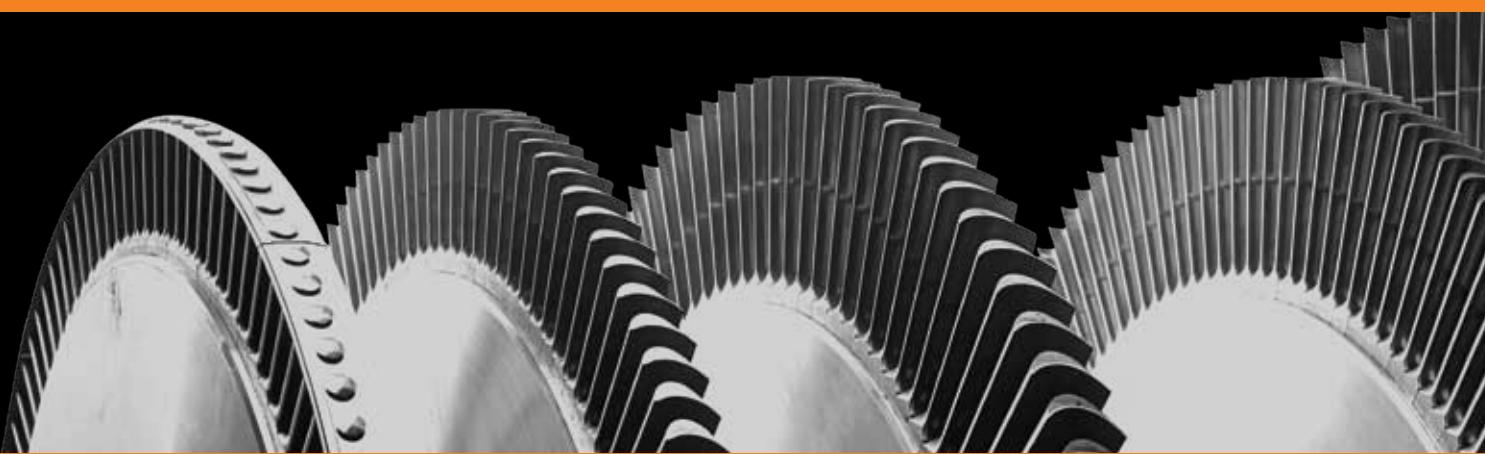
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### Forward looking statement

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations 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.



# COMPETITIVE



Triveni's world class steam turbines customised to varying customer needs coupled with comprehensive service solutions, offers a low cost operating advantage and a superior value proposition for our customers. Our network of global suppliers and dedicated sub-contractors, complying with stringent quality norms, enables us to maintain the quality standards of the turbine and its auxiliary systems.

We understand the economics and needs of the power producers to have better operating efficiencies with long term equipment reliability, maximum online availability and extended operating life which lead to maximising return on investment through reduced operating costs.



# MARKET REACH

We believe that leadership is a continuous process of producing results and performing despite uncertainties. Triveni has a dominant market share in sub 30 MW range domestically and during the year it succeeded in improving it from 58% to 63%.

As a part of our business strategy, we aspire to have a strong presence in all our current and potential markets. Following this strategy, we have already installed globally competitive and accepted products in over 40 countries. Our wide geographical coverage helps us in identifying opportunities and converting them into business, which is reflected in our international enquiry book.

GE Triveni Limited, our subsidiary company, has achieved major breakthroughs in the international market during the year and has secured orders for three turbines. With these international orders coupled with some domestic orders, GETL is poised to show good growth in the coming years.





# TECHNOLOGY





Both Innovation and Quality are vital for our business to remain robust and competitive. Innovation is at the core of our operations. Our Research & Development team of domain experts and consultants continue to develop designs that are technologically superior and operationally cost competitive by deploying state-of-the-art design tools and softwares.

The Company's best in class testing and validation facilities help ensure functionality, safety and reliability of steam turbines. During the year, eleven advanced models and variants across the lower as well as higher ends of the product range have been developed. Our expansion into higher capacity (MW), high temperature & pressure turbines will widen our market opportunities in the coming years.



# THIS IS TRIVENI TURBINE LIMITED

Triveni Turbine Limited (TTL) is a leading steam turbine manufacturer from India with a global market footprint spanning over 40 countries. TTL has been helping customers in achieving power self sufficiency and sustainability with its customised steam turbines up to 30 MW range. The Company is the market leader in India with a dominant 63% market share. It also offers comprehensive after-market services covering the entire lifecycle of turbines. TTL operates in higher capacity range of above 30 MW to 100 MW turbines through its subsidiary, GE Triveni Ltd., a joint venture company with General Electric.

## Products & Services

TTL offers robust back-pressure and condensing steam turbines that work across a wide range of pressure and flow applications. For TTL, customer relations means much more than just completing the contractual commitment of supplying and commissioning the turbine. TTL stands by its customers to make their operations reliable and provides a 360-degree after sales services support during the complete life cycle for all types of industrial steam turbines. With a dedicated team of highly skilled and experienced engineers, TTL offers a wide suite of integrated solutions like erection & commissioning, spare parts, operations & maintenance and refurbishing, among others.



### Customer Segments

TTL find applications in a wide range of industries such as Sugar, Steel, Pulp & Paper, Textiles, Chemical, Palm Oil, Food Processing etc. The turbines are used in a wide range of applications like Co-generation, Combined Heat & Power Generation, Waste to Energy, Captive Power Generation and Independent Power Generation.

### Geographical Presence

With over 2500 turbine installations in over 40 countries across Asia, Europe, Africa, Central & Latin America, the Company is fast spreading its global footprint to more countries and geographies.

### Capabilities

TTL operates a state-of-the-art manufacturing facility at Bengaluru, India. The facility is equipped to provide complete manufacturing, assembly, testing and refurbishing services. The facility is equipped with state-of-the-art precision equipment and latest softwares for seamless manufacturing of all critical components in-house. Best in class testing facilities for extensive validation of design help to ensure excellent products that meet even the most stringent international quality standards.

The facility deploys a comprehensive environmental management system in accordance with ISO 14001, laying emphasis on health and safety of people, plant and equipment.

Robust and steadily evolving research, development and engineering capabilities hold the key to TTL's market leadership. The customer centric approach to R&D, along with a keen focus on life-cycle cost of turbine, has allowed TTL to set benchmarks for efficiency, robustness and uptime.

### Partnership

GE Triveni Limited (GETL), a joint venture with General Electric, is a subsidiary company of TTL. GETL is engaged in design, supply and service of steam turbines with generating capacity of above 30 to 100 MW. Manufactured in state-of-the-art plant of TTL, the products are marketed under "GE Triveni" brand globally.



# MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

The global economic growth continues to be suppressed even after six years of the global financial crisis. The economic turmoil and meltdown in the global economy, significant de-growth in the Capital goods sector, increased volatility in the financial markets and a sharp depreciation of currencies in the emerging economies, have all affected our performance during the year. The economic instability led to a steep decline in capital expenditure and industrial activities, which in turn had an impact on the order finalisation across all our markets.

Consequently, our performance has not been in line with our expectations. We witnessed suppressed domestic demand and delays in international order finalisation during the first half of FY 14. Amid turbulent business environment, we at Triveni continue to move ahead with steadfast focus on our strong business fundamentals. Our focused marketing efforts helped us in improving the domestic market share to 63% in FY 14 thus maintaining our leadership position in our operating range. The market for our products and services remain highly competitive and the Company matched the competition by introducing new variants and cost competitive models which have been well accepted by the customers.

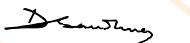
Enthused by our performance in the international market in FY 13, we expected more order booking in FY 14, but could not achieve it due to various factors mentioned earlier. Our intensified efforts in the international market helped us to establish contact with potential customers in many new countries and build a strong enquiry book. We have more conviction than ever before about the robustness of our strategy and of our value offerings and we expect to achieve the desired success in the export market in the coming years. Our products have been delivered to over 40 countries and we have enquiries from 30 more countries. Our international spread is expanding and we have been well received in the countries that we are approaching.

Our subsidiary company, GE Triveni Ltd. (GETL), has achieved an order booking for ₹ 1.8 billion during the year. In the international market, GETL successfully secured orders for three turbines totaling to ₹ 1.5 billion. With growth in the current order book position, both in the domestic and international markets, the outlook for the GETL in the coming years is very encouraging and positive.

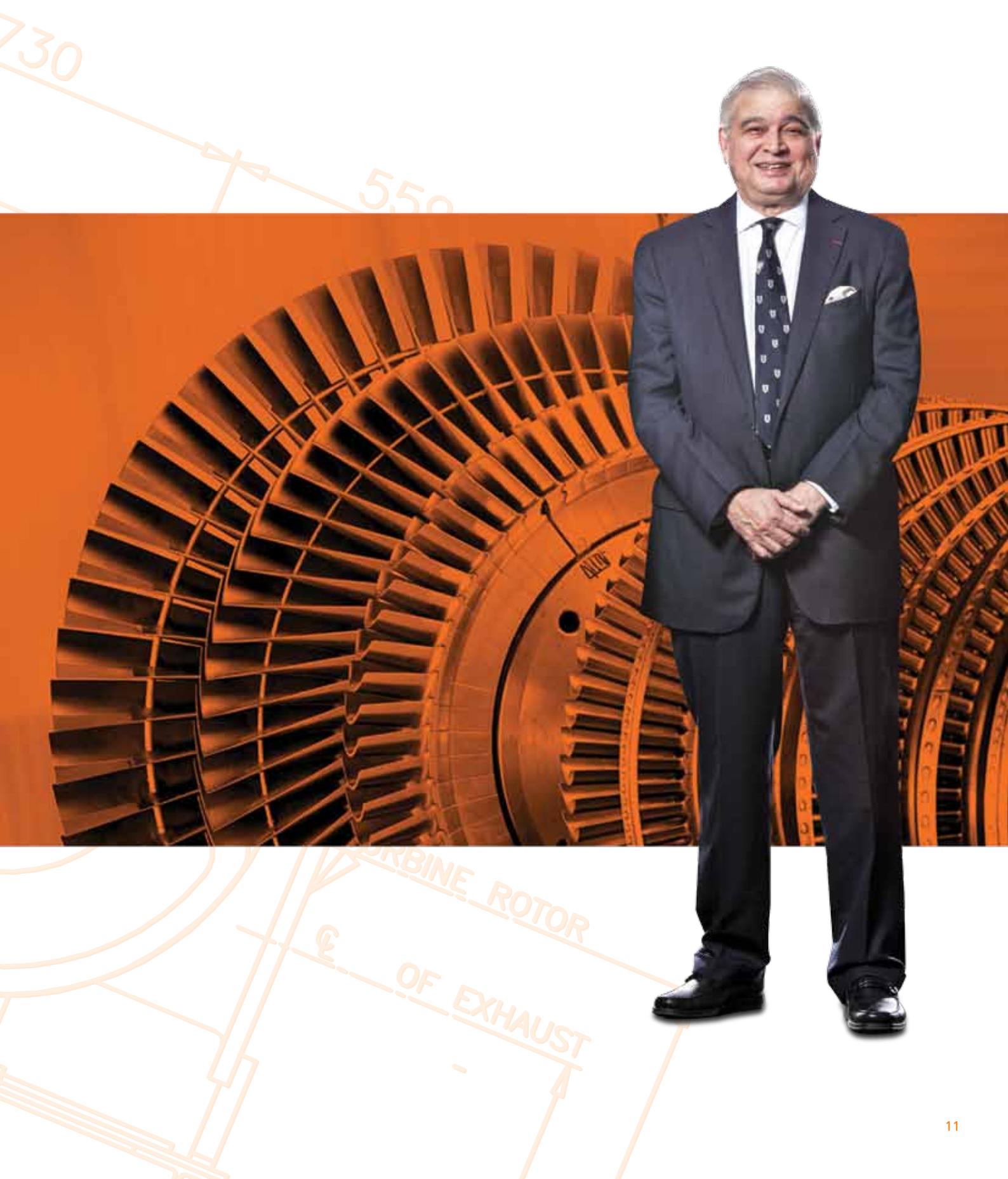
In spite of the challenging environment, we are focused on building and operating a sound business with cutting edge technology. Looking ahead, we see signs of improvement in FY 15 resulting in a good growth in the topline and the bottomline. We are continually working towards cost reduction and value engineering to protect our margins and maintain a competitive advantage in the long term. We aim to leverage our strength of operational and delivery excellence to further build on our export growth. We are driven to deliver profitable business growth with the strength of our people, resources and know-how.

As we move forward, we will continue to dedicate ourselves to serve the interests of all our stakeholders. I would like to extend my heartfelt thanks to our employees for their hard work and dedication and to all our stakeholders for their continued support.

With best regards,



Dhruv M. Sawhney  
Chairman & Managing Director





# Q&A WITH THE VICE CHAIRMAN & MANAGING DIRECTOR

Nikhil Sawhney

## Q. How would you assess the Company's performance, during the year under review?

A. The performance of the Company during FY 14 has not been as per our expectation. As a Company with a short order to delivery cycle, Triveni Turbines counted on order inflow in the first two quarters of the year to contribute towards our revenue. Unfortunately, the poor economic sentiment in the domestic market, coupled with political instability and currency volatility in our targeted export markets, led to weak order booking in the first half of the financial year. The last two quarters of FY 14, proved significantly better for order intake, leading to a total outstanding order book at ₹ 5.8 billion, which is an increase of 23% year on year. On a consolidated basis, the outstanding order book stood at over ₹ 7 billion, due to strong order inflow in GETL.

In the exports market, our performance was not at par with last year but we have been successful in penetrating into more markets and geographies resulting in an increased enquiry book. Going forward, we expect that the conversion of these enquiries will result in a better order in-take.

The decline in turnover impacted margins due to short recovery of fixed overheads, but still we have been able to maintain PBT margins at ~ 20%, which we believe is one of the highest margin in the segment in which we operate globally. In our aftermarket segment, we undertook new initiatives to ensure that the focus on customer satisfaction and business growth are not compromised. This has helped in opening up of new markets and segments in spares and refurbishing business and should augur well for the business going forward. Overall, despite the slowdown, we have responded well to the events by taking strong actions to keep focus on our fundamentals and competitive advantage.

## Q. Please comment on the Company's increased domestic market share?

A. In spite of tough domestic market conditions, we have succeeded in improving the Company's market share from 58% in FY 13 to 63% in FY 14, in the range we operate. Our strong presence in the sugar co-generation and metals segments helped us in countering the de-growth in the IPP and process co-generation segments. We are constantly working towards developing technologically advanced and more robust designs that deliver higher performance and add value to the customers. This has helped us in growing our market share despite intense competition. We also introduced new cost competitive models which had been successfully commissioned during the year.

## Q. How would you describe the performance of the Aftermarket business?

A. Our aftermarket business offers a comprehensive range of customised service solutions and complete life cycle support for industrial steam turbines. At Triveni, our goal is to deliver total customer satisfaction and this business segment leads us to achieve this goal. The share of the aftermarket sales to total sales has shown an improvement from 20% in FY 13 to 22% in FY 14. In order to augment our aftermarket business, we are in the process of evaluating options to establish service centres internationally. With the increase in higher MW turbines installed and entry into the utility segment for refurbishment, business from spares & servicing should increase considerably going forward. All of these will help us to strengthen the future aftermarket sales.

**Q. How has your partnership with GE progressed during the year under review?**

- A. Really well. During the year, the operations of GETL gained higher traction. On the international front, GETL bagged orders for three turbines. The total order intake stood at ₹ 1.8 billion which comprises of international orders of ₹ 1.5 billion. Having achieved a good volume of orders in hand and with a strong enquiry book, the outlook for the JV looks promising in the coming years.

**Q. What is the Company's outlook for FY 15 and beyond?**

- A. In the new fiscal year, we will continue to focus on our strategy to strengthen existing markets while developing newer geographies to bolster enquiry generation. This would improve not only our export mix but shall also help us grow our aftermarket business. We will continue to invest more in R&D to develop advanced and world class products keeping in view the changing markets and ever increasing customers' needs. Cost management and operational efficiency, whilst maintaining our delivery lead times, would continue to be our prime agenda for the year. We are operating in a tough environment; therefore, it is imperative for us to look inwards into our operations to bring greater efficiency.

Given the progress we have made during the past couple of years, I believe that we are steadily moving in the right direction. We believe that the domestic economy as well as the economies of our targeted global markets will revive during the coming years, which should result in better order finalisation for the Company. The carry forward order booking and strong enquiry pipeline give us the confidence in achieving a significant growth in turnover and profits in FY 15 which we expect to sustain. With a dedicated and highly skilled team we are working tirelessly everyday to pursue our long term strategy designed to boost the profitability of our business and have some of the best return metrics on assets and equity.



# MANAGEMENT DISCUSSION & ANALYSIS

Triveni Turbine Ltd (TTL) together with its subsidiary company, GE Triveni Limited (GETL), a joint venture with General Electric, operates within the engineered-to-order mechanical equipment sector, manufacturing steam turbines up to 100 MW for industrial power generation.

## Economy

Having grown consistently around 9% during 2004-11, the Indian economy had steadily slowed down over the past three years with GDP growth touching 4.9% for 2013-14. Besides adverse global events, domestic issues such as policy inaction, tightened liquidity, hovering inflation, waning demand, subdued business and investment sentiments have led to this slowdown. The subsequent overall decline in fresh investments has impacted the capital goods industry among others, which suffered significantly during the past three years.

## Indian Power Industry

Industry estimates indicate that the ongoing and approved electricity capacity addition projects in India are expected to add about 75,785 MW of installed capacity in the 12<sup>th</sup> five-year plan beginning April 2012. Grid interactive renewable capacity addition of about 18,500 MW is estimated during 12<sup>th</sup> Plan (comprising of 11,000 MW of wind power, 1,600 MW small hydro power, 2,100 MW Biomass, Bagasse Co-generation and waste to energy put together and 3,800 MW Solar power). This potential growth will make India one of the fastest growing markets for electricity infrastructure equipment. However,

uncertainties in the regulatory environment over coal linkages, land acquisition, environmental clearance etc., have adversely impacted new investments to a great extent and may also delay the execution of ongoing projects. Given the uncertainties experienced by the major power plants, distributed power generation and captive power plants continue to play a crucial role to meet industrial demand for power.

## Industry Analysis

The industrial power generation market represents the decentralised and captive power generating industry. The Company's business drivers in domestic as well as the export markets include Industrial Capital Expenditure, Renewable Energy and Opportunistic sale to grid by Captive Power Units.

## Industrial Capital Expenditure

The largest demand driver for TTL's products is Industrial Capital Expenditure, greenfield and brownfield. Process industries that require steam as a part of their manufacturing process choose to generate power onsite, as it optimises the generated thermal energy. Electricity generation by deploying a condensing steam turbine in captive power plant would give a thermal efficiency of around 33- 35% as compared to 39-40% in case of a super critical power plant operating at significantly higher temperatures and pressures. Co-generation based captive power plants deliver two forms of energy – electrical power and heat in the form of steam and thereby delivering thermal efficiency in excess of 70%.

Other process industries that may not use steam as a part of the process, but due to their remote location and inaccessibility to grid for the supply of consistent quality and cost-effective electricity, may have to go for generation of power onsite.

## Renewable Energy

The Renewable Energy segment is the second largest demand driver for Triveni Turbines. The segment comprises of three distinct sectors – small-scale renewable based Independent Power Producers, agro based co-generation and renewable waste-heat recovery Captive Power Plants. The advantage of an assured fuel supply coupled with financial incentives makes this segment a steady contributor to demand.



The renewable based Independent Power Producers and agro based co-generation sectors are the most reliable sources of demand for steam turbines. While this demand may not be as large as the potential of the Industrial Capital Expenditure segment, it does form the base demand. This sector will always attract investments as long as there is a sustained availability of feedstock and is usually non-cyclical.

As per industry data, out of the total installed grid interactive renewable power capacity of 31,707 MW in India as on March 31, 2014, 4,120 MW has been set up through bagasse co-generation, biomass and waste-to-power. The current potential of bagasse co-generation is estimated at 5-7 GW, surplus agro and forest residues to energy is estimated at 17 GW along with an additional "waste-to-energy" potential of 2.7 GW.

Though relatively small, the share of renewable power in global energy consumption is steadily increasing. Targets, subsidies, public investment, innovative financing, bulk procurement, green power purchasing, building codes, municipal utility regulation and many other incentives available across the world are contributing to this steady increase of share of renewable energy. Europe targets to achieve 20% of total energy production from renewables by 2020. UK Government intends to use waste more productively and has set internal targets of 32% generation from renewable sources. The use of solid biomass such as agri-waste, municipal waste and wood is expected to increase in the future in developing countries as well. An increasing use of wood chip/pellets are deployed in the Latin American countries; while a continued expansion of modern biomass power generation and co-generation can be witnessed in countries such as Brazil, Philippines, and Thailand, as well as pan-Africa. Thailand government has announced to increase production of electricity from renewable sources to 25 percent of total output over the next 10 years. As per some industry projections, by 2016, Asia will surpass Europe as the leading market in terms of number of biomass based plants and capacities.

Waste-heat recovery Captive Power Plants also contributes to demand for TTL's products in the renewable energy segment. Demand from this sector to a great extent is counter cyclical



to the business cycle and Industrial Capital Expenditure segment. When business sentiment is low, companies tend to increase capital expenditure on efficiency. This efficiency-spend manifests itself in streamlining of operations and the reduction of operating costs – primarily through captive power generation. Many industries which deploy processes that are exothermic in nature and generate heat during their processes, especially, metal and cement, opt for an eco-friendly way to generate power captively to bring down their cost of production. The waste-heat once captured is converted into steam which in turn drives a power generating steam turbine.

### **Opportunistic sale of power to the grid by Captive Power Plants**

The third segment which drives demand for steam turbines is the oversizing of captive power plant capacities in order to sell the surplus generation to the grid. According to industry data, as on February 28, 2014, the captive generating capacity connected to grid in India is 39,375 MW. However, on account of the economic slowdown, which resulted in lower industrial activities coupled with the poor financials of the distribution utilities, the sale of power to grid has not been an attractive proposition in the past few years. Merchant power rates in India have come down significantly which makes the proposition not as lucrative as in the past when this concept peaked. However, in the long run, when the overall economic activities improve, India being a power deficit nation, will have to depend on this form of power as large scale power generation segment would have its own issues to be sorted

out. It is felt that this activity may continue to grow since not only it improves the business efficiencies but also enables additional revenue streams at marginal costs, which adds to furthering the business viability. The potential may further improve when economic activities resume normalcy.

## Market Analysis

To be able to evaluate the addressable market for TTL's products, it will be important to examine the domestic and export market environments for the preceding year.

### Domestic Market

Since 2011, the Indian capital goods sector has been weathering the impact of slowdown in global as well as Indian economy. Weak domestic demand, higher raw material costs, interest rate hikes, low business sentiments and slow movement in implementation of reforms have resulted in weakened industrial activities. The slowdown in infrastructure as well as key user industries has led to sluggish order inflows, delay in accepting deliveries at customers' end, delayed execution of projects, delayed payments etc. for the capital goods industry. In terms of Index of Industrial production (IIP), as per Use-based classification, the growth rates for FY 14 in

capital goods stood at (-) 4% over the corresponding period of the previous year on account of subdued investments. The shrinking market has spurred intense competition among domestic as well as overseas players.

### Export Market

The global economy recorded a GDP growth of 2.1% during 2013. Subdued activities were recorded across most of the economies. While most developed economies continued to grapple with the challenge of taking appropriate fiscal and monetary steps, a number of emerging economies, already reeling under the impact of slowdown, encountered new domestic and international challenges during the year. A number of developing countries and economies in transition have shown a measurable decline in Capital inflows along with significantly increased volatility in the financial markets and sharp depreciations of local currencies. Currencies in a number of emerging economies depreciated sharply in May-June 2013, particularly in Brazil, India, Indonesia, South Africa and Turkey along with decline in capital inflows. The overall economic instability has led to slackening in industrial activity which in turn impacted the order finalisation and deliveries with respect to capital goods.



## Business Review

The performance of FY 14 has been impacted on account of lower order booking in the second half of FY 13 and delay in order finalisation in the export market during the first half of the year under review. This resulted in overall lower revenue recognition for FY 14.

## Marketing

During the current financial year, the total order booking remained almost flat at ₹ 5.6 billion. Order booking, which was significantly lower during the first half, picked up considerably in the second half, that helped the Company to catch up and achieve a strong order book for the whole year. The outstanding order book as on March 31, 2014 stood at ₹ 5.8 billion, which is a growth of 23%. Similarly, the order booking in the JV has also been significantly higher at ₹ 1.8 billion as against ₹ 0.4 billion in FY 13. On a consolidated basis, the total outstanding order book as on March 31, 2014 stood at ₹ 7.1 billion.

## Domestic

The domestic market for up to 30 MW, after remaining flat for the past two financial years, has shown a marginal growth of 5% in FY 14 over the previous year. The improvement took place mainly in the second half of the year. In FY 14, the Company has improved its market share from 58% in FY 13 to 63%. Sugar co-generation, process co-generation (PCG) and metals were the major contributors to demand growth, with the demand for PCG coming mainly from Food, Paper and Pharmaceuticals Industries.

The domestic market witnessed lower average capacity of turbines. The competition has intensified in this range with the market players vying for the same business to keep their capacities occupied. The Company has addressed this by introducing low cost models which have been successfully commissioned.

## Exports

The export order booking in the current financial year was lower than FY 13. This was mainly due to adverse macro economic factors, political instability, currency volatility etc, in many of TTL's target markets. The order booking from the

export market during the first half was significantly lower in comparison to FY 13 which resulted in overall year on year decline. The order inflow which strengthened in the second half of the year continues to hold this trend even in the current year with a strong enquiry book from the export market.

The Company has, apart from limited direct marketing activities, enhanced its market reach by appointing local representatives and business partners in the applicable markets which has enlarged the enquiry base. Globally, Triveni turbines are installed in over 40 countries.

## Aftermarket Services

The aftermarket services team is the first point of contact for the customer after the delivery of turbine, and is responsible for building a relationship with the customer on the foundation of expertise and trust that lasts for the life time of the turbine.

The support function gets initiated with smooth commissioning followed by after-sales services including annual maintenance, spares and in some instances O&M. Triveni's customer support is a decisive business differentiator. With a strategic network of offices across India, every customer is supported by its well trained engineers operating from a proximate location thereby reducing turn around time. The Company's foray into refurbishment of other makes of turbines started yielding results both from the domestic and international markets. This service is being offered to steam turbines upto to the range of 300 MW, which the Company expects to gain momentum in the coming years.





In a year when the business sentiment has been low, new initiatives were taken with an aim to strengthen customer satisfaction and business growth. This has led to new markets and segments being opened up in spares and refurbishing business which bodes well for the business in the coming years. During the year, the Company forayed into international market in aftermarket business and is in the process of evaluating establishment of service centres in select geographies.

## Manufacturing Facility

The Company's state-of-the-art turbine manufacturing facility, spread over an area of 15,000 sq meters is located at Bengaluru, India. The facility is equipped with best in class CNC machine tools capable of carrying out precision machining of turbine components to international quality standards. The CNC machinery includes 4 and 5 axis vertical machining centres for blades, mill-turn centres for rotors and CNC gantry and CNC VTL for casing machining. The facility is also equipped with assembly-cum-test beds with the capability of recording test results on a data acquisition system which is connected with central server with wireless modems. The vacuum balancing tunnel helps the Company deploy comprehensive testing of every turbine before it gets despatched. The facility has a capacity to manufacture over 150 turbines a year. The manufacturing facility is certified for ISO 9001 QMS & ISO 14001 EMS standards and has adopted world class manufacturing principles such as daily work management, kaizen, 5S, TPM, employee involvements through QC's etc.

## Technology

The Company believes in continuous product development and deploys cutting edge technology to provide innovative solutions meeting global standards. Its state-of-the-art R&D centre, which is approved by Department of Scientific Industrial Research of Government of India, is constantly working towards developing technologically superior designs that deliver higher performance and add value to customers. 11 new advanced models/variants have been designed during the year which address the requirements for both the lower and higher ends of the product range. Proven hybrid blade-path with optimised reaction and impulse technology was developed and deployed to enhance customer value of the product.

## Intellectual Property Rights

As the Company upgrades and improves its steam turbine designs for optimal performance, protection of Intellectual Property (IP) becomes crucial. Operating in a technology intensive industry, the Company values Intellectual Property Rights and ensures that its IP team gets involved right from the planning and conceptualisation stage to the final design and development of products. The Company has a comprehensive IP strategy for creation and protection of long-term IP assets. The IP policy covers patents, industrial designs, copyrights and trademarks protection. The IP team undertakes complete technology scanning of all R&D projects as well as other protectable IPs. Stringent Information Technology, digital communication and security policies are in place to prevent the risk of IP leakage. Filing and prosecution of patent applications and design registrations has been carried out in India, Europe, South East Asia, and the U.S.A. During the year, the Company made 42 IP filings and so far the Company has 92 filings in India and 29 filings in foreign countries.

## Supply Chain

Effective supplier relationship management has been instrumental in the growth and success of the Company. A well-defined purchase policy covering all aspects of the procurement provides guidelines for transparent, cost effective and consistent working of purchase function and also for procurement risk mitigation. Loyal supplier base is developed

through long term supply agreements with supply chain partners.

Selection of new supplier is carried out through a well defined qualification process and re-evaluation of existing critical suppliers is done periodically to ensure supplier's quality standards are consistently meeting Company's requirement.

The Company proactively shares its business plans with suppliers in order to align them with its business challenges such as orders with faster delivery deadlines, special technical requirements, first-of-its-kind aspects etc. With the increasing export business, suppliers are also encouraged to enhance their capacity & capabilities to meet the global challenges and the Company is working closely with them in making this possible.

While suppliers are governed by a strict code of conduct and non-disclosure agreements, the Company partners with them to improve their manufacturing processes to minimise & eliminate rejections and rework, thus reducing costs. The Company also conducts EHS audits through reputed agencies periodically to enhance the supplier's working standards and to ensure that suppliers are meeting the EHS requirements.

The Company succeeded in managing its costs by its unique strategies and value engineering initiatives in rationalising designs and materials, as well as by developing new and effective suppliers. These initiatives are helping the business to contain the cost, in spite of rising price in some of the major raw material and fuel cost in particular. Suppliers are working very closely with the Company in its initiative to achieve 'zero defect' and there has been a significant positive change in the thought process across the supplier base.

### Quality Assurance

The Company's products are manufactured in accordance with the international quality norms such as API, ASME, AGMA, NEMA and IEC among others. The Company ensures that its network of quality suppliers and dedicated sub-contractors also comply with these standards through QAPs and Standard Operating Practices to maintain comprehensive quality control of turbine and its auxiliary systems. The products also comply with CE/PED Mark Quality Certification as per European norms.

The Company has adopted Zero Defect approach to quality which is supported by tools and techniques like Visual



Management system, root cause analysis followed by CAPA, DMAIC, Kaizen, QIP, and a rigorous Customer Complaint Resolution System.

Kaizen movement was started in 2010 to inculcate a culture of continuous innovation and improvements throughout the organisation. It continues to give significant benefits in productivity, quality, cost and EHS. TTL regularly participates in the all India Kaizen events organised by CII-TPM Club of India and has bagged several awards. TTL has also been consistently improving its performance in the CII-Exim Bank promoted Business Excellence award process.

### **Human Resource**

Employee development is crucial to the Company's realisation of its long-term mission. Laying emphasis on skilling, re-skilling and up-skilling, the Company helps its employees keep abreast with evolving technologies, processes and techniques. Continuous learning is intrinsically weaved into the DNA of the Company and a dedicated Learning Centre helps in this direction.

TTL's core competence rests in designing customised products according to customer's specifications. With an aim to improve complaint resolution and product performance, Zero Defect was adopted as theme of training and development for FY 14. Employees, from workmen to executives, were trained on the Zero Defect viz., in product and its performance.

In addition, all the workmen in the production department were trained on problem solving techniques. Quality Circles were formed to improve the focus on product quality. The Company's training programme continues to focus on developing technical expertise across design, manufacture and servicing of steam turbines in addition to soft skills such as managerial, behavioural and leadership. The customer care engineers were given focused training on "Product Knowledge Upgradation".

Computer Based product Training (CBT) module, developed by the learning centre, is an effective comprehensive self-learning aide on turbine technology developed by the Learning Centre. CBT module was upgraded during the year in order to cover recent change in technology and process.



The Learning Centre is building its repository of knowledge on the existing product range and on the new developments in tandem with R&D and Engineering. The engineers of domestic and international suppliers of balance of plant (BOP) equipment were trained on technological updates through a joint effort of the Learning Centre and Supply Chain function. The Learning Centre in association with Production, Planning and Control also organised training for all vendors and their employees on Supplier Quality Improvement Programme (SQIP).

The Learning Centre contributes equally towards customer training programmes mainly in aspects of operation and maintenance of steam turbine generator islands. A total of 1634 man days were dedicated for the employees in training for the year. The Graduate Engineer Trainees on the other hand underwent 6226 man days of training before being inducted into their relevant departments.

### **Environment, Health & Safety (EHS)**

The Company maintains world class environment in the premises in terms of green cover in open areas and cleanliness within and around the buildings. The Company follows an environmental management system in accordance with ISO 14001. Apart from this standard, there are comprehensive processes in place for ensuring health and safety of people, plant and equipment. The EHS results are reviewed at periodic intervals and relevant data is captured in a structured manner to enable appropriate corrective and preventive actions. Training is imparted on a regular basis in order to build awareness on EHS



and reduce accidents. Employee involvements are ensured in EHS movement through observance of National Safety Day, EHS committees and conducting EHS audits.

## **Outlook**

TTL expects the industrial and investment sentiments in India to improve with the new government in office. We anticipate an upturn in capital expenditure on the back of overall improvement in business sentiments and macroeconomic parameters. The resultant improvement in demand and capacity utilisation is likely to spur capital expenditure for expansion in industrial segments thereby supporting the growth of the capital goods sector. The Company expects capital goods sector to witness enhanced order finalisation from the second half of FY 15.

In the international markets, investments are likely to pick up in Biomass IPP as well as conversion of coal based power plants into biomass based ones. With banning of landfills, alternate disposal of civic waste would facilitate investments in waste-based power generation either through direct incineration or gasification. Latin America, Africa and parts of Europe continue to be big potential markets for such opportunities. We will continue to select the new markets in alignment with our export strategy, develop agents and generate enquiries. Further, the Company believe that its addressable market will also be revived which in turn should result in better order finalisation from these markets.

With an improving domestic market coupled with a strong export potential and a strong carry forward order book both in TTL and GETL, the Company believes its performance in FY 15 to be much better than that of FY 14, with strong order booking, revenue growth and sustained margins.

## **GE Triveni Limited (GETL)**

GE Triveni Limited, a joint venture with General Electric Inc. is a subsidiary of the Company. GETL is engaged in the design, supply and service of advanced technology steam turbines with generating capacity in the range of above 30-100 MW.

GETL is today offering products, manufactured to international standards of quality and reliability, with best in class efficiencies. The flange to flange turbine is manufactured competitively at TTL's Bengaluru facility, and the complete project is executed by GETL in accordance with GE's procedures and processes which include certification of suppliers, adherence to environment and other standards.

Order booking in FY 14 was ₹ 1.8 billion as against ₹ 0.40 billion in FY 13. The highlights of this substantial increase in order booking were primarily due to an order of 38 MW for a fertilizer plant in Indonesia and another order for 2 turbines of 55 MW each for an Independent Power Project in mining industry in the Philippines. These orders from two countries and two different sectors bode well for future references, enquiries and orders. In the domestic market, GETL received an order for a 45 MW turbine from a cement manufacturer and a 31 MW order from a sugar manufacturer. These orders have enabled GETL to break into two new sectors in the domestic market.

With a strong carry forward order book, the Company expects a significant increase in turnover and improved financials in FY 15.

## **Corporate Social Responsibility (CSR)**

As a responsible corporate with conscience, the Company is cognizant of its responsibility towards society and environment and undertakes adequate measures in this direction. During the year, the Company has participated in many community welfare programmes such as providing education to underprivileged children, financial assistance to physically challenged children,

skill development programmes and blood donation camp among others.

The Company provides financial and management support to one of Delhi's oldest and most reputed hospitals, Tirath Ram Shah Charitable Hospital. The hospital runs free OPD sessions attending around 250-300 patients everyday. In addition, the investigations are done on highly subsidised rates. The hospital renders free of cost in patient services including surgeries to patients from the economically weaker sections of the society.

The Company renewed its support with M/s. PeoplePro Trainers & Consultants Pvt. Ltd. to impart training on Life Skills to 400 underprivileged students of the Government Model Primary School, Peenya, Bengaluru for the academic year 2013-14. Two trainers from M/s. PeoplePro visit the school to impart training on the life skills viz., trustworthiness, cleanliness, civic sense, self-discipline, time management, problem solving, tolerance, conflict resolution, stress management etc.

Employee Engagement is an Initiative of LEAPS. As a part of this initiative, more than 30 employees have volunteered to act as Big Buddies for the under-privileged students. The Big

Buddies visit the school on the predetermined dates, interact with the students and teach them various subjects. Big Buddies also act counsellors to the students which help the students to concentrate more on studies.

The Company, during the year, extended financial support for various projects involving schools especially meant for differently abled children apart from providing support for education of economically weaker children.

The Company is also involved with India Youth Soccer Association (IYSA) in organising the New Delhi Josh football programme for disadvantaged children in which 150 players between the ages of 8-16 from Delhi Government schools receive intensive coaching and opportunity to play in the League. The programme aims to create a positive attitude and self confidence in these children. It gives these children an opportunity to be trained in professional and structured manner and to become successful players in future. IYSA Under-19 team participated in the Delhi Youth league 2013-14 and won the Championship, in which a number of expats and private school academies also participated.



## FINANCIAL REVIEW

The summarised financial results of the Company for the year 2013 - 14, compared with the previous year's results, are provided hereunder:

Description	₹ in Million		
	2013-14	2012-13	Change %
Net Turnover	5056.9	6568.5	-23.0
EBITDA	1148.2	1716.3	-33.1
Depreciation & Amortisation	128.6	122.6	4.9
Finance Cost	6.0	27.2	-77.9
Profit Before Tax	1013.6	1566.5	-35.3
Tax	329.1	500.2	-34.2
Profit After Tax	684.5	1066.3	-35.8

The prolonged economic slowdown continuing from the previous year and its impact on the capital goods sector has led to the lower turnover for the Company in FY 14. The weak inflow of orders in the first half of the year also contributed to this decline. However, order flow improved in the second half. The order book at the end of the year stood at ₹ 5.8 billion, which is 23% higher than at the end of the previous year.

In the export market, though the turnover was lower than the previous year, the fundamentals of our value offering remain intact and is well appreciated by customers. Our penetration in the export market was somewhat hindered by currency depreciation in the ASEAN and SAARC countries, political unrest in certain Asian countries, and the economic slowdown in Europe.

The lower turnover has resulted in decline in EBITDA by 33.1% compared to the previous year. However, the Company has been able to maintain its PBT margin above 20% which is a



creditable achievement. The Company also maintained almost a debt free status during the year.

### Raw Material Consumption

Description	₹ in Million		
	2013-14	2012-13	Change %
Raw material (net of increase/decrease in WIP and Finished goods)	2775.3	3803.8	-27.0
Percentage of sales	54.9%	57.9%	

Reduction in Material cost is commensurate with the reduction in production during the year. Utilising its effective supply chain, the Company has been able to contain the input costs. Further, higher proportion of after-market services, where the material content is lower, helped to reduce the percentage of material cost to Sales.

### Personnel Cost, Other Expenses and Depreciation

Description	₹ in Million		
	2013-14	2012-13	Change %
Personnel cost	567.0	537.7	5.5
Percentage of sales	11.2	8.2%	
Other Expenses	675.9	591.6	14.2
Percentage of sales	13.4%	9.0%	
Depreciation & Amortisation	128.6	122.6	4.9
Percentage of sales	2.5%	1.9%	

In respect of all the above expenses, the percentage to sales has increased due to the reduced turnover.

### Personnel Cost

The increase in personnel cost is due to the annual increment as per the Company's policy. Further, the previous year figures included arrears of earlier years payments arising from the agreement signed with the unionised staff.

### Other Expenses

Other expenses comprise of manufacturing, administration, exchange fluctuations and selling expenses.

The increase is attributed to purchase of certain tools for manufacturing the higher range turbines, major repairs of certain machines in accordance with their maintenance cycle,

increase in travelling expenses for export marketing and increased export related selling expenses.

### Depreciation and Amortisation

The depreciation of fixed assets and amortisation of intangible assets take into account additions during the year.

## Balance Sheet

### Share Capital

As stated in the Directors' Report, consequent to the allotment of 92000 equity shares under Triveni Turbine Ltd. (New Stock Option Scheme), the Issued, Subscribed and Paid up share capital stand increased to ₹ 32,99,72,150 divided into 32,99,72,150 equity shares of ₹ 1/- each. During the year the Company has redeemed 2,800,000 8% Cumulative Redeemable Preference Share for ₹ 10 each on May 31, 2013.

### Reserves and Surplus

Reserves have increased by 36.7 % to ₹ 1481.8 million due to the plough back of profits after payment of dividend.

### Loans and Working Capital

The Company has remained virtually debt free. During the year, the Company used Cash Credit limits sparingly and utilisation at the year-end was ₹ 69.2 million.

Description	March 31, 2014	March 31, 2013
Term loans	Nil	Nil
Cash Credit	69.2	Nil
Vehicle loans	8.6	8.1
Total	77.8	8.1
<b>Break-up</b>		
-Long term borrowings	5.2	5.0
-Short borrowings	69.2	Nil
-Other current Liabilities	3.4	3.1

### Investments

Investments remained unchanged during the year.

### Fixed Assets

The major purchase during the year was industrial land for expansion from Karnataka Industrial Areas Development Board (KIADB). KIADB has issued a confirmatory Letter of Allotment for about 24 acre of industrial land in the Sompura Industrial Area near Dobespet, 24 km north of Bengaluru. The Company has paid ₹ 368 million to KIADB and obtained the possession certificate. Pending registration and payment of requisite stamp duty, the amount paid is shown under Capital Advances.



# RISKS REVIEW

## Business Risks and Mitigation

The Company's business which relates to steam turbines falls under the capital goods industry and is closely linked with the country's economic activities. While domestic sales form 71% of total turnover, the share of exports is steadily increasing. Though several factors are not within the control of the Company, it strives to mitigate these external risks in the best possible manner by ensuring diversified streams of revenues and avoiding overdependence on any sector or region.

## Major risks

### Economic slowdown

The slowdown in the economy directly impacts the demand of capital goods. The Company adopts a multi-pronged strategy to deal with such a situation. It has been focusing on the international market to reduce over dependence on a single market, and focuses on after-market revenues and value engineering to preserve its turnover and profitability.

### Rising interest rates

Rising interest rates and cost of capital increase the business risk of project developers and thereby reduce the demand for capital goods.

The Company supplies turbines in the sub 30MW sector where the project cost is not high and most projects qualify for low cost finance, and subsidies and tax exemption for generating power especially from renewable energy sources.

### Technology risk

The Company operates in the engineered-to-order capital goods industry, where product efficiency and critical product features play an important role in determining overall life cycle costs.

The Company mitigates the technology risk by vigilantly studying and forecasting market trends and customer preferences, and accordingly develops its R&D program.



The Company has an innovative research and development department which undertakes new product development and improvements within the shortest possible time and at an optimal cost. The Company has a robust technical training programme at its in-house learning centre for all levels of engineers, including the new recruits.

#### Competition risk

The Company faces competition from steam turbine manufacturers of international repute in the domestic and international markets. This may compel the Company to quote aggressively and impact its margins.

With a view to mitigate these risks, the Company provides a value proposition to the customer with products which meet benchmark efficiencies at a competitive price and shorter delivery and without compromising on margins. Further, the

products are backed by a service organisation which is the best in class in India, and of a competitive standard with its competitors internationally.

#### Availability of capital

Non-availability of capital may affect the growth plans of the Company.

The business model of the Company is highly technology intensive and not capital intensive and relies on a well-developed supply chain. Further, the business operates with minimal working capital. The Company's free cash flow generation is considered adequate to meet its capital expenditure after distribution of adequate dividends to shareholders. The Company has an investment grade external rating which would help it raise funds at a remunerative rate, if required.



# MANAGEMENT REPORTS



# DIRECTORS' REPORT

Your Directors have pleasure in presenting the 19<sup>th</sup> Annual Report and audited accounts for the Financial Year (FY) ended March 31, 2014

## Financial Results

	(₹ in Million)	2013-14	2012-13
Revenue from operations (net)	5056.88	6568.47	
Operating Profit (EBITDA )	1148.20	1716.30	
Finance cost	5.99	27.25	
Depreciation & amortisation	128.60	122.62	
Profit before tax (PBT )	1013.61	1566.43	
Tax expense	329.09	500.18	
Profit after tax (PAT )	684.52	1066.25	
Earning per equity share of ₹ 1 each (in ₹)	2.07	3.22	
Surplus available for Appropriation	1168.49	1244.71	
Appropriation:			
Equity dividend (including dividend distribution tax)	289.51	308.12	
Preference dividend (including dividend distribution tax)	0.43	2.62	
Transfer to General Reserve	100.00	450.00	
Transfer to Capital redemption reserve	28.00	-	
Surplus carried forward	750.55	483.97	

## Review of Operations

Revenue from operations decreased by 23% owing to reduced order booking in the second half of FY 13 and Q1 FY 14. This was due to subdued demand arising from the economic slowdown and low business sentiments. Even in the international market, there were undue delays in the finalisations of orders owing to multiple reasons - currency depreciation in the ASEAN, and SAARC countries, political unrest in some European and Asian countries and the general economic slowdown. Our PBT margins were reduced due to the reduced turnover, but in spite of this decline, we have been able to achieve margins above 20%. Our focus continues to be on expansion of our footprints in the global market and to exploit the after-market business potential especially in the international market. Normalcy was restored in the second half of the year under review when almost 70% of the orders booked during the year were received. At the end of FY 14, our outstanding order book is comfortable at ₹ 5.8 billion, an increase of 23% versus end FY 13 on a

standalone basis, and ₹ 7.1 billion on a consolidated basis, which is a growth of 45%. The flow of orders from the export market is continuing and it gives us confidence that our performance in the financial year 2014-15 will greatly improve, and be close to the level achieved in FY 13.

We have received increased enquiries from Europe, Turkey, SAARC region and Africa which augurs well for future orders from these countries. We have identified key countries and sectors for a focused marketing thrust. We are also increasing our efforts on creating brand awareness and positioning Triveni Turbines as a strong global brand which offers the best product efficiencies and customer specific value propositions. During the year, our R&D department, which is approved by the Department of Scientific Industrial Research, Government of India, designed and developed eleven advanced models and variants. These new models address the requirements for both ends of the product range and proven hybrid technologies have been employed to enhance the value of the product to the customer. The company is meticulously safeguarding its intellectual property and during the year achieved 42 IP filings in India and overseas.

During the year, GE Triveni Limited (GETL) a subsidiary of the Company and a joint venture with General Electric Inc., achieved increased order bookings of ₹ 1.82 billion which included international orders of ₹ 1.46 billion. Having achieved a breakthrough in the international market, the outlook for GETL in the coming years appears very promising.

## Dividend

The Board of Directors of your Company are pleased to recommend a final dividend of ₹ 0.55 per equity share of face value of ₹ 1/- each (55%). The total equity dividend for FY 2014 including the interim dividend of ₹ 0.20 per equity share (20%) paid in November 2013, amounts to ₹ 0.75 per equity share (75%) and the total outgo on account of equity dividend would be ₹ 289.51 million (including dividend distribution tax).

## Subsidiary Company

During the year under report, the Board of Directors reviewed the affairs of the subsidiary company. As per section 212 of the Companies Act, 1956, the Company is required to attach the

balance sheet, statement of profit and loss and other documents of its subsidiary. However, the Ministry of Corporate Affairs (MCA), General Circular No. 2/2011 dated February 8, 2011, has granted general exemption to companies from annexing the individual financial statements of the subsidiary along with the audited financial statements of the Company, subject to fulfilment of conditions stipulated in the said circular. Your Company meets these conditions and, therefore, the financial statements of the subsidiary company, GE Triveni Ltd. are not annexed.

The related information on the Annual Report will be made available to the shareholders of the Company, who may seek such information at any point of time. The annual report of the subsidiary company will also be kept for inspection by investors at the Company's corporate office as well as the registered office of the subsidiary company. However, as per the said circular issued by MCA, financial data of the subsidiary has been furnished in the consolidated financial statement forming part of the Annual Report.

Information relating to the subsidiary company, as required under Section 212 of the Companies Act 1956 is provided in Annexure 'C' of this Report.

## **Human Resources**

Your Company focuses on engineered-to-order Turbo Generator island. To continuously deliver an engineered product to the customers as desired, we foster a robust team of skilled manpower, and this has been one of our critical success factor. This manpower is well motivated and all the critical positions are manned suitably, trained to deliver. Attrition rate in TTL last year was at 7%, which is well below the average market rate. The company has a robust Performance Measurement System (PMS) and has introduced various initiatives for performance enhancement and employee engagement. The learning centre conducts a number of programmes on skill building, motivation, team building and leadership. A special effort is being made for our export service engineers and design staff. The Company delivered training of an average 4.3 man days to each employee.

## **Consolidated Financial Statements**

In accordance with the Accounting Standard 21 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 and Accounts.

## **Employee Stock Options**

During the year under report, pursuant to the approval of the shareholders, the Company has instituted TTL ESOP 2013 providing for issuance of options resulting into not exceeding 3 million equity shares of ₹ 1/- each. No stock options were issued under TTL ESOP 2013.

Subsequent to the year, with the exercise of outstanding vested stock options by an eligible employee, TTL NSOS stands terminated. The required disclosures of the TTL NSOS are provided in Annexure 'D'.

## **Change in Capital Structure**

During the year under report, the Company had made allotment of 64,400 equity shares of ₹ 1/- each to an eligible employee under TTL NSOS. Subsequently on May 07, 2014 the Company had made an allotment of 27,600 equity shares of ₹ 1/- each under TTL NSOS. These equity shares have been listed and admitted to dealings/ in the process of listing on the BSE Ltd. and National Stock Exchange of India Ltd.

As on the date of this report, the issued subscribed and paid-up equity share capital of the Company is ₹ 32,99,72,150/- divided into 32,99,72,150 equity shares of ₹ 1/- each.

## **Corporate Governance**

A separate report on Corporate Governance is given in Annexure 'E' along with the Auditors' statement on its compliance in Annexure 'F'.

## **Auditors**

M/s J.C. Bhalla & Co., Chartered Accountants (JCB), Statutory Auditors of the Company and M/s Virmani & Associates, Chartered Accountants (VA) Branch Auditors of the Company's

Works at Bengaluru, hold office till the conclusions of the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

The Company has received letters from both of them to the effect that their re-appointment, as Statutory Auditors and Branch Auditors if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013 and that they are not disqualified for reappointment. They have consented to continue in office, if re-appointed.

## **Cost Auditor**

In pursuance of Section 233-B of the Companies Act, 1956 read with the directions issued by the MCA, M/s J.H. & Associates, Cost Accountants, Bangalore were appointed as Cost Auditor to conduct the cost audit of the engineering operations (comprising of steam turbines manufacturing) for the financial year ended on March 31, 2014.

The Cost Audit Report and the Compliance Report for the financial year 2012-13 ended on March 31, 2013 was filed by the Cost Auditor with MCA within the prescribed time.

## **Directors' Responsibility Statement**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- i. In the preparation of the Annual Accounts, applicable accounting standards have been followed;
- ii. Appropriate accounting policies have been selected and applied consistently, and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the statement of affairs of the Company as on March 31, 2014 and of the profit of the Company for the year ended March 31, 2014;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and detecting fraud and other irregularities;
- iv. The Annual Accounts have been prepared on a going concern basis.

## **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The particulars required under Section 217 (1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors), Rules, 1988 are provided in Annexure 'A' to this Report.

## **Corporate Social Responsibility**

Over the years, the Company has been taking various initiatives towards community development in key areas – Education, healthcare, environment, community enhancement and sports and recreation.

As per the Companies Act 2013, all companies having net worth of ₹ 500 crore or more, or turnover of ₹ 1000 crore or more or a net profit of ₹ 5 crore or more during any financial year will be required to constitute a corporate social responsibility (CSR) committee of the Board of Directors comprising of three or more directors, at least one of whom will be an independent director.

Aligning with the guidelines, we have constituted a committee comprising of Dr. (Mrs.) Vasantha S Bharucha - Independent Director, Mr. Nikhil Sawhney - Vice Chairman and Managing Director, Mr. Tarun Sawhney and Mr. Arun Prabhakar Mote - Directors of the Company. The committee is responsible for formulating and monitoring the CSR Policy of the Company.

## **Particulars of Employees**

As required under the provisions of sub section (2A) of Section 217 of the Companies Act, 1956 (Act) read with the Companies (Particulars of Employees) Rules, 1975 as amended, the particulars of employees are set out in the Annexure 'B' to the Directors' Report. However, having regard to the provision of section 219(1) (b) (iv) of the Companies Act, 1956, the Annual Report is being sent to all the shareholders excluding the aforesaid information. Any shareholder desirous of obtaining the same may write to the Company Secretary at the registered/corporate office of the Company.

## Directors

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, seeks re-appointment. The Board has recommended his re-appointment.

By virtue of provisions of Section 161(1) of the Act, Dr. (Mrs) Vasantha S Bharucha was appointed as Additional Director by the Board with effect from March 19, 2014 and she shall hold office upto the date of the ensuing AGM. The Company has received notice, pursuant to Section 160 of the Act from a member signifying his intention to propose the appointment of Dr. Bharucha as Independent Director of the Company. Being eligible, Dr. Bharucha offers herself for appointment. The Board has recommended her appointment as an Independent Director for a term of upto five consecutive years.

To comply with the provisions of Section 149 and other applicable provisions of the Act, the Board has recommended the appointment of all the existing non-executive Independent Directors as Independent Directors, with Lt. Gen. K.K. Hazari (Retd.), Mr. Amal Ganguli and Mr. Shekhar Datta to hold office as per there tenure of appointment mentioned in the notice of the forthcoming Annual General Meeting. All of them being eligible, offer themselves for appointment.

During the year, Mr. Nikhil Sawhney was elevated as Vice Chairman and Managing Director with effect from November 6, 2013. The other terms and conditions of his appointment remain the same as approved by the Shareholders.

The term of Mr. Arun Prabhakar Mote, as Whole-time Director (designated as 'Executive Director') is due to expire on October 31, 2014. The Board is seeking re-appointment of Mr. Mote as Whole-time Director, liable to retire by rotation, for a further period of 2 years with effect from November 1, 2014.

Mr. Meleveetil Damodaran and Mr. K.N. Shenoy ceased to be Directors of the Company due to their resignation with effect from September 9, 2013 and May 8, 2014 respectively. Your Directors place on record their gratitude and appreciation for the guidance provided by the outgoing Directors.

## Public Deposits

The Company has not accepted any public deposits under Section 58A of the Companies Act, 1956 during the year.

## Green Initiatives

As a part of green initiatives of the Company and minimizing the impact on the environment, like the earlier years, this year too, electronic copies of the Annual Report 2014 and the Notice of the 19<sup>th</sup> AGM are being sent to all the members whose email addresses are registered with the Company/Depository Participants(s). For members who have not registered their email addresses, physical copies of the Annual Report 2014 and the Notice of the 19<sup>th</sup> AGM are being sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary.

## Appreciation

Your Directors wish to take the opportunity to express their sincere appreciation to our customers, suppliers, shareholders, employees, the Central and Karnataka Government, financial institutions, banks and all other stakeholders for their whole-hearted support and co-operation. Your Directors also wish to record their appreciation for the continued co-operations and support received from the Joint Venture partner.

We look forward to their continued support and encouragement.

For and on behalf of the Board of Directors,

Place : Noida ( U.P)

**Dhruv M. Sawhney**

Date : May 27, 2014

Chairman and Managing Director

# ANNEXURE – A

## (A) Conservation of Energy

### (a) Energy Conservation Measures

- Installed UPS for Vertical Machining Centres to avoid machining cycle restart after power failure. This has resulted in energy savings of about 2100 KWH/year.
- Achieved energy savings of about 3000 KWH/year by replacing CFL and tube lights with LED lights, installing AC drive for motor used for refurbishing work, and optimizing pump operate duration by timers.
- Reduction of cycle time in high end CNC machines has resulted in savings of 24537 KWH/year.
- Utilization of condenser to recover water of about 7 lacs liters per annum from exhaust steam.
- Developed process which has resulted in reduction of Mechanical Run Test (MRT) time of turbines leading to conservation of furnace oil.

### (b) Additional Investment and proposals for Reducing Energy Consumption

- Replacement of existing lighting with energy efficient LED lighting system inside shop floor to full extent to have significant power savings.
- Further improvement of process is in progress whereby additional reduction of MRT time for turbines can be achieved which will help to reduce furnace oil consumption.

### (c) Impact of Above Measures

The above measures have helped to conserve power, fuel and water in our plant, which otherwise would have not been saved.

## Form A

Disclosure of particulars with respect to conservation of energy (to the extent applicable)

### Power and Fuel Consumption

Particulars	2013-14	2012- 13
<b>1. Electricity</b>		
a) Purchased		
Units (000's KWH)	1963.54	2104.94
Total Amount (₹ in million)	12.64	13.17
Rate/unit(₹/kwh)	6.44	6.26

Particulars	2013-14	2012- 13
b) Own Generation		
Through Diesel Generators		
Units (000's KWH)	295.70	167.77
Units Per Litre of Diesel Oil	3.17	3.04
Cost / Unit (₹)	18.66	17.55
2. Furnace Oil		
Quantity in (Kilo Ltrs.)	414.47	512.67
Total Amount (₹ in million)	21.07	23.50
Rate (₹ / Ltr.)	50.83	45.84

## Form B

Disclosure of particulars with respect to technology absorption

### (A) Research & Development (R & D)

#### 1 Specific Areas in which R&D was carried out by the Company

- 4 year run of higher steam parameter extraction steam turbines for sugar cogeneration application is completed and feedbacks implemented.
- More efficient reaction stages are incorporated in turbines for both condensing and backpressure models.
- New extraction condensing turbines offering more flexibility of operation has been developed.
- Back pressure turbine range has been extended for both pressure and power range.
- Developed direct drive application turbine in various ranges.
- Turbines with multiple options of inlet and exhaust orientations developed.
- New models and variants are developed in double digit to meet growing market needs.

#### 2 Benefits as a result of the above R&D

- Filling the gap in the Company's product range with improved performance and reliability and reduced carbon footprint.
- Field stabilization of models in higher steam parameter segment which is a growth segment.
- Agile engineering system developed to address customized turbine requirements.
- Migrating to reaction based turbine platform to meet market needs.

### 3 Future plan of action

- a) Introduction of next generation blade path for efficiency enhancement.
- b) Further development of higher MW series of steam turbines for extension of product range.
- c) Further development of multiple inlet and exhaust option turbines.
- d) Concept development of turbines for different types of Rankine cycle applications.

#### Expenditure on R&D

Particulars	(₹ in Million)	
	2013-14	2012- 13
a) Capital	30.21	10.65
b) Recurring	50.68	43.57
c) Total	80.89	54.22
d) Total R&D expenditure as percentage of turnover	1.60%	0.83%

### (B) Technology Absorption, Adaptation and Innovation

The details of R&D efforts, benefit derived and technology developed is provided in (A) above. The company has been commercially exploiting the technology in the past. The company has not imported any technology in the last five years.

### (C) Foreign Exchange Earnings and Outgo

(₹ in Million)

Particulars	
1) Earnings in Foreign Exchange	
Value of exports on F.O.B. basis	1258.73
Others	156.07
2) Foreign Exchange Outgo	314.84

## ANNEXURE – C

### Statement Pursuant to Section 212 of Companies Act, 1956

Subsidiary Company	GE Triveni Limited
1 Financial Year ended	March 31, 2014
2 Extent of holding Company's interest at the end of financial year of the subsidiary	50% + 1 share
3 The net aggregate amount of the subsidiary's profit/(loss), so far as it concern the members of the holding Company and is not dealt with in the Company's accounts	
a) For the financial year ended March 31, 2014 of the subsidiary company (₹ in Million)	(11.82)
b) For the previous financial years of the subsidiary since it became the holding Company's subsidiary (₹ in Million)	(27.65)
4 a) The net aggregate amount of the subsidiary's profit/(loss), for the financial year of the subsidiary so far as those profit/(loss) are dealt with in the holding Company's accounts	Nil
b) The net aggregate amount of the subsidiary's profit/(loss), for the previous financial years of the subsidiary since it became the holding Company's subsidiary so far as those profit/(loss) are dealt with in the holding Company's accounts	Nil
5 Changes in the holding Company's interest in the subsidiary between the end of financial year of the subsidiary and holding Company	N.A.
6 Material changes which have occurred between the end of the subsidiary Company's financial year and at the end of the holding Company's financial year in respect of:	
i) The subsidiary's fixed assets	N.A.
ii) Its investments	N.A.
iii) The money lent by it	N.A.
iv) The funds borrowed by the subsidiary	N.A.

## ANNEXURE – D

### Annexure D to the Directors Report Detail of the Triveni Turbine Limited New Stock Option Scheme (NSOS) 2013

Nature of Disclosure	Particulars
a) Number of options granted under NSOS from inception	40000 options representing the right to apply for a maximum of 1,84,000 equity shares.
b) The pricing formula	In accordance with the relevant provisions of the Scheme of Arrangement and SEBI Guidelines, the adjustment to the outstanding vested stock options has been made, considering the global best practices and ensuring that the fair value of options before and after the corporate action remains unchanged. The fair value has been arrived using Black Scholes Option Pricing formula.  Accordingly, a fair and reasonable adjustment has been made in the entitlement to shares under the options, the exercise price having been determined based upon the market price.
c) Options outstanding and vested at the beginning of the year	40,000
d) Options granted during the year	Nil
e) Options vested during the year	Nil
f) Options lapsed during the year	20,000
g) Options exercised during the year	14,000
h) The Total number of equity shares arising as a result of exercise of options	64,400
i) Money realised by exercise of options	₹ 3.35 million
j) Variation of terms of options	None
k) Total number of options in force at the end of the year	6,000*
l) Employee wise detail of options granted during the year:	
(i) Senior managerial personnel	None
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during the year.	None
(iii) Identical 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 Earnings per share.	₹ 2.07 per share
n) Method of calculation of employee Compensation Cost.	The employee compensation cost is calculated using the intrinsic value method to account for the stock options. The stock-based compensation cost as per the intrinsic value method for the financial year is Nil, since the exercise price was determined based upon the market value of the shares, on the date of grant.
Difference between the employee compensation cost computed using the intrinsic value of the stock options and the employee compensation cost that shall be recognized if the fair value of the options granted had been used and its impacts on profits and EPS of the Company.	Had fair value method been adopted instead of the intrinsic value method, the impact would be:  a) The ESOP compensation charge debited to the P&L A/c of the current year would have been lower by ₹ 0.59 million and consequently, the profit of the Company for the year would have been higher by ₹ 0.59 million. b) Basic as well as diluted EPS would have increased by ₹ 0.01 each and would be reported at ₹ 2.08 per share)

o) (i) Weighted average exercise prices and weighted average fair value of options whose exercise price equals the market price of the stock.	Weighted average exercise price per option as granted on corporate adjustment : ₹ 239.20 per option (or ₹ 52.00 per share entitled under the option) Weighted average fair value per option : ₹ 29.30
(ii) Weighted average exercise prices and weighted average fair value of options whose exercise price exceeds the market price of the stock.	No such grants
(iii) Weighted average exercise prices and weighted average fair value 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 value of the options, including the following weighted average information	The fair value of the options granted on corporate adjustment, have been determined using the Black-Scholes Option Pricing formula and the significant assumptions made in this regard are as follows:
(i) Risk Free Interest rate	8.36%
(ii) Expected life	1.99 years
(iii) Expected Volatility	46.53%
(iv) Expected Dividend	1.20%
v) The price of the underlying share in market at the time of options granted	₹ 52 per share

\* Subsequent to March 31, 2014, these options have been exercised and the shares have been allotted to the concerned option holders

# ANNEXURE – E

## 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 stakeholders' trust. Good Governance underpins the success and integrity of the organisation, institutions and markets. It is one of the essential pillars for building efficient and sustainable environment, system 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 meet its stakeholder's aspirations and societal expectation. Your Company is committed to the adoption of best governance practices and its adherence in the true spirit at all times and envisages the attainment of a high level of transparency and accountability in the functioning of the Company and conduct of its 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 is conscious of the fact that the success of a company is reflection of the professionalism, conduct and ethical values of its management and employees.

In addition to the compliance with the regulatory requirements as per Clause 49 of the Listing Agreement, your Company's endeavours to ensure the highest standard of ethical and responsible conduct are met throughout the organisation.

### I Board of Directors ("Board")

The Company is managed and guided by the Board of Directors. The Board formulates the strategy and regularly reviews the performance of the Company. The Board has been entrusted with the requisite powers, authorities and duties to enable it to discharge its responsibilities and provide effective leadership to the Business.

The Company has an optimum combination of Executive, Non-Executive and Independent Directors who 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.

The Chairman and Managing Director of the Company provides vision and leadership for achieving the approved strategic plan and business objectives. He presides over the Board and the Shareholders' meetings. The Chairman and Managing Director with the support of the Vice Chairman and Managing Director, Executive Director and Senior Executives oversees the operations of the Company.

As on the date of this report the Board comprises of 8 (Eight) Directors, which include 4 (four) Non-Executive Independent Directors including one Women Director, 1 (one) Non-Executive Non Independent Director and 3 (three) Executive Directors. The composition of the Board is in line with clause 49 of the Listing Agreement.

### Independent Directors

The definition of independence of directors is derived from Clause 49 of the Listing Agreement executed with the stock exchanges. All the independent Directors of the Company made the 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.

### Meetings of the Board

The Board of Directors met 6 times during the financial year 2013-14 ended on March 31, 2014. The interval between any two successive meetings did not exceed four months. Board Meetings were held on April 10, 2013 , May 23, 2013, July 27, 2013, November 6, 2013, January 23, 2014 and March 19, 2014

## Composition of Board

The composition of the Board of Directors, their attendance at the Meetings during the year and at the last Annual General Meeting as also the detail with regard to outside Directorships and committee positions are as under:-

Name of Director and DIN	Meetings held during the year	No. of Board Meeting attended	Attendance at last AGM	No. of other Company Directorships##	No. of Committee positions held in other companies ###	
					Chairman	Member
<b>Promoter &amp; Executive Directors</b>						
Mr. Dhruv M. Sawhney # Chairman & Managing Director DIN-00102999	6	5	Yes	5	1	Nil
Mr. Nikhil Sawhney # Vice Chairman and Managing Director DIN-00029028	6	6	Yes	4	Nil	1
<b>Promoter &amp; Non-Executive Director</b>						
Mr. Tarun Sawhney # DIN-00382878	6	4	Yes	2	Nil	2
<b>Executive Director</b>						
Mr. Arun Prabhakar Mote Executive Director DIN-01961162	6	6	Yes	1	Nil	Nil
<b>Independent Non-Executive Directors</b>						
Lt. Gen. K.K. Hazari (Retd.) DIN-00090909	6	6	Yes	3	2	1
Mr. Amal Ganguli DIN-00013808	6	5*	No	11	4	5
Mr. Shekhar Datta DIN-00045591	6	6	Yes	2	1	2
Dr. (Mrs.) Vasantha S Bharucha ##### DIN-02163753	6	1	N A	Nil	Nil	Nil
Mr. K.N. Shenoy DIN-00021373 #####	6	4	No	3	1	1
Mr. Meleveetil Damodaran ##### DIN-02106990	6	Nil	No	-	-	-

# 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, Firms, Partnerships, Section 25 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.

#### Dr (Mrs ) Vasantha Bharucha was appointed on the Board w.e.f. March 19, 2014.

##### Mr. Meleveetil Damodaran resigned from the Board w.e.f. September 09, 2013 accordingly no disclosure is available in the records of the Company. Mr. K. N. Shenoy resigned from the Board w.e.f. May 08, 2014.

\* includes one meeting attended through conference call

## 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 the business exigencies or urgent matters the resolutions are passed by the Directors by Circulation.
- **Presentations by the Management:** The senior management of the Company is invited at the Board meetings to make presentations covering performance 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 members include:**
  - (i) Performance of business, business strategy going forward, new initiatives being taken/proposed to be taken and business plans of the Company.
  - (ii) Annual operating plans and budgets including capital expenditure budgets and any updates.
  - (iii) Quarterly results of the Company.
  - (iv) Minutes of the meetings of the committees of the Board.
  - (v) Show cause, demand, prosecution notices and penalty notices which are materially important.
  - (vi) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
  - (vii) Any material default in the financial obligations to and by the Company, or substantial non-payment for goods sold / services provided by the Company.
  - (viii) 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.

- (ix) Details of any joint venture or collaboration agreement.
- (x) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- (xi) Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement etc.
- (xii) Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- (xiii) Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material.
- (xiv) Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non payment of dividend, delay in share transfer etc.
- (xv) Statutory compliance report of all laws applicable to the Company.
- (xvi) Details of the transactions with the related parties.
- (xvii) General notices of interest of directors.
- (xviii) Appointment, remuneration and resignation of Directors.

- **Post Meeting follow up mechanism:** The important decisions taken by the Board/Committee(s) at its meetings are promptly communicated to the concerned departments/divisions. 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/ Committee.
- **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.

## II Board Committees

The Board Committees play a crucial role in the governance structure of the Company and are constituted to deal with specific areas/activities which concern the Company and are considered to be performed by members' of the Board. The Board supervises the execution of its responsibilities by the committees and is responsible for their action. The minutes of the meetings of all the committees are placed before the Board. The Board committees can request special invitees to join the meeting as appropriate. The Board has currently constituted the following committees with adequate delegation of powers to discharge business of the Company:

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

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

### 1. 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 terms 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 and Attendance

The Audit Committee met 5 times during financial year 2013-14 ended on March 31, 2014 on May 22, 2013, July 27, 2013, November 6, 2013, January 22, 2014 and March 19, 2014. The composition of the Board. 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	5	5
Mr. Amal Ganguli	5	5
Mr. Nikhil Sawhney	5	5
Dr (Mrs) Vasantha S. Bharucha*	Nil	Nil

\* Appointed as member w.e.f 27<sup>th</sup> May , 2014

The Chairman of the Audit Committee attended the AGM held on August 1, 2013 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 & Remuneration Committee

During the year, the nomenclature of the Remuneration Committee was changed to Nomination & Remuneration Committee w.e.f. Nov 06, 2013. Subsequent to the year, the Committee has been re-constituted under the Chairmanship of a Non Executive Independent Director. The Committee now comprises of the following Directors:

- (i) Mr. Shekhar Datta, Chairman
- (ii) Lt. Gen. K. K. Hazari (Retd.)
- (iii) Mr Amal Ganguli
- (iv) Mr. Tarun Sawhney

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

During the financial year ended on March 31, 2014, the committee met 4 times i.e. on April 10, 2013, May 23, 2013, November 6, 2013 and March 19, 2014. The composition and attendance record of each Committee Member is as under:-

Name of the Members	No. of meetings	
	Held	Attended
Mr. K. N. Shenoy *	4	2
Lt. Gen. K. K. Hazari (Retd.)	4	4
Mr. Amal Ganguli	4	4**

\* Mr. K.N.Shenoy ceased to be member of the Committee w.e.f May 8, 2014 on account of his resignation from the office of Director.

\*\* Includes one meeting attended through conference call

### Function and terms of reference of NRC:

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;
- Formulate and administer the Company's Employee Stock Option Scheme from time to time in accordance with SEBI guidelines; and
- To review the adequacy of aforesaid terms of reference and recommend any proposed change to the Board for its approval.

### 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 Financial year 2013-14, the Company had three (3) Executive Directors viz. Mr. Dhruv M. Sawhney, Chairman & Managing Director (CMD), Mr. Nikhil Sawhney, Vice Chairman & Managing Director (VCMD) and Mr. Arun Prabhakar Mote, Executive Director (ED).

The details of remuneration paid/payable to CMD, VCMD & ED during the financial year 2013-14 are as under:

Name of the Executive Director	Mr. Dhruv M. Sawhney CMD	Mr. Nikhil Sawhney VCMD	Mr. Arun Prabhakar Mote ED
Service Period	10.05.2011 to 09.05.2016	10.05.2011 to 09.05.2016	01.11.2012 to 31.10.2014
Salary	2,44,80,000	1,72,80,000	1,38,96,000
Performance Bonus/Commission	27,50,000	27,50,000	47,00,000*
Contribution to PF, Gratuity & other funds	18,36,000	29,16,000	15,55,200
Other perquisites	36,89,115	22,81,895	15,73,156
Total	3,27,55,115	2,52,27,895	2,17,24,356

\* Includes performance bonus of ₹ 27 lac paid for the FY 2012-13.

In addition Mr. Dhruv M. Sawhney also receives remuneration from Triveni Engineering and Industries Ltd., being the Chairman and Managing Director of that Company. However, the compensation received by him from both the Companies is within the overall ceiling prescribed under the Companies Act and in accordance with the approval of the Board and the shareholders of the Company.

During the year, the Company has not issued any stock option to its Directors including Independent Directors under its ESOP Schemes. However, the Company had made allotment of equity shares to Mr. Arun Prabhakar Mote, ED on exercise of options granted to him earlier, details of which has been provided in Annexure 'D' to the Directors' Report

### Remuneration to Non-Executive Directors

The Company pays sitting fee to its Non-Executive Directors for attending the meetings of the Board and its Committees. In addition to the sitting fees, the Company pays commission to its Non-Executive Directors within the limits approved by the shareholders of the Company. The said commission is decided by the Board and distributed to Non-Executive Directors based on their contribution during Board/Committee meetings, as well as time spent on operational/ strategic matters other than at meetings. The details of the remuneration paid during the financial year 2013-14 to Non-Executive Directors are as under:-

(in ₹)

Name of the Non-Executive Director	Sitting Fees for the year ended March 31, 2014	Commission for the year ended March 31, 2013	No. of shares held as on March 31, 2014
Mr. Tarun Sawhney	110000	1000000	14266775
Lt. Gen. K.K. Hazari (Retd.)	350000	1000000	-
Mr. Amal Ganguli	260000	1000000	-
Mr. Shekhar Datta	120000	500000	10000
Dr (Mrs.) Vasantha Bharucha*	20000	N.A	-
Mr. K.N. Shenoy*	120000	1000000	-
Mr .Meleveetil Damodaran*	N.A	N.A	-

\* Dr. (Mrs.) Vasantha Bharucha was appointed on the Board w.e.f March 19, 2014 and Mr. Meleveetil Damodaran and Mr K.N.Shenoy resigned from the Board w.e.f. September 9, 2013 and May 8, 2014 respectively.

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 are also on the Board of Directors of Triveni Engineering & Industries Ltd. and have received sitting fees as a Director / Committee member from that Company.

Note: A sum of ₹ 50 lac has been provided as commission payable to the Non-Executive Directors for the year 2013-14 ended on March 31, 2014.

### 3. Stakeholders relationship Committee

The nomenclature of the Investors' Grievance and Share Transfer Committee has been changed to 'Stakeholders Relationship Committee' w.e.f. May 27, 2014. The Committee has been constituted at the Board level, under the Chairmanship of a Non-Executive Independent Director. The Committee now comprises of following Directors, namely.

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

The Company Secretary is the Compliance Officer of the Company.

#### Meetings and Attendance

The Committee met 4 times during the financial year 2013-14 ended on March 31, 2014 on April 10, 2013, July 27, 2013, November 6, 2013 and January 22, 2014.

The composition and attendance record of each Committee Member is as under :-

Name of the Members	No. of meetings	
	Held	Attended
Lt. Gen. K. K. Hazari (Retd.)	4	4
Mr. Nikhil Sawhney	4	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 financial year 2013-2014 ended on March 31, 2014 the Company has received 9 complaints from the various shareholders/ investors. All of them were resolved/replied suitably by furnishing the requisite information/documents. Number of Complaints received during the year as a percentage of total number of members as on March 31, 2014 is 0.03%.

**Pending Complaint/Share Transfers**

There was no investor complaint pending for redressal as on March 31, 2014. Further there was no pending share transfers and requests for dematerialization as on that date.

#### **4. Corporate Social Responsibility Committee**

In accordance with the provisions of Companies Act, 2013, a Corporate Social Responsibility Committee has been constituted, comprising of following Executive and Non Executive Independent Directors:-

(i) Dr. (Mrs) Vasantha S. Bharucha, Chairperson

(ii) Mr. Nikhil Sawhney

(iii) Mr. Tarun Sawhney

(iv) Mr. Arun Prabhakar Mote

The Committee is authorized to formulate and recommend to the board, a CSR policy indicating the activity or activities to be undertaken by the company as specified in Schedule VII of the Act; Recommend the amount to be spent on these activities; and Monitor the Company's CSR policy periodically and institute a transparent monitoring mechanism or the implementation of CSR projects.

#### **Other Functional Committees**

##### **Operations Committee**

Apart from the above statutory committees, the Board of Directors have constituted an Operations 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.

### **III General Body Meetings**

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

Year	Date & Day	Location	Time	Special Resolution
2012-13	August 1, 2013 Thursday	Expo Centre, A-11,Sector-62, NH-24, Noida-201301	10.30 am	1. Approval to the appointment of Mr. Arun Prabhakar Mote as Whole time Director of the Company (Designated as Executive Director) and payment of remuneration w.e.f November 1, 2012. 2. Issuance of further securities/ stock options under Triveni Turbine Ltd. ESOP 2013.
2011-12	July 16, 2012, Monday	Expo Centre, A-11,Sector-62, NH-24, Noida-201301	11:00 am	None
2010-11	September 06, 2011 Tuesday	Expo Centre, A-11,Sector-62, NH-24, Noida-201301	10:30 am	1. Approval to the appointment of Mr. Dhruv M. Sawhney as Chairman & Managing Director and deciding his remuneration. 2. Approval to the appointment of Mr. Nikhil Sawhney as Joint Managing Director and deciding his remuneration. 3. Payment of remuneration to Non Executive Directors.

There was no Extra-Ordinary General Meeting held during the financial year 2013-14 ended on March 31, 2014.

## Postal Ballot

- a. Details of the special/ordinary resolutions passed by the Company through postal ballot:

During the financial year 2013-14 ended on March 31, 2014, no special/ordinary resolutions passed by the Company through postal ballot.

- b. Whether any special resolution is proposed to be conducted through postal ballot

There is no proposal for any special resolution to be put through postal ballot at the forthcoming Annual General Meeting for shareholders' approval.

## IV Other Disclosures

### • Related Party Transactions

Related Party Transactions are defined as transactions of the Company of a material nature, with Promoters, Directors or the Management, or their relatives and associate/subsidiary companies etc. that may have potential conflict of interest with the Company at large. The details of related party information and transactions are being placed before the Audit Committee/Board of Directors from time to time. The details of the related party transactions during the year have been provided in Note 40 of Notes 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 comprehensive guidelines/code on prevention of insider trading in line with the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Code for prevention of insider trading inter-alia prohibits purchase/sale of the equity shares of the Company by certain Designated Employees including directors, while in possession of unpublished price sensitive information in relation to the Company. Necessary disclosures are made by the Company to all the Stock Exchanges, where the shares of the Company are listed within the prescribed period.

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

The Company has implemented the whistle blower policy to provide an avenue to its employees to raise concerns and to bring to the attention of the management any issues which are perceived to be in violation or in conflict with the fundamental business principles of the Company. The policy lays down the process to be followed for dealing with the complaints and in exceptional cases, also provides for direct access to the Chairperson of the audit committee. During the year under review no complaint of sexual harassment at work place has been filed by any woman 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.triventurbines.com](http://www.triventurbines.com). The declaration of Chairman & Managing Director is given below:

**To the Shareholders of Triveni Turbine 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, 2014

Dhruv M. Sawhney

Place: Noida

Chairman and Managing Director

## CEO/CFO Certification

A prescribed certificate as stipulated in clause 49(V) of the listing agreement duly signed by the Chairman & Managing Director, Executive Director and General Manager & CFO was placed before the Board alongwith the financial statements for the year ended March 31, 2014. The said certificate is provided elsewhere in the Annual Report.

## Subsidiary Company

GE Triveni Limited is an unlisted Indian subsidiary company, wherein the Company holds 50% plus one equity share and it is not the "Material Non-Listed Subsidiary" in terms of Clause 49 of the Listing Agreement. The Company regularly places before the Board minutes of the subsidiary of the Company.

## V Details of the 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 adoptions of the non-mandatory requirement are mentioned below:

### (a) Audit Qualification

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

### (b) Nomination and Remuneration Committee

The Company has constituted Nomination and Remuneration Committee, details of which have been described in the report elsewhere.

### (c) 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 the 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 from time to time for the Directors.

### (d) Meeting of Independent Director

The Company facilitates to the independent directors to have their meeting for the enrichment of the business and to enhance the corporate governance of the Company.

## VI 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.triventurbines.com](http://www.triventurbines.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.triventurbines.com](http://www.triventurbines.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.ttl@trivenigroup.com](mailto:shares.ttl@trivenigroup.com) exclusively for investor servicing, and the same is prominently displayed on the Company's website [www.triventurbines.com](http://www.triventurbines.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, 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's Electronic Application Processing System (NEAPS).

## VII General Shareholder Information

### (a) General Information

#### Annual General Meeting

Date & Day	: August 8, 2014, Friday
Time	: 10:30 a.m.
Venue	: Expo Centre, A-11, Sector - 62, N.H. 24, Noida - 201 301
Dates of Book Closure for payment of final dividend	: Tuesday August 5, 2014 to Friday August 8, 2014
Dividend Payment Date	: Within 30 days of declaration by the shareholders.
Financial Year	: April to March

### (b) Financial Calendar (tentative & subject to change)

Financial Reporting for the 1 <sup>st</sup> Quarter ending June 30, 2014	By mid of August, 2014
Financial Reporting for the 2 <sup>nd</sup> Quarter ending September 30, 2014	By mid of November, 2014
Financial Reporting for the 3 <sup>rd</sup> Quarter ending December 31, 2014	By mid of February, 2015
Financial Reporting for the Annual Audited Accounts ending March 31, 2015	By the end of May, 2015

### (c) Unclaimed Dividend

During the financial year 2013-14 no amount was required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government under Section 205C of the Companies Act, 1956. The dividends which remain unclaimed for 7 years will be transferred by the Company to the said IEPF on the due dates as given hereunder:

Financial Year/Period	Whether Interim/Final	Date of declaration of dividend	Due date for transfer to IEPF
2011-12	1 <sup>st</sup> interim dividend	27.10.2011	26.10.2018
2011-12	2 <sup>nd</sup> interim dividend	13.01.2012	12.01.2019
2011-12	Final dividend	16.07.2012	15.07.2019
2012-13	Interim dividend	29.10.2012	28.10.2019
2012-13	Final Dividend	01.08.2013	31.07.2020
2013-14	Interim Dividend	06.11.2013	05.11.2020

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).

### (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 Company's equity shares 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.	533655
2.	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No. C/1, G Block, Bandra (E) Mumbai – 400 051.	TRITURBINE

The Company has paid the listing fees for the Financial Year 2014-2015 to both the aforesaid Stock Exchanges.

The Company has also paid the annual custodial fee for the year 2014-15 to both the depositories namely, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

### (f) Distribution of Equity Shareholding as on March 31, 2014

Group of Shares	Number of Shareholders	% to total Shareholders	Number of Shares held	% to Total Shares
1-500	27017	90.63	3014893	0.91
501-1000	1346	4.52	1056678	0.32
1001-2000	643	2.16	930920	0.28
2001-3000	227	0.76	582143	0.18
3001-4000	94	0.32	336506	0.10
4001-5000	99	0.33	466842	0.14
5001-10000	165	0.55	1243868	0.38
10001 & above	219	0.73	322312700	97.69
Total	29810	100.00	329944550	100.00

### (g) Shareholding Pattern of Equity Shares as on March 31, 2014

Category	Number of Shares held	Shareholding %
Indian Promoters	237322533	71.93
Mutual Funds/UTI	15291752	4.63
Banks, Financial Institutions, Insurance Cos.	-	-
FIs	56875462	17.24
Bodies Corporate	4157677	1.26
Indian Public(*)	14887933	4.51
NRIs/OCBs	1255803	0.38
Others – Clearing Members & Trust	153390	0.05
Total	329944550	100.00

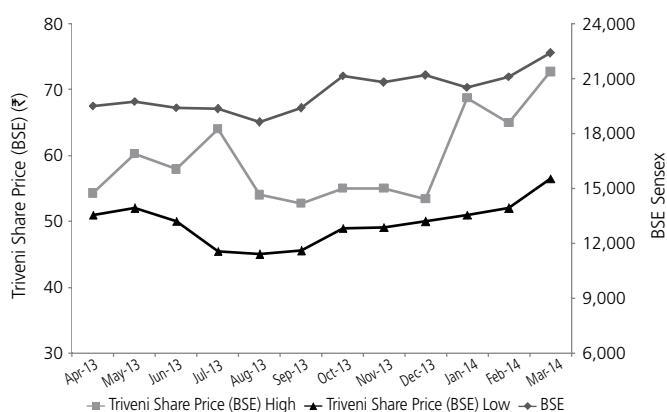
(\*) Includes 1,02,050 equity shares held by two directors and two relatives of two directors.

#### (h) Stock Price Data: Financial Year 2013-14

During the year under report, the trading in Company's equity shares was from 1<sup>st</sup> April 2013 to 31<sup>st</sup> March, 2014. 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 2013	54.30	51.00	54.20	51.00
May , 2013	60.25	52.00	59.00	52.05
June , 2013	57.90	50.10	58.00	50.60
July , 2013	64.00	45.50	63.00	45.65
August , 2013	54.00	45.00	54.50	44.20
September, 2013	52.70	45.55	52.70	40.20
October , 2013	55.00	49.00	55.00	49.20
November, 2013	55.00	49.10	57.40	49.10
December, 2013	53.40	50.00	52.80	50.05
January, 2014	68.70	51.00	68.90	52.00
February, 2014	65.00	52.00	65.20	53.10
March, 2014	72.70	56.50	72.50	56.10

#### (i) Stock Performance Graph



#### (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 shares for scripless trading. Both NSDL & CDSL has admitted the Company's equity share on their system.

The system for getting the shares dematerialised will be 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, 2014, 99.98% of total equity share capital of the Company were held in dematerialised form. The ISIN allotted in respect of equity shares of ₹ 1/- each of the Company by NSDL/CDSL is INE152M01016. 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 Alankit Assignments Ltd who 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 Investors' Grievance and Share Transfer Committee at every meeting.

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 Practising 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 Alankit Assignments Ltd.,  
Unit: Triveni Turbine Limited  
205-208, Anarkali Complex  
Jhandewalan Extension,  
New Delhi-110 055.  
Tel. 011-42541234, 23541234,  
Fax 011-42541967  
Email: rta@alankit.com

**(n) Locations**

**Registered Office**  
A-44, Hosiery Complex,  
Phase II Extension,  
Noida-201305, U.P.  
STD Code: 0120  
Phone: 4748000, Fax: 4243049

**Share Department and Address for Correspondence**

Mr. Rajiv Sawhney  
Company Secretary  
Triveni Turbine Ltd.  
8th Floor, Express Trade Towers,  
15-16, Sector 16A, Noida-201 301.  
Tel. :- 0120-4308000; Fax :- 0120-4311010-11  
Email :- shares.ttl@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, 2014 from the 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, 2014.

# ANNEXURE – F

## 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 Turbine Limited

We have examined the compliance of conditions of corporate governance by Triveni Turbine Ltd. for the financial year 2013-14 ended 31<sup>st</sup> March, 2014 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. 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

Place : Noida (U.P.)  
Date : May 27, 2014

(SUDHIR MALLICK)  
PARTNER  
Membership No.80051

# CEO/CFO Certification

To  
The Board of Directors  
Triveni Turbine Limited

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

We, Dhruv M. Sawhney, Chairman and Managing Director, Arun Prabhakar Mote, Executive Director and Deepak Kumar Sen, General Manager & CFO certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2014 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.

Deepak Kumar Sen  
General Manager & CFO

Arun Prabhakar Mote  
Executive Director

Dhruv M. Sawhney  
Chairman and Managing Director

Place : Noida (U.P.)  
Date : May 27, 2014

# FINANCIAL STATEMENTS



# INDEPENDENT AUDITORS' REPORT

## To the Members of Triveni Turbine Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Triveni Turbine Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these 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 Standards notified under the Companies Act, 1956 of India (the 'Act'), read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the accompanying 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:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by section 227(3) of the Act, we report that:
- a. we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from Bangalore Unit of the Company not visited by us;
  - c. the report on the accounts of the Bangalore unit of the company audited under section 228 by a person other than the company's auditor has been forwarded to us as required by clause (c) of sub-section (3) of Section 228 and have been dealt with in preparing our report in the manner considered necessary by us.
  - d. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts and with the audited returns received from the Bangalore Unit of the Company.
  - e. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - f. on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Place : Noida (U.P.)  
 Date : May 27, 2014

**Sudhir Mallick**  
 Partner  
 Membership No.80051

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Triveni Turbine Limited on the financial statements as of and for the year ended March 31, 2014

1. (a) The Company has 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 explained to us, no material discrepancies were noticed on such verification as compared to the book records. In our opinion the frequency of verification is reasonable having regard to the size of the company and nature of its activities.
- (c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year and hence, going concern status of the Company is not affected.
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 physical verification as compared to the book records were not material having regard to the size and nature of the operations of the Company and have been properly adjusted in the books of account.
3. (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly paragraphs 4(iii)(b) to 4(iii)(d) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(iii)(f) and (g) of the Order 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. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) According to the information and explanations given to us no comparable quotations are available with the company in respect of transactions made, in pursuance of contracts or arrangements exceeding the value of ₹ 0.50 million relating to the purchase of gears, gear boxes, spares, sub contract for turnkey project and services received, sale of steam turbine and spare parts and rendering of services. We are informed by the management that the charges so paid and received for such transactions, are reasonable having regard to the volume of business, quality and the specialized nature of goods and services involved.
6. The Company has not accepted any deposits from the public under the provisions of Section 58A, 58AA or any other relevant provision of the Companies Act, 1956 and the rules framed there under.
7. In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and 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.
9. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, 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, 2014 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 custom duty, wealth tax and cess which have not been deposited on account of any

dispute. Disputed income tax, excise duty, sales tax and service tax which have not been deposited on account of matters pending before appropriate authorities is as under:

S. No	Name of the Statute	Nature of Dues	Period to which it relates	Amount (₹ in Million)	Amount Paid (₹ in Million)	Forum where dispute is pending
1	Central Excise Act, 1944	Excise Duty	FY 1998-99	5.44	2.80	Hon'ble Supreme Court of India
2	Central Excise Act, 1944	Excise Duty	FY 2000-01 to FY 2003-04	30.88	23.35	Hon'ble Supreme Court of India
3	Central Excise Act, 1944	Excise Duty	FY 2007-08	3.83	-	CESTAT
4	Finance Act 1994	Service Tax	FY 2008-09 to FY 2011-12	13.44	3.25	Commissioner of Central Excise (Appeals).
5	Finance Act 1994	Service Tax	FY 2007-08 to FY 2011-12	31.09	1.27	CESTAT
6	Income-tax Act 1961	Income-tax	FY 2010-11	4.58	-	Commissioner of Income-tax (Appeals)
7	Income-tax Act 1961	Income-tax	FY 2011-12	0.25	-	Commissioner of Income-tax (Appeals)
8	Central Sales Tax Act 1956	Sales Tax Interest Penalty	FY 2010-11	16.36 6.14 1.64	7.12 0.28 0.08	Joint Commissioner of Commercial Tax (Appeals)

10. The Company has no accumulated losses as at March 31, 2014 and has not incurred any cash losses in the financial year covered by our audit and immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks during the year. The company has no outstanding dues in respect of financial institutions or debenture holders.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.
14. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, Clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.
15. 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.
16. In our opinion, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, during the period covered by our audit, the Company has not issued debentures requiring creation of any security or charge.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books of accounts and records carried out in accordance with the generally accepted auditing practices and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year nor have we been informed of such case by the management.

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

Sudhir Mallick  
Partner  
Membership No.80051

Place : Noida (U.P.)  
Date : May 27, 2014

# BALANCE SHEET

## AS AT 31ST MARCH 2014

Particulars	Note No	31.03.2014	(₹ in Million) 31.03.2013
<b>I EQUITY AND LIABILITIES</b>			
1. Shareholders' funds			
Share capital	2	329.94	357.88
Reserves and surplus	3	1,481.83	1,083.97
		<b>1,811.77</b>	<b>1,441.85</b>
2. Non-current liabilities			
Long-term borrowings	4	5.16	5.00
Deferred tax liabilities (net)	5	96.43	77.83
Other long-term liabilities	6	8.06	8.06
Long-term provisions	7	33.72	55.55
		<b>143.37</b>	<b>146.44</b>
3. Current liabilities			
Short-term borrowings	8	69.19	-
Trade payables	9	1,287.97	1,136.55
Other current liabilities	10	914.68	722.24
Short-term provisions	7	400.51	516.17
		<b>2,672.35</b>	<b>2,374.96</b>
	<b>Total</b>	<b>4,627.49</b>	<b>3,963.25</b>
<b>II ASSETS</b>			
1. Non-current assets			
Fixed assets			
i) Tangible assets	11	1,017.50	1,110.60
ii) Intangible assets	12	58.88	37.41
iii) Capital work-in-progress		2.64	1.33
		<b>1,079.02</b>	<b>1,149.34</b>
Non-current investments	13	80.00	80.00
Long-term loans and advances	14	511.47	152.01
Other non-current assets	19	114.79	59.04
		<b>1,785.28</b>	<b>1,440.39</b>
2. Current assets			
Current investments	15	-	50.00
Inventories	16	1,113.85	665.10
Trade receivables	17	1,057.43	1,171.75
Cash and bank balances	18	6.52	285.15
Short-term loans and advances	14	213.26	203.88
Other current assets	19	451.15	146.98
		<b>2,842.21</b>	<b>2,522.86</b>
	<b>Total</b>	<b>4,627.49</b>	<b>3,963.25</b>
Summary of Significant Accounting Policies	1		

The accompanying Note Nos.1 to 46 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

**Deepak Kumar Sen**

General Manager & CFO

**Rajiv Sawhney**

Company Secretary

**Dhruv M. Sawhney**

Chairman & Managing Director

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

Director & Chairman Audit Committee

Place : Noida (U.P.)

Date : May 27, 2014

# STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	Note No	31.03.2014	(₹ in Million) 31.03.2013
<b>Continuing operations</b>			
<b>INCOME</b>			
Revenue from operations (gross)	20	5,231.11	6,880.87
Less : Excise duty		174.23	312.40
Revenue from operations (net)		5,056.88	6,568.47
Other Income	21	109.50	81.07
<b>Total revenue</b>		<b>5,166.38</b>	<b>6,649.54</b>
<b>EXPENSES</b>			
Cost of raw material and components consumed	22	3,068.44	3,713.32
Decrease / (Increase) in inventories of finished goods and work-in-progress	23	(293.15)	90.44
Employee benefit expenses	24	567.01	537.73
Other expenses	25	675.88	591.59
<b>Total</b>		<b>4,018.18</b>	<b>4,933.08</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>1,148.20</b>	<b>1,716.46</b>
Depreciation and amortisation expenses	26	128.60	122.62
Finance costs	27	5.99	27.25
<b>Profit before extraordinary items and tax</b>		<b>1,013.61</b>	<b>1,566.59</b>
Extraordinary items		-	-
<b>Profit before tax</b>		<b>1,013.61</b>	<b>1,566.59</b>
<b>Tax expenses</b>			
Current tax		310.49	493.28
Deferred tax		18.60	6.95
<b>Profit after tax from continuing operations (A)</b>		<b>684.52</b>	<b>1,066.36</b>
<b>Discontinued operations</b>			
Profit / (loss) from discontinued operations before tax	28	-	(0.16)
Tax expense for discontinued operations		-	(0.05)
<b>Profit / (loss) from discontinued operations after tax (B)</b>		-	(0.11)
<b>Profit for the year (A+B)</b>		<b>684.52</b>	<b>1,066.25</b>
Earning per equity share of ₹1/ each	29		
Basic (in ₹)		2.07	3.22
Diluted (in ₹)		2.07	3.22
Summary of Significant Accounting Policies	1		

The accompanying Note Nos.1 to 46 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

Deepak Kumar Sen

General Manager & CFO

Rajiv Sawhney

Company Secretary

Dhruv M. Sawhney

Chairman & Managing Director

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

Director & Chairman Audit Committee

Place : Noida (U.P.)

Date : May 27, 2014

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax from continuing operations	1,013.61	1,566.59
Profit before tax from discontinued operations	-	(0.16)
<b>Profit before tax</b>	<b>1,013.61</b>	<b>1,566.43</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation / amortisation on continuing operations	128.60	122.62
Depreciation / amortisation on discontinued operations (previous year: ₹ 2,172/-)	-	0.00
Assets written off pertaining to discontinued operations (previous year: ₹ 4,782/-)	-	0.00
Loss / (profit) on sale of fixed assets	3.72	0.94
Provision for diminution in value of investments (current investments)	-	(0.08)
Net gain on sale of current investments	(11.36)	(3.26)
Interest expense	5.99	27.25
Interest income	(2.05)	(6.72)
Dividend income	-	(1.76)
<b>Operating profit before working capital changes</b>	<b>1,138.51</b>	<b>1,705.42</b>
Movements in working capital :		
Change in Liabilities	201.92	231.02
Change in Trade Receivables	58.55	(584.51)
Change in Inventories	(448.74)	125.96
Change in Loans and Advances	(53.58)	(123.04)
Change in Other Current Assets	(304.19)	(140.15)
<b>Cash generated from / (used in) operations</b>	<b>592.47</b>	<b>1,214.70</b>
Direct taxes paid (net of refunds)	(301.80)	(488.11)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>290.67</b>	<b>726.59</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(380.02)	(39.88)
Proceeds from sale of fixed assets	0.28	0.10
Purchase of non-current investments	-	(25.00)
Purchase of current investments	(1,120.00)	(720.00)
Proceeds from sale / maturity of current investments	1,181.36	773.36
Bank deposits (having original maturity of more than three months)	6.61	(6.61)
Interest received	2.08	7.26
Dividends received	-	1.76
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(309.69)</b>	<b>(9.01)</b>

(₹ in Million)

Particulars	31.03.2014	31.03.2013
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issuance of share capital	3.35	-
Redemption of preference share capital	(28.00)	-
Proceeds from long-term borrowings	4.76	1.57
Repayment of long-term borrowings	(4.28)	(352.17)
Increase / (Decrease) in of short-term borrowings	69.19	(4.48)
Interest paid	(5.99)	(27.27)
Dividend paid on equity shares	(249.79)	(150.49)
Tax on equity dividend paid	(42.49)	(24.45)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(253.25)</b>	<b>(557.29)</b>
Net increase / (decrease) in cash and cash equivalents (A + B+ C)	(272.27)	160.29
Cash and cash equivalents at the beginning of the year	278.18	117.89
<b>Cash and cash equivalents at the end of the year</b>	<b>5.91</b>	<b>278.18</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

**Deepak Kumar Sen**  
General Manager & CFO  
**Rajiv Sawhney**  
Company Secretary

**Dhruv M. Sawhney**  
Chairman & Managing Director  
**Lt.Gen.K.K.Hazari (Retd)**  
Director & Chairman Audit Committee

Place : Noida (U.P.)

Date : May 27, 2014

# NOTES TO FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31ST MARCH 2014

### 1. Significant Accounting Policies

#### a) Basis of Preparation

The financial statements of the Company have been prepared on accrual basis of accounting under the historical cost convention in accordance with generally accepted accounting principles in India and comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), and the relevant provisions of the Companies Act, 1956, read with General Circular 15/2013 dated September 13, 2013 and General Circular 08/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Revised Schedule VI to the Companies Act, 1956. In line with the normal operating cycle of the main product, i.e., manufacture and supply of turbine package, 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 revenue and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialize.

#### c) Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes taxes, duties (excluding excise duty and VAT for which CENVAT/VAT credit is available), freight and other incidental expenses relating to acquisition and installation of such fixed asset.

#### d) Recognition of Revenue

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, usually on delivery of the goods. The Company collects

sales taxes and/ or 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. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross).

- 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 accordingly it is excluded from revenue.
- iii) 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 cost for this purpose includes:
  - 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 the contract.
 Foreseeable losses, if any, are provided for immediately.
- iv) Income and expenditure relating to the prior period and prepaid expenses which do not exceed ₹10,000/- in each case, are treated as income/expenditure of the current year.

#### e) Foreign Currency Transactions

- i) Transactions denominated in foreign currencies are recorded at exchange rates prevailing on the dates of the transactions.
- ii) Foreign currency monetary items (including forward contracts) are translated at rates prevailing at the reporting date. Exchange differences arising on settlement of transactions and translation of monetary items (including forward contracts) are recognised as income or expense in the year in which they arise.
- iii) The premium or discount on foreign currency forward 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 each contract.

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, on such contracts are not recognised till settlement.

#### f) Investments

Investments, that 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 long term investments. Current investments are carried at the lower of cost and fair value. Long term investments are carried at cost. However, provision for diminution 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.

#### g) Inventories

- i) Inventories of raw materials and components, stores and spares are valued at the lower of cost and net realisable value. Cost for the purpose of valuation of inventories is determined on weighted average basis.
- 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 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) Patterns, loose tools, jigs and fixtures are amortised equally over three years.

#### h) Depreciation

Depreciation on fixed assets is provided on the straight line basis at the rates specified in Schedule XIV of the Companies Act, 1956 as amended by Notification No.GSR 756E dated 16th December 1993, other than on the following assets which are depreciated at higher rates on the straight line basis over their estimated useful economic lives as follows:

	Rates adopted
CNC and certain other machines	9.48% to 12.65%
Mobile phone costing above ₹ 5,000/-	50%

#### i) Employee Benefits

##### i) Short term Employee Benefits

All employee benefits payable wholly within 12 months after the end of the period in which the employees render related services are classified as short term employee benefits and are recognised as expenses in the period in which the employees render 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.

##### ii) Post-employment benefits

a) 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 contributions under the Employees' Provident Fund Scheme, Employees' State Insurance Scheme and Officers' Pension Scheme for certain employees are defined contributions plans. The Contributions paid/payable under the schemes are recognised during the period in which the employees render the related service.

b) Defined benefit plans : Defined benefit plans are plans under which the Company pays certain defined benefits to employees at the time of their retirement/resignation/death based on rules framed for such schemes. The Employees' Gratuity Scheme is a defined benefit plan. The present value of the obligation under a defined benefit plan is determined based on the actuarial valuation using the Projected Unit Credit method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plan, is based on the market yields on Government securities as at the balance sheet date, with maturity periods approximating the terms of the related obligation.

Actuarial gains and losses are recognised immediately in the statement of Profit and Loss.

Gains or losses on the curtailment or settlement of any defined benefits plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested.

**i) Other long-term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date on the basis of actuarial valuation. The discount rates used for determining the present values of the obligation under defined benefit plans, are based on the appropriate market yields on Government securities as at the balance sheet date.

**iv) Employee Stock Options**

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

**j) Borrowing costs**

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

**k) 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 assets are 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 realized, except in the case of unabsorbed depreciation or carried forward of losses under the Income-tax Act 1961, where deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which 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.

**l) Intangible Assets**

Intangible assets are recognised in accordance with the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" and are amortised as follows :

	Period of amortisation
Computer software	36 months
Website development cost	36 months
Designs and drawings	72 months

**m) Impairment of Assets**

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

**n) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised, if :

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

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

Contingent liability is disclosed in the case of:

- a) 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; or
- b) a possible obligation, unless the probability of outflow of resources is remote.

Contingent assets are not recognised.

**o) Research and Development**

Revenue expenditure on research and development is charged under respective heads of account. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

## 2. Share Capital

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
<b>AUTHORISED</b>		
450,000,000 Equity Shares of ₹ 1/- each	450.00	450.00
5,000,000 8% Cumulative Redeemable Preference Shares of ₹ 10/- each	50.00	50.00
	<b>500.00</b>	<b>500.00</b>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
<b>Equity</b>		
329,944,550 (329,880,150) Equity Shares of ₹ 1/- each	329.94	329.88
<b>Preference</b>		
Nil (2,800,000) 8% Cumulative Redeemable Preference Shares of ₹ 10/- each	-	28.00
	<b>329.94</b>	<b>357.88</b>

### a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

#### Equity Shares

Particulars	As at 31.03.2014		As at 31.03.2013	
	No of Shares	₹ in Million	No of Shares	₹ in Million
At the beginning of the year	329,880,150	329.88	329,880,150	329.88
Add: Issued during the year pursuant to exercise of employee stock options	64,400	0.06	-	-
Outstanding at the end of the year	329,944,550	329.94	329,880,150	329.88

#### Preference Shares

Particulars	As at 31.03.2014		As at 31.03.2013	
	No of Shares	₹ in Million	No of Shares	₹ in Million
At the beginning of the year	2,800,000	28.00	2,800,000	28.00
Less : Redeemed during the year	2,800,000	28.00	-	-
Outstanding at the end of the year	-	-	2,800,000	28.00

### 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) Terms/rights attached to preference shares

As per the Scheme of Arrangement ("Scheme") duly approved by the Allahabad High Court vide order dated April 19, 2011, 28,000,000 equity shares of ₹ 1/- each fully paid up held by Triveni Engineering & Industries Limited stood converted into 2,800,000 - 8% Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up. These Preference Shares carried right to cumulative dividend @ 8% p.a. 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. The preference shareholders have a preference vis-a-vis equity shareholders with respect to any dividend that may be declared by the Company as well as with regard to redemption of capital in the event of liquidation. The Preference Shares are redeemable at par at the end of 5 years from the date of allotment. However, the Company has an option to redeem these shares at any time after the end of six months from the date of allotment. Accordingly, the preference shares were redeemed during the year.

**d) Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash (during the 5 years immediately preceding)**

257,880,150 equity shares of ₹1/- each were allotted on May 10, 2011, as fully paid up to the shareholders of Triveni Engineering & Industries Ltd (TEIL) in the ratio of one equity share for every one equity share held by them in TEIL, pursuant to the Scheme.

**e) Details of shareholders holding more than 5% shares in the company**

Particulars	As at 31.03.2014		As at 31.03.2013	
	No of Shares	% holding	No of Shares	% holding
<b>Equity Shares of ₹1/- each fully paid</b>				
Triveni Engineering & Industries Limited	72,000,000	21.82	72,000,000	21.83
Dhruv M. Sawhney	28,124,645	8.52	28,124,645	8.53
Nalanda India Fund Limited	25,788,000	7.82	25,788,000	7.82
Umananda Trade & Finance Limited	20,157,589	6.11	20,157,589	6.11
Rati Sawhney	16,824,914	5.10	16,824,914	5.10
Tarnik Investments & Trading Limited	18,680,527	5.66	18,680,527	5.66
<b>8% Cumulative Redeemable Preference Shares of ₹10/- each fully paid</b>				
Triveni Engineering & Industries Limited	-	-	2,800,000	100

**f) Shares reserved for issue under options**

Refer Note No 34

### 3. Reserves and Surplus

**General reserve**

(₹ in Million)

Particulars	31.03.2014	31.03.2013
Balance as per the last financial statements	600.00	150.00
Add: Amount transferred from statement of profit and loss	100.00	450.00
Closing Balance	700.00	600.00

**Capital redemption reserves**

(₹ in Million)

Particulars	31.03.2014	31.03.2013
Balance as per the last financial statements	-	-
Add: Amount transferred from statement of profit and loss	28.00	-
Closing Balance	28.00	-

**Securities premium**

(₹ in Million)

Particulars	31.03.2014	31.03.2013
Balance as per the last financial statements	-	-
Add: Amount received during the year pursuant to exercise of employee stock options	3.28	-
Closing Balance	3.28	-

**Surplus in the statement of profit and loss**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Balance as per the last financial statements	483.97	178.46
Add: Net profit after tax transferred from statement of profit and loss	684.52	1,066.25
<b>Amount available for appropriation (A)</b>	<b>1,168.49</b>	<b>1,244.71</b>
<b>Appropriations:</b>		
Transfer to General reserve	100.00	450.00
Transfer to Capital redemption reserve	28.00	-
Dividend on equity shares (Interim)	65.98	82.47
Dividend on equity shares (Earlier year) (Prev. year ₹ 34/-)	0.01	0.00
Dividend on preference share	0.37	-
Proposed dividend on preference share	-	2.24
Proposed dividend on equity shares	181.47	181.43
Tax on equity dividend (Interim)	11.21	13.38
Tax on equity dividend (Earlier year) [Current year ₹ 1,006/- (Prev.year ₹ 6/-)]	0.00	0.00
Tax on preference dividend	0.06	-
Tax on proposed equity and preference dividend	30.84	31.22
<b>Total appropriations (B)</b>	<b>417.94</b>	<b>760.74</b>
<b>Net surplus in the statement of profit and loss (A-B)</b>	<b>750.55</b>	<b>483.97</b>
<b>Total reserves and surplus</b>	<b>1,481.83</b>	<b>1,083.97</b>

**4. Long-Term Borrowings**

Particulars	Non- Current portion		Current maturities	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Term loans (Secured)				
- From banks	0.20	1.26	1.06	2.01
- From others	4.96	3.74	2.34	1.06
	5.16	5.00	3.40	3.07
Less : Amount disclosed under the head "other current liabilities" (Refer Note No 10 )			3.40	3.07
	5.16	5.00	-	-

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

Name of the Bank / Others	Total loan outstanding (₹ in Million)	Repayment terms of loan outstanding	Rate of interest (per annum)	Nature of Security
1. Axis Bank (Vehicle loan)	1.26 (3.27)	In equated monthly instalments ranging from 5 to 20 months (17 to 32 months)	At fixed rates ranging from 9.90% to 10.00%	Secured by hypothecation of vehicles acquired under the respective vehicle loans.
2. Kotak Mahindra Prime Ltd (Vehicle loan)	7.30 (4.80)	In equated monthly instalments ranging from 24 to 46 months (39 to 51 months)	At fixed rates ranging from 9.93% to 10.67%	Secured by hypothecation of vehicles acquired under the respective vehicle loans.

Figures in brackets relate to previous year.

## 5. Deferred Tax Liabilities (Net)

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
<b>Deferred Tax Liabilities :</b>		
Difference in net book value of fixed assets as per books and tax laws	138.24	135.30
<b>Deferred Tax Assets :</b>		
Expenses allowable on payment basis	11.71	17.07
Others	30.10	40.40
<b>Net Deferred Tax Liabilities</b>	<b>96.43</b>	<b>77.83</b>

## 6. Other Long-Term Liabilities

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Deposits from customers	8.06	8.06
	<b>8.06</b>	<b>8.06</b>

## 7. Provisions

Particulars	Long-term		Short-term		(₹ in Million)
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	
<b>Provisions for Employee Benefits</b>					
Gratuity (Refer Note No.42 )	4.22	20.10	-	-	-
Compensated absences	18.00	15.72	2.93	8.02	8.02
<b>Other provisions</b>					
Proposed dividend *	-	-	181.47	183.67	183.67
Tax on proposed dividend	-	-	30.84	31.22	31.22
Warranty	11.50	19.73	17.96	47.17	47.17
Liquidated damages	-	-	49.50	60.43	60.43
Cost to completion	-	-	75.27	149.56	149.56
Income Tax [net of advance tax of ₹ 761.65 million (₹ 456.37 million) & includes wealth tax ₹ 0.12 million (₹ 0.08 million)]	-	-	42.54	36.10	36.10
	<b>33.72</b>	<b>55.55</b>	<b>400.51</b>	<b>516.17</b>	

\* Represents dividend proposed by the Board of Directors at ₹ 0.55 (previous year: ₹ 0.55) per equity share of ₹ 1/- each and at ₹ Nil (previous year: ₹ 0.80) per preference share of ₹ 10/- each, which is subject to the approval by the shareholders.

Disclosures required by Accounting Standard (AS) 29 - Provisions, Contingent liabilities and Contingent assets.

### Movement in provisions

Particulars of disclosure	Nature of provisions				(₹ in Million)
	Warranty	Liquidated Damages	Cost to Completion	Loss on foreign exchange derivatives	
Opening balance	66.90	60.43	149.56	-	-
	(50.97)	(72.93)	(141.30)	(0.44)	
Provision made during the year	19.69	1.11	5.50	-	-
	(50.96)	(3.50)	(46.50)	(-)	
Provision used during the year	40.67	2.18	28.19	-	-
	(17.21)	(6.25)	(37.61)	(-)	
Provision no longer required reversed	16.46	9.86	51.60	-	-
	(17.82)	(9.75)	(0.63)	(0.44)	
Closing balance	29.46	49.50	75.27	-	-
	(66.90)	(60.43)	(149.56)	(-)	

Figures in brackets relate to previous year.

### 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 as at March 31,2014 represent the amount of the expected cost of meeting such obligations. The timing of the outflows is expected to be within the period of two years.

**Liquidated damages :** In respect of certain products, the Company has contractual obligations towards customers for matters relating to delivery and performance. The provisions represent the amount estimated to meet the cost of such obligations. The timing of the outflow is expected to be within one year.

**Cost to completion:** The provision represents the costs of materials and services required for erection and integration of turbine packages at the site, prior to commissioning.

**Loss on foreign exchange derivatives:** Represents provision 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.

### 8 Short-Term Borrowings (Secured)

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Repayable on demand		
Cash credits from banks *	69.19	-
	<b>69.19</b>	<b>-</b>

\* Secured by hypothecation of stocks-in-trade, raw materials, stores & spare parts, work-in-progress and trade receivables and a second charge on the fixed assets on a pari-passu basis. Interest rates ranges from 12.25% to 12.50% per annum.

### 9 Trade Payables

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Trade payables (Refer Note No 35 for details of dues to micro and small enterprises)	1,287.97	1,136.55
	<b>1,287.97</b>	<b>1,136.55</b>

### 10 Other Current Liabilities

Particulars	31.03.2014	31.03.2013
Current maturities of long term borrowings (Refer Note No. 4)	3.40	3.07
Creditors for purchases of capital assets	0.48	1.54
Advances from customers	865.82	674.51
Security deposits	0.02	-
Interest accrued but not due on borrowings	0.07	0.06
Employee benefits & other dues	22.70	17.99
Deferred premium on foreign exchange forward contracts	3.20	4.48
Indirect taxes & duties payable	0.99	0.56
Statutory dues relating to employees	5.10	5.11
Income tax deducted at source	6.73	8.71
Unpaid dividend	0.61	0.36
Creditors for other liabilities	5.56	5.85
	<b>914.68</b>	<b>722.24</b>

## 11. Tangible Assets

Particulars	Land	Buildings	Plant and Machinery	Office Equipment	Furniture and Fixtures	Vehicles	Computers	(₹ in Million)
								Total
<b>Gross block</b>								
As at April 1, 2012	36.42	333.75	1,116.85	24.47	41.73	23.89	53.98	1,631.09
Additions	-	0.53	1.47	1.01	1.74	3.18	6.98	14.91
Deductions	-	-	1.85	-	0.27	0.77	0.89	3.78
As at March 31, 2013	36.42	334.28	1,116.47	25.48	43.20	26.30	60.07	1,642.22
Additions	-	7.58	0.93	0.46	0.45	6.58	4.12	20.12
Deductions	-	-	13.06	-	-	-	1.61	14.67
As at March 31, 2014	36.42	341.86	1,104.34	25.94	43.65	32.88	62.58	1,647.67
<b>Depreciation</b>								
As at April 1, 2012	-	63.45	299.88	6.37	13.34	4.10	38.02	425.16
Charge for the year*	-	10.79	87.26	1.17	2.54	2.37	5.07	109.20
Deductions	-	-	1.22	-	0.24	0.52	0.76	2.74
As at March 31, 2013	-	74.24	385.92	7.54	15.64	5.95	42.33	531.62
Charge for the year*	-	10.89	87.21	1.24	2.61	2.87	4.40	109.22
Deductions	-	-	9.14	-	-	-	1.53	10.67
As at March 31, 2014	-	85.13	463.99	8.78	18.25	8.82	45.20	630.17
<b>Net Block</b>								
As at March 31, 2013	36.42	260.04	730.55	17.94	27.56	20.35	17.74	1,110.60
As at March 31, 2014	36.42	256.73	640.35	17.16	25.40	24.06	17.38	1,017.50

\* Includes depreciation amounting to ₹ Nil (₹ 0.002 million) on assets pertaining to a discontinued business. (Refer Note No. 28)

## 12. Intangible Assets (Other than internally generated)

Particulars	Computer Software	Website	Design and Drawings	(₹ in Million)
				Total
<b>Gross block</b>				
As at April 1, 2012	89.77	0.65	50.83	141.25
Additions	12.52	0.60	7.36	20.48
Disposals	0.09	-	-	0.09
As at March 31, 2013	102.20	1.25	58.19	161.64
Additions	12.35	0.18	28.32	40.85
Disposals	-	-	-	-
As at March 31, 2014	114.55	1.43	86.51	202.49
<b>Amortisation</b>				
As at April 1, 2012	80.30	0.04	30.56	110.90
Charge for the year	6.69	0.26	6.47	13.42
Disposals	0.09	-	-	0.09
As at March 31, 2013	86.90	0.30	37.03	124.23
Charge for the year	10.76	0.46	8.16	19.38
Disposals	-	-	-	-
As at March 31, 2014	97.66	0.76	45.19	143.61
<b>Net Block</b>				
As at March 31, 2013	15.30	0.95	21.16	37.41
As at March 31, 2014	16.89	0.67	41.32	58.88

**13 Non-Current Investments**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Long Term		
Trade		
UNQUOTED		
SHARES - Fully paid-up - Subsidiary Company 8,000,001 (8,000,001) Equity shares of ₹ 10/- each of GE Triveni Limited (At cost)	80.00	80.00
	80.00	80.00
Aggregate book value of unquoted investments	80.00	80.00

**14. Loans and Advances**

Particulars	(₹ in Million)			
	Long-term		Short-term	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Capital advances				
Unsecured, considered good	372.26	54.52	-	-
(A)	372.26	54.52	-	-
Security deposit				
Unsecured, considered good	2.76	2.81	0.91	2.32
(B)	2.76	2.81	0.91	2.32
Other loans and advances				
Unsecured, considered good				
Prepaid expenses	2.02	2.31	14.35	12.28
Loans to employees	0.46	0.82	2.48	2.33
Advances to suppliers	-	2.60	107.32	140.10
Service tax recoverable	4.52	-	12.83	9.85
Sales tax recoverable	7.08	-	7.47	-
Excise duty (Cenvat Balance)	-	-	19.86	7.06
Earnest money deposit	-	-	3.89	2.79
Works contract tax recoverable	-	-	0.87	0.81
Advance payment of tax	12.68	14.92	-	-
Amount recoverable from hedging banks	-	-	6.30	24.18
VAT recoverable	83.59	47.93	16.43	-
Excise duty recoverable	25.87	25.87	20.43	1.00
Other amounts recoverable	0.23	0.23	0.12	1.16
(C)	136.45	94.68	212.35	201.56
Total (A+B+C)	511.47	152.01	213.26	203.88

**15. Current Investments (unquoted)**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
(valued at lower of cost or fair value)		
Nil (31,467.848) Mutual Funds Units of DSP Black Rock Money Manager Retail - Growth	-	50.00
Aggregate book value of unquoted investments	-	50.00
	-	50.00

**16. Inventories**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
(valued at lower of cost and net realisable value)		
Raw material and components [includes stock in transit ₹ 2.84 million (₹ 8.11 million)]	438.20	280.16
Work-in-progress	500.32	367.42
Stores and spares	0.18	0.54
Finished goods (stock in transit)	160.25	-
Patterns	12.43	11.72
Tools, jigs and fixtures	2.43	5.21
Others (Scrap)	0.04	0.05
	<b>1,113.85</b>	<b>665.10</b>

**17. Trade Receivables**

Particulars	Non-Current		Current	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
<b>Over Six Months</b>				
Secured - considered good	-	-	-	-
Unsecured - considered good	-	-	290.95	213.26
Considered doubtful	-	-	48.70	38.11
	-	-	339.65	251.37
Less : Provision for doubtful debts	-	-	48.70	38.11
	-	-	290.95	213.26
<b>Others</b>				
Secured - considered good	-	-	-	-
Unsecured - considered good	114.69	58.93	766.48	958.49
	114.69	58.93	766.48	958.49
<b>Total (A+B)</b>	<b>114.69</b>	<b>58.93</b>	<b>1,057.43</b>	<b>1,171.75</b>
Less: Amount disclosed under other non-current assets (Refer Note No 19)	114.69	58.93		
	-	-	1,057.43	1,171.75

## 18. Cash and Bank Balances

Particulars	Non-Current		Current	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
<b>Cash and cash equivalents</b>				
Balance with banks				
Current accounts	-	-	5.62	276.90
Demand deposits (original maturity of less than three months)	-	-	-	-
Cheques / drafts on hand	-	-	-	-
Cash on hand	-	-	0.29	1.28
(A)	-	-	5.91	278.18
<b>Other bank balances</b>				
Earmarked balances:				
Unpaid dividend account	-	-	0.61	0.36
Balances under lien/margin/kept as security:				
Fixed/margin deposits (original maturity more than one year)	0.10	0.10	-	-
Other balances:				
Demand deposits (original maturity exceeding three months but upto one year)	-	-	-	6.61
(B)	0.10	0.10	0.61	6.97
<b>Total (A+B)</b>	<b>0.10</b>	<b>0.10</b>	<b>6.52</b>	<b>285.15</b>
Less: Amount disclosed under other non-current assets (Refer Note No 19)	0.10	0.10		
	-	-	6.52	285.15

## 19. Other Assets

Particulars	Non-Current		Current	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Long-term trade receivables (Refer Note No. 17)	114.69	58.93	-	-
Non-current cash and bank balances (Refer Note No. 18)	0.10	0.10	-	-
Interest accrued on fixed deposits	-	0.01	0.02	0.04
Due from customers (Turnkey Project revenue adjustment)	-	-	433.41	122.07
Duty drawback receivable	-	-	17.72	24.87
	<b>114.79</b>	<b>59.04</b>	<b>451.15</b>	<b>146.98</b>

**20. Revenue from Operations**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
<b>Sale of products</b>		
Finished goods		
Turbines (including related equipments and supplies)	3,079.49	4,914.43
Spares	750.02	869.02
Civil work receipts	0.21	13.97
<b>Sale of services</b>		
Servicing, operation and maintenance	444.91	360.42
Erection and commissioning	152.19	97.88
<b>Turbine extended scope project</b>	790.53	599.65
<b>Other operating revenue</b>		
Technical know-how fee	-	12.07
Sale of scrap	6.85	6.94
Selling commission	3.55	3.61
Royalty	3.36	2.88
	<b>5,231.11</b>	<b>6,880.87</b>

**21. Other Income**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Dividend from current investment	-	1.76
Profit on sale/redemption of current investment	11.36	3.27
Customs duty drawback	25.78	24.08
Rent received	4.65	4.68
Interest income		
Bank Deposits	0.30	4.75
Customers	1.75	1.97
Exchange fluctuation gains *	-	32.51
Credit balances written back	2.90	0.24
Provision of liquidated damages reversed (net) - (Refer Note No 7)	8.75	6.25
Provision of cost to completion for earlier year reversed (Refer Note No 7)	51.60	0.63
Provision for diminution in value of current investment written back	-	0.08
Excess provision of expenses written back	1.41	-
Miscellaneous Income	1.00	0.85
	<b>109.50</b>	<b>81.07</b>

\* Includes premium/discount earned on foreign currency forward contracts ₹ Nil (previous year ₹ 28.49 million) and reversal of provision against mark to market losses ₹ Nil (previous year ₹ 0.44 million)

**22. Material Consumed**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Stock at commencement	280.16	315.37
Purchases	3,226.48	3,678.11
	<b>3,506.64</b>	<b>3,993.48</b>
Less: Stock at close	438.20	280.16
	<b>3,068.44</b>	<b>3,713.32</b>
<b>Details of raw material and components consumed</b>		
Alternators, electric panels and other direct bought-outs	1,282.62	1,853.19
Iron and steel	249.36	315.58
Gear boxes and accessories	337.82	361.79
Oil system components	118.71	148.34
Others	1,079.93	1,034.42
	<b>3,068.44</b>	<b>3,713.32</b>

**23. Decrease/ (Increase) in Work-in-Progress and Finished Goods**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Stock at commencement		
- Work-in-progress (Turbines)	367.42	457.86
	<b>367.42</b>	<b>457.86</b>
Stock at close		
- Work-in-progress (Turbines)	500.32	367.42
- Finished goods (Turbines)	160.25	-
	<b>660.57</b>	<b>367.42</b>
	<b>(293.15)</b>	<b>90.44</b>

**24. Employee Benefit Expenses**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Salaries, wages and bonus	477.09	452.93
Contributions to provident and other funds	34.48	34.07
Gratuity	14.70	11.11
Employee welfare	40.74	39.62
	<b>567.01</b>	<b>537.73</b>

**25. Other Expenses**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Stores, Spares and tools consumed	106.27	90.40
Power and fuel	18.32	15.85
Design and engineering charges	3.16	6.40
Repairs and maintenance		
Machinery	10.31	4.67
Buildings	4.28	1.21
Others	8.92	7.60
Travelling and conveyance	96.59	92.99
Rent	6.58	6.98
Rates and taxes	4.13	3.26
Insurance	2.74	3.06
Directors' fees	0.98	0.57
Directors' commission	5.00	4.50
Certification & consultation	36.57	30.84
Group shared service cost	33.96	39.79
Prior period expenses (Refer Note No. 37)	-	0.16
Bank charges and guarantee commission	12.23	15.17
Exchange fluctuation loss *	40.40	-
Provision for doubtful debts and advances	10.59	16.19
Bad debts/sundry amounts written off	2.20	1.19
Warranty expenses [Includes provision for warranty (net of reversals) of ₹ 3.23 million (Previous year: ₹ 33.14 million)] (Refer Note No 7)	19.06	52.96
Payment to Auditors (Refer Note No 45 )	2.14	1.68
Non moving/obsolete inventory written off	18.11	10.71
Loss on sale of assets	3.72	0.94
Packing and forwarding	88.38	70.02
Selling commission	49.41	34.27
Miscellaneous expenses	91.83	80.18
	<b>675.88</b>	<b>591.59</b>

\* Net off premium/discount earned on foreign currency forward contracts ₹ 36.03 million (previous year: ₹ Nil)

**26. Depreciation and Amortisation Expenses**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Depreciation	109.22	109.20
Amortisation	19.38	13.42
	<b>128.60</b>	<b>122.62</b>

**27. Finance Costs**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Interest [Includes ₹ 0.46 million towards interest on income tax (previous year ₹ 0.05 million )]	5.36	25.70
Other borrowing cost	0.63	1.55
	<b>5.99</b>	<b>27.25</b>

**28.** The Company had earlier exited the rural and semi-urban retail business and engineering business of design, supply and commissioning of specialised sugar manufacturing machinery. There are no transactions relating to such discontinued operations during the current year. In the previous year, a loss of ₹ 0.16 million before tax was incurred in respect of such discontinued operations, comprising revenues of ₹ 0.13 million and expenses of ₹ 0.29 million. Upon considering tax benefit thereon of ₹ 0.05 million, the net loss after tax was ₹ 0.11 million. The total cash outflow of ₹ 0.24 million during the previous year comprised outflow of ₹ 0.24 million on account of operating activities relating to settlement of liabilities and ₹ 0.005 million on account of financing activities.

**29. Earnings per share (EPS)**

	(₹ in Million)	
Basic EPS	31.03.2014	31.03.2013
Net profit after tax	684.52	1,066.25
Less: Dividend on preference shares (including dividend distribution tax)	0.44	2.62
Adjusted net profit / (loss) after tax and preference dividend [A]	684.08	1,063.63
Weighted average number of equity shares outstanding during the year [B]	329,881,385	329,880,150
Basic earnings per share – ₹/Share [A/B]	2.07	3.22
Diluted EPS	31.03.2014	31.03.2013
Adjusted net profit / (loss) after tax and preference dividend, as above [A]	684.08	1,063.63
Weighted average number of equity shares deemed to be issued under options without consideration, outstanding during the year	1,976	6,530
Weighted average number of equity shares outstanding during the year [B]	329,883,361	329,886,680
Diluted earnings per share ₹/Share [A/B]	2.07	3.22

**30.** The Company has incurred an expenditure of ₹ 80.89 million (Previous year ₹ 54.22 million) for research and development activities and such expenditure has been expensed under various heads. The break up of such expenditure is as under:

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
a) Capital expenditure	30.21	10.65
b) Recurring expenditure	50.68	43.57
<b>Total</b>	<b>80.89</b>	<b>54.22</b>

**31. Contingent Liabilities (to the extent not provided for)**

Claims against the Company not acknowledged as debts:

SI No	Particulars	Amount of Contingent Liability	Amount Paid
1	Excise duty	40.15 (39.92)	26.15 (26.15)
2	Service tax	44.52 (42.39)	4.52 (-)
3	Others	2.08 (2.08)	- (-)
	<b>Total</b>	<b>86.75 (84.39)</b>	<b>30.67 (26.15)</b>

- a) The outflow arising from these claims is uncertain. Such outflow, if any, will be after adjusting reimbursement of ₹ 8.06 million received from customers (Previous year ₹ 8.06 million) in respect of excise duty demand.
- b) The amounts shown above represent the best 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 a strong legal position against such disputes.

32. Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ 24.90 million (₹ 20.90 million) after adjusting advances paid aggregating to ₹ 4.40 million (₹ 4.40 million).
33. Title to certain fixed assets vested in the Company under the Scheme of Arrangement and arising out of business conducted till the date the Scheme became effective, has not yet been transferred in the name of the Company. These assets are being held in trust, by Triveni Engineering & Industries Ltd. The requisite duties, if any, on determination thereof by the Authorities, will be paid and accounted for by the Company appropriately.
34. 40,000 stock options had been granted to an employee of the Company on April 30, 2010, while he was an employee of Triveni Engineering & Industries Ltd. (TEIL), prior to the demerger of its steam turbine business and vesting of the same in the Company under a Scheme of Arrangement, duly approved by the Court. As per the Scheme of Arrangement, an employee stock option scheme styled as 'New Stock Option Scheme' has been formulated by the Company and the employee has been granted 40,000 stock options in lieu of the stock options held by him in TEIL. In accordance with the Scheme of Arrangement, and in line with the best practices, adjustment has been made for the corporate action of demerger, by adjusting the exercise price and share entitlement ratio under the options granted, 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 grant of options under the 'New Stock Option Scheme' framed in accordance with the Scheme of Arrangement, the stock options 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 New Stock Option Scheme are as under:

a) Employee Stock Option Scheme:

No. of Options granted	40,000
Original grant date of Options	30.04.2010
Date of grant under New Stock Option Scheme (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	184,000
Vesting Plan	Graded Vesting as under: 20,000 options to vest on 30.04.2011 20,000 options to vest on 30.04.2012
Normal Exercise Period	Within 2 years from the date of vesting
Exercise Price per share (₹)	52

b) Movement of Options Granted

Particulars	31.03.2014	31.03.2013
Outstanding at the beginning of the year	40,000	40,000
Granted during the year	Nil	Nil
Exercised during the year	14,000	Nil
Lapsed during the year	20,000	Nil
Outstanding at the end of the year	6,000	40,000
Unvested at the end of the year	Nil	Nil
Exercisable at the end of the year	6,000	40,000

The options outstanding as at the end of the year have a weighted average contractual life of 1 month (Previous Year: 7 months) and are exercisable at the grant price of ₹ 52.

## 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	46.53%
(d) Expected dividend	1.20%
(e) Exercise price of each underlying share under the option	₹ 52

The weighted average fair value of each option of the Company as on the date of the corporate adjustment, issued under New Stock Option Scheme was ₹ 29.30.

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:

Particulars	(₹ in Million)	31.03.2014	31.03.2013
Net Profit (as reported)	684.52	1,066.25	
Less : Preference dividend (including tax thereon)	0.44	2.62	
Add : Compensation cost under ESOP considered in the net profit	Nil	Nil	
Less/(Add) : Compensation cost/(Compensation cost reversals) under ESOP as per fair value *	(0.59)	0.02	
Net Profit (fair value basis) attributable to equity shareholders	684.67	1,063.61	
Basic earnings per share (as reported) – ₹/Share	2.07	3.22	
Basic earnings per share (fair value basis) – ₹/Share	2.07	3.22	
Diluted earnings per share (as reported) – ₹/Share	2.07	3.22	
Diluted earnings per share (fair value basis) – ₹/Share	2.07	3.22	

\* 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.

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

Sl No	Particulars	(₹ in Million)	31.03.2014	31.03.2013
1	Amounts due to Micro and Small enterprises as at the end of the year			
	i) Principal amount	60.24	61.56	
	ii) Interest due on above	Nil	Nil	
2	i) Principal amount paid after due date or appointed day during the year	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 after the due date or appointed day.	Nil	Nil	
4	Total interest accrued and remaining unpaid as at the end of the year	Nil	Nil	
5	Further interest in respect of defaults of earlier years due and payable in current year upto the date when actually paid	Nil	Nil	

36. i) The Company has taken various residential and office premises under operating leases. These leases are not non-cancellable and the unexpired period ranges between 6 months and 4 years. The lease agreements are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest-free security deposits under certain agreements.
- a) Lease payments under operating leases aggregating to ₹ 6.58 million (₹ 6.98 million) are recognised in the statement of profit and loss under "Other expenses" in Note No 25.
  - b) There are no minimum future lease payments as there are no non-cancellable leases.
  - c) There are no contingent rents recognised in the statement of profit and loss.
  - d) There are no sub-lease arrangements entered into by the Company.
- ii) The Company has also given certain portions of its office premises under cancellable and non-cancellable operating leases. These leases are extendable by mutual consent and on mutually agreeable terms. The gross carrying amount, accumulated depreciation and depreciation recognised in the statement of profit and loss in respect of such portions 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. Future minimum lease payments under non-cancellable operating leases for the period the facilities are expected to be occupied is as under:

	(₹ in Million)	
Unexpired period of lease	31.03.2014	31.03.2013
Not later than one year	5.08	4.62
Later than one year but not later than five years	10.16	-
Later than five years	-	-

Initial direct costs incurred, if any, to earn revenues from an operating lease are recognised as an expense in the statement of profit and loss in the period in which they are incurred.

37. Prior period expense ₹ Nil (previous year ₹ 0.16 million represents legal charges in the statement of profit and loss under "Other expenses" in Note No. 25).
38. Disclosure under Accounting Standard (AS) 7 "Construction Contracts" in respect of contracts in progress as at the end of the year is provided here-below:

SI No	Particulars of disclosure	31.03.2014	31.03.2013
i)	Amount of contracts revenue recognised as revenue in the year	790.53	599.65
ii)	Aggregate amount of costs incurred and recognised profits (less recognised losses) upto the reporting date	1,390.18	599.65
iii)	Advances received	157.10	157.10
iv)	Retentions	114.70	58.93
v)	Gross amount due from customers for contract work as an asset	433.41	122,07
vi)	Gross amount due to customers for contract work as a liability	-	-

39. The Company primarily operates in one business segment – Power Generating Equipment and Solutions. There are no reportable geographical segments.

**40.** Information regarding Related Parties and transactions with them is given below:

**a) Related Party where control exists**

- i) Subsidiary  
GE Triveni Limited
- ii) Key Management Personnel  
Mr. Dhruv M. Sawhney - Chairman and Managing Director

**b) Details of related parties with whom transactions have taken place during the year :**

Name of related Party	Relationship
Triveni Engineering & Industries Ltd (TEIL)	Investing company holding substantial interest.
GE Triveni Limited (GETL)	Subsidiary Company
Mr. Dhruv M. Sawhney (DMS)	Chairman & Managing Director (Key Management Person)
Mr. Nikhil Sawhney (NS)	Vice Chairman and Managing Director (Key Management Person)
Mr. Tarun Sawhney (TS)	Relative of Key Management Person
Mr. Arun Mote (AM)	Executive Director (Key Management Person)
Tirath Ram Shah Charitable Trust (TRSCT)	Enterprise in which Key Management Personnel or their relatives have significant influence
Kameni Upaskar Ltd (KUL)	Company in which Key Management Personnel or their relatives have significant influence

c) Details of transactions with the related parties during the year ::

SI No	Nature of Transaction	TEIL	GETL	DMS	NS	TS	AM	TRSCT	(₹ in Million)	
									KUL	Total
1	Sales and rendering of services	508.37 (545.95)	133.31 (114.43)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	641.68 (660.38)
2	Purchase of goods and receiving of services	300.56 (303.54)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	300.56 (303.54)
3	Donation paid	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	7.50 (7.50)	- (-)	7.50 (7.50)
4	Rent paid	2.97 (3.92)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2.97 (3.92)
5	Expenses incurred by the party on behalf of the Company/ (-) by the Company on behalf of the party - net	5.38 (2.06)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (0.20)	5.38 (2.26)
6	Remuneration	- (-)	- (-)	32.76 (25.50)	25.23 (19.65)	- (-)	21.72 (6.17)	- (-)	- (-)	79.71 (51.32)
7	Selling commission received	- (-)	3.92 (3.82)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	3.92 (3.82)
8	Royalty received	- (-)	3.77 (3.24)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	3.77 (3.24)
9	Investment in shares	- (-)	- (25.00)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (25.00)
10	Rent received	0.02 (0.02)	5.19 (5.19)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	5.21 (5.21)
11	Directors' fee paid	- (-)	- (-)	- (-)	- (-)	0.11 (0.06)	- (-)	- (-)	- (-)	0.11 (0.06)
12	Directors' commission	- (-)	- (-)	- (-)	- (-)	1.00 (1.00)	- (-)	- (-)	- (-)	1.00 (1.00)
13	Redemption of preference shares	28.00 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	28.00 -
14	Amount received by company upon exercise of options under stock option scheme for issue of equity shares	- (-)	- (-)	- (-)	- (-)	- (-)	3.35 (-)	- (-)	- (-)	3.35 -
15	Outstanding balances as at year end									
A.	Receivable	239.14 (87.21)	129.33 (15.46)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	368.47 (102.67)
B.	Payable	130.98 (129.84)	85.57 (13.55)	0.09 (0.03)	0.04 (0.04)	- (-)	0.29 (0.28)	- (-)	- (-)	216.97 (143.74)

Figures in brackets pertain to the previous year.

41. a) Derivatives outstanding at the balance sheet date

Forward Contract to Sell	Purpose
1. US\$ 8.62 million (₹ 511.56 million) [Prev. Yr.: US\$ 7.03 million(₹ 380.04 million)]	Hedging of receivables and highly probable forecast transactions.
2. Euro 0.39 million (₹ 31.79 million) [Prev. Yr.: Euro 1.15 million (₹ 79.42 million)]	Hedging of receivables and highly probable forecast transactions.
3. Euro 0.25 million Hedged to USD (USD 0.34 million) (Prev.Yr.Nil (₹ Nil))	Hedging of receivables and highly probable forecast transactions
4. GBP 1.13 million (₹ 110.90 million) [Prev. Yr.: GBP 2.65 million (₹ 217.04 million)]	Hedging of highly probable forecast transactions.
Forward Contract to Buy	Purpose
1. US\$ Nil (₹ Nil) [Prev.Yr. US\$ 1.10 million (₹ 60.37 million)]	Hedging of payables.
2. Euro 0.43 million (₹ 35.99 million) (Prev.:Yr. Nil (₹ Nil))	Hedging of highly probable forecast transactions.

The equivalent currency amount for the foreign currency hedges have been considered at the corresponding exchange rates prevalent at the balance sheet date

**b) Particulars of un-hedged foreign currency exposures at the balance sheet date**

**Import trade payables**

1. US\$ 0.13 million (₹ 7.76 million) [Prev. Yr: US\$ 0.88 million (₹ 48.24 million)]
2. Euro 0.14 million (₹ 11.46 million) [Prev. Yr: Euro 0.04 million (₹ 2.72 million)]
3. CHF 0.003 million (₹ 0.23 million) [Prev. Yr: CHF 0.002 million (₹ 0.14 million)]
4. GBP 0.09 million (₹ 8.83 million) [Prev. Yr: GBP 0.03 million (₹ 2.84 million)]
5. JPY 19.94 million (₹ 11.77 million) [Prev. Yr: JPY 9.50 million (₹ 5.57 million)]

**Export trade receivable**

1. US\$ 0.36 million (₹ 21.19 million) [Prev. Yr: US\$ Nil (₹ Nil)]
2. Euro 0.03 million (₹ 2.64 million) [Prev. Yr: Euro Nil (₹ Nil)]
3. GBP 0.32 million (₹ 31.34 million) [Prev. Yr: GBP Nil (₹ Nil)]

42. The Company has made provisions during the year for employee benefits relating to its obligations towards defined contribution and defined benefit plans. The required disclosures in this regard are given below:

**i) Defined Contribution Plans**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Employer's contribution to employees' provident fund scheme	24.02	22.90
Employer's contribution to employees' state insurance scheme	0.32	1.43
Employer's contribution to officers' pension scheme	7.81	7.57

**ii) Defined Benefit Plans**

Change in present value of obligation

Particulars	Gratuity		Compensated absence (un-funded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Present value of obligation as at the beginning of the year	60.60	57.51	21.10	20.44
Interest cost	4.59	4.28	1.67	1.69
Current service cost	6.10	4.57	1.36	4.71
Benefits paid	(13.07)	(8.02)	(2.82)	(2.31)
Actuarial (gain) / loss on obligation	7.65	2.26	(1.28)	(3.43)
Present value of obligation as at the end of the year	65.87	60.60	20.03	21.10

## Change in value of plan assets

Particulars	Gratuity		Compensated absence (un-funded)		(₹ in Million)
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	
Fair value of plan assets at the beginning of the year	40.50	-	-	-	-
Acquisition adjustment	-	-	-	-	-
Expected return on plan assets	3.54	-	-	-	-
Contributions	30.58	40.50	-	-	-
Benefits paid	(13.07)	-	-	-	-
Actuarial gain / (loss) on plan assets	0.10	-	-	-	-
Fair Value of plan assets at the end of year	61.65	40.50	-	-	-

## Amounts recognised in balance sheet

Particulars	Gratuity		Compensated absence (un-funded)		(₹ in Million)
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	
Present value of obligation as at the end of the year	65.87	60.60	20.03	21.10	-
Fair value of plan assets as at the end of the year	61.65	40.50	-	-	-
Funded status / difference	(4.22)	(20.10)	(20.03)	(21.10)	-
Net assets / (liability) recognised in the balance sheet	(4.22)	(20.10)	(20.03)	(21.10)	-

## Amounts recognised in the statement of profit and loss

Particulars	Gratuity		Compensated absence (un-funded)		(₹ in Million)
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	
Current service cost	6.10	4.57	1.35	4.71	-
Interest cost	4.59	4.28	1.67	1.69	-
Expected return on plan assets	(3.54)	-	-	-	-
Net actuarial (gain) / loss recognised during the year	7.55	2.26	(1.28)	(3.43)	-
Expenses recognised in the statement of profit and loss	14.70	11.11	1.74	2.97	-

## Experience adjustment

Particulars	Gratuity				Compensated absence				(₹ in Million)
	31.03.14	31.03.13	31.03.12	31.03.11	31.03.14	31.03.13	31.03.12	31.03.11	
Defined benefit obligation	65.87	60.60	57.51	58.48	20.03	21.10	20.44	21.82	-
Fair value of Plan Assets	61.65	40.50	-	-	-	-	-	-	-
Surplus / (deficit)	(4.22)	(20.10)	(57.51)	(58.48)	(20.03)	(21.10)	(20.44)	(21.82)	-
Experience adjustment on Plan Liabilities-(Gain) / Loss	2.85	2.26	2.17	( 1.18)	(4.02)	(3.43)	(5.12)	0.49	-
Experience adjustment on Plan Assets-(Gain) / Loss	0.20	-	-	-	-	-	-	-	-

The amount of contribution expected to be made to the gratuity fund during the year ended 31-03-2015 is ₹ 12.30 million

## Major actuarial assumptions

Particulars	Gratuity		Compensated absence	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Discounting rate	8.50%	8.50%	8.50%	8.25%
Future salary increase	7.00%	5.50%	7.00%	5.50%
Expected rate of return on plan assets	8.75%	-	-	-
Mortality table	IIALM 2006-08	LIC (1994-96)	IIALM 2006-08	LIC (1994-96)
Method used	Projected unit credit method			

The estimates of future salary increase considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

**43.** The Company has undertaken necessary steps to comply with the Transfer Pricing regulations. The management is of the opinion that the transactions specified in the regulations are at arms-length and hence the aforesaid regulation will not have any impact on the financial statements, particularly the amount of tax expense and that of provision for taxation.

**44. Statement of additional information**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
a) Value of imports on CIF basis :		
i) Raw Materials	183.72	296.01
ii) Spare parts for machinery Maintenance	6.18	1.49
iii) Capital goods	23.84	6.83
b) Expenditure in foreign currency		
i) Travelling	15.91	17.37
ii) Selling commission	34.01	18.29
iii) Erection and commissioning	26.05	17.53
iv) Warranty expenses	21.24	-
v) Others	3.89	2.51
c) Earnings in foreign currency		
i) Exports of goods on F.O.B. basis	1,258.73	1,684.12
ii) Service charges	156.01	61.35
iii) Selling commission	0.06	0.21
d) Consumption of raw material, spare parts and components :		

Particulars	31.03.2014		31.03.2013	
	₹ in Million	%	₹ in Million	%
i) Raw Material				
- Directly imported	87.82	3.14%	148.65	4.00%
- Indigenous	2,980.62	96.86%	3,564.67	96.00%
Total	3,068.44	100.00%	3,713.32	100.00%
ii) Spare-parts and components				
- Directly imported	-	-	-	-
- Indigenous	106.27	100.00%	90.40	100.00%
Total	106.27	100.00%	90.40	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 paid to non-resident shareholders (including non-resident Indian shareholders) which were declared during the year are as under:-

Particulars	Dividend paid during FY 2013-14		Dividend paid during FY 2012-13	
	Final Dividend for FY 2012-13	Interim Dividend for FY 2013-14	Final Dividend for FY 2011-12	Interim Dividend for FY 2012-13
(i) Number of non-resident shareholders	403	386	480	458
(ii) Number of Equity Shares held by them	42620795	56672353	36863927	37512894
(iii) Gross amount of dividend- (₹ in Million)	23.44	11.33	7.37	9.38

**45. Auditors' remuneration represents amount paid / payable to the auditors on account of :**

(₹ in Million)

S. No.	Particulars	Statutory auditors*		Branch auditors		Cost auditors	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
1	Audit fee	0.21	0.21	0.40	0.40	0.06	0.03
2	Tax audit fee	0.07	0.07	0.17	0.17	-	-
3	Limited review fee	0.12	0.12	0.18	0.19	-	-
4	Certification charges	0.13	0.01	0.03	-	-	-
5.	Reimbursement of expenses	0.01	0.00	0.70	0.42	0.00	-
<b>Total</b>		<b>0.54</b>	<b>0.41</b>	<b>1.48</b>	<b>1.18</b>	<b>0.06</b>	<b>0.03</b>

\* Excluding service tax of ₹ 0.06 million (Previous Year ₹ 0.06 million) charged to the statement of profit and loss.

**46. Previous year's figures have been regrouped/rearranged wherever necessary, to make them comparable to those of the current year.**

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

Deepak Kumar Sen

General Manager & CFO

Dhruv M. Sawhney

Chairman & Managing Director

Rajiv Sawhney

Company Secretary

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

Director & Chairman Audit Committee

Place : Noida (U.P.)

Date : May 27, 2014

# INDEPENDENT AUDITORS' REPORT

## To the Board of Directors of Triveni Turbine Limited

1. We have audited the accompanying consolidated financial statements of Triveni Turbine Limited (the "Company") and its subsidiary (collectively referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"), read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the Group's preparation and presentation 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 the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

## Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the report of other auditor on financial statements of the subsidiary as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

## Other Matters

We did not audit the financial statements of the subsidiary company whose financial statement reflect total assets of ₹ 653.30 million as at March 31, 2014, total revenues of ₹ 229.85 million, net loss of ₹ 23.66 million and net cash flows amounting to ₹ 64.18 million for the year ended on that date. These financial statements have been audited by other auditor whose report has been furnished to us and our opinion is based solely on the report of the other auditor.

Our opinion is not qualified in respect of above other matters.

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

**Sudhir Mallick  
Partner  
Membership No.80051**

Place : Noida (U.P.)  
Date : May 27, 2014

# CONSOLIDATED BALANCE SHEET

## AS AT 31ST MARCH 2014

Particulars	Note No	31.03.2014	(₹ in Million) 31.03.2013
<b>I EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
Share capital	2	329.94	357.88
Reserves and surplus	3	1,417.65	1,024.75
		<b>1,747.59</b>	<b>1,382.63</b>
<b>2. Minority interest</b>		40.52	52.35
<b>3. Non-current liabilities</b>			
Long-term borrowings	4	118.65	5.97
Deferred tax liabilities (net)	5	96.43	77.83
Other long-term liabilities	6	8.06	8.06
Long-term provisions	7	34.20	55.75
		<b>257.34</b>	<b>147.61</b>
<b>4. Current liabilities</b>			
Short-term borrowings	8	69.19	-
Trade payables	9	1,357.24	1,151.69
Other current liabilities	10	1,084.10	740.52
Short-term provisions	7	400.94	518.18
		<b>2,911.47</b>	<b>2,410.39</b>
<b>Total</b>		<b>4,956.92</b>	<b>3,992.98</b>
<b>II ASSETS</b>			
<b>1. Non-current assets</b>			
Fixed assets			
(i) Tangible assets	11	1,019.77	1,112.97
(ii) Intangible assets	12	92.65	77.26
(iii) Capital work-in-progress		192.05	1.33
		<b>1,304.47</b>	<b>1,191.56</b>
Long-term loans and advances	13	514.77	181.00
Other non-current assets	18	114.79	59.04
		<b>1,934.03</b>	<b>1,431.60</b>
<b>2. Current assets</b>			
Current investments	14	-	50.00
Inventories	15	1,116.20	665.10
Trade receivables	16	1,125.85	1,173.16
Cash and bank balances	17	92.22	320.17
Short-term loans and advances	13	232.98	205.30
Other current assets	18	455.64	147.65
		<b>3,022.89</b>	<b>2,561.38</b>
<b>Total</b>		<b>4,956.92</b>	<b>3,992.98</b>
Summary of Significant Accounting Policies	1		

The accompanying Note Nos.1 to 46 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

**Deepak Kumar Sen**

General Manager & CFO

**Rajiv Sawhney**

Company Secretary

**Dhruv M. Sawhney**

Chairman & Managing Director

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

Director & Chairman Audit Committee

Place : Noida (U.P.)

Date : May 27, 2014

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	Note No	31.03.2014	(₹ in Million) 31.03.2013
<b>Continuing operations</b>			
<b>INCOME</b>			
Revenue from operations (gross)	19	5,314.64	6,953.85
Less : Excise duty		160.88	300.45
Revenue from operations (net)		5,153.76	6,653.40
Other Income	20	108.07	81.26
<b>Total revenue</b>		<b>5,261.83</b>	<b>6,734.66</b>
<b>EXPENSES</b>			
Cost of raw material and components consumed	21	3,131.20	3,796.38
Decrease/ (Increase) in inventories of finished goods and work-in-progress	22	(293.15)	90.44
Employee benefit expenses	23	578.50	548.08
Other expenses	24	701.35	609.89
<b>Total</b>		<b>4,117.90</b>	<b>5,044.79</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>1,143.93</b>	<b>1,689.87</b>
Depreciation and amortisation expenses	25	135.36	127.91
Finance costs	26	11.75	27.37
<b>Profit before extraordinary items and tax</b>		<b>996.82</b>	<b>1,534.59</b>
Extraordinary items		-	-
<b>Profit before tax</b>		<b>996.82</b>	<b>1,534.59</b>
<b>Tax expenses</b>			
Current tax		310.49	493.28
Deferred tax		18.60	6.95
<b>Profit after tax from continuing operations (A)</b>		<b>667.73</b>	<b>1,034.36</b>
<b>Discontinued operations</b>			
Profit / (loss) from discontinued operations before tax	27	-	(0.16)
Tax expense for discontinued operations		-	(0.05)
<b>Profit / (loss) from discontinued operations after tax (B)</b>		-	(0.11)
<b>Profit for the year before Minority interest (A+B)</b>		<b>667.73</b>	<b>1,034.25</b>
Less: Minority interest		(11.83)	(10.60)
<b>Profit for the year after Minority interest</b>		<b>679.56</b>	<b>1,044.85</b>
Earning per equity share of ₹1/- each	28		
Basic (in ₹)		2.06	3.16
Diluted (in ₹)		2.06	3.16
Summary of Significant Accounting Policies	1		

The accompanying Note Nos.1 to 46 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

Deepak Kumar Sen  
General Manager & CFO  
  
Rajiv Sawhney  
Company Secretary

Dhruv M. Sawhney  
Chairman & Managing Director  
  
Lt.Gen.K.K.Hazari (Retd)  
Director & Chairman Audit Committee

Place : Noida (U.P.)  
Date : May 27, 2014

# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax from continuing operations	996.82	1,534.59
Profit before tax from discontinued operations	-	(0.16)
<b>Profit before tax</b>	<b>996.82</b>	<b>1,534.43</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation / amortisation on continuing operations	135.36	127.91
Depreciation / amortisation on discontinued operations (previous year: ₹ 2,172/-)	-	0.00
Assets written off pertaining to discontinued operations (previous year: ₹ 4,782/-)	-	0.00
Loss / (profit) on sale of fixed assets	3.72	0.94
Provision for diminution in value of investments (current investments)	-	(0.08)
Net gain on sale of current investments	(11.36)	(3.26)
Interest expense	11.75	27.37
Interest income	(3.14)	(8.99)
Dividend income	-	(1.76)
<b>Operating profit before working capital changes</b>	<b>1,133.15</b>	<b>1,676.56</b>
Movements in working capital :		
Change in Liabilities	366.39	219.92
Change in Trade Receivables	5.10	(585.95)
Change in Inventories	(451.09)	125.96
Change in Loans and Advances	(72.07)	(108.16)
Change in Other Current Assets	(304.19)	(140.15)
<b>Cash generated from / (used in) operations</b>	<b>677.29</b>	<b>1,188.18</b>
Direct taxes paid (net of refunds)	(302.63)	(488.31)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>374.66</b>	<b>699.87</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(532.21)	(59.50)
Proceeds from sale of fixed assets	0.28	0.10
Purchase of current investments	(1,120.00)	(720.00)
Proceeds from sale / maturity of current investments	1,181.36	773.36
Bank deposits (having original maturity of more than three months)	20.11	4.39
Interest received	3.66	9.29
Dividends received	-	1.76
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(446.80)</b>	<b>9.40</b>

(₹ in Million)

Particulars	31.03.2014	31.03.2013
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issuance of share capital	3.35	25.00
Redemption of preference share capital	(28.00)	-
Proceeds from long-term borrowings	122.42	3.01
Repayment of long-term borrowings	(4.53)	(352.39)
Increase / (Decrease) in of short-term borrowings	69.19	(4.48)
Interest paid	(6.10)	(27.39)
Dividend paid on equity shares	(249.79)	(150.49)
Tax on equity dividend paid	(42.49)	(24.45)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(135.95)</b>	<b>(531.19)</b>
Net increase / (decrease) in cash and cash equivalents (A + B+ C)	(208.09)	178.08
Cash and cash equivalents at the beginning of the year	299.70	121.62
<b>Cash and cash equivalents at the end of the year</b>	<b>91.61</b>	<b>299.70</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

**Deepak Kumar Sen**  
General Manager & CFO  
**Rajiv Sawhney**  
Company Secretary

**Dhruv M. Sawhney**  
Chairman & Managing Director  
**Lt.Gen.K.K.Hazari (Retd)**  
Director & Chairman Audit Committee

Place : Noida (U.P.)

Date : May 27, 2014

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31ST MARCH 2014

### 1. Significant Accounting Policies

#### a) Basis and Principles of Consolidation

- i) The consolidated financial statements have been prepared on a going concern basis in accordance with Accounting Standard (AS) 21 Consolidated Financial Statements.
- ii) The consolidated financial statements comprise the financial statements of Triveni Turbine Ltd (Holding Company), incorporated in India and its subsidiary - GE Triveni Limited incorporated in India, in which it holds fifty percent plus one equity share of the total paid up capital.
- iii) The consolidated financial statements have been prepared based on a line-by-line consolidation using uniform accounting policies. The effects of inter-company transactions are eliminated in consolidation.

#### b) Basis of Preparation

The financial statements of the Company have been prepared on accrual basis of accounting under the historical cost convention in accordance with generally accepted accounting principles in India and comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), and the relevant provisions of the Companies Act, 1956, read with General Circular 15/2013 dated September 13, 2013 and General Circular 08/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs.

All assets and liabilities have been classified as current or non-current as per the criteria set out in the Revised Schedule VI to the Companies Act, 1956. In line with the normal operating cycle of the main product, i.e., manufacture and supply of turbine package, 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 revenue and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialize.

#### d) Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes taxes, duties (excluding excise duty and VAT for which CENVAT/VAT credit is available), freight and other incidental expenses

relating to acquisition and installation of such fixed asset.

#### e) Recognition of Revenue

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, usually on delivery of the goods. The Company collects sales taxes and/or 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. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross).
- 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 accordingly it is excluded from revenue.
- iii. 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 cost for this purpose includes:
  - 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 the contract.
- Foreseeable losses, if any, are provided for immediately.
- iv) Income and expenditure relating to the prior period and prepaid expenses which do not exceed ₹10,000/- in each case, are treated as income/expenditure of the current year.

#### f) Foreign Currency Transactions

- i. Transactions denominated in foreign currencies are recorded at exchange rates prevailing on the dates of the transactions.
- ii. Foreign currency monetary items (including forward contracts) are translated at rates prevailing at the reporting date. Exchange differences arising on settlement of transactions and translation of monetary items (including forward contracts) are

recognised as income or expense in the year in which they arise.

- iii. The premium or discount on foreign currency forward 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 each contract.
- 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, on such contracts are not recognised till settlement.

#### **g) Investments**

Investments, that 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 long term investments. Current investments are carried at the lower of cost and fair value. Long term investments are carried at cost. However, provision for diminution 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.

#### **h) Inventories**

- i) Inventories of raw materials and components, stores and spares are valued at the lower of cost and net realisable value. Cost for the purpose of valuation of inventories is determined on weighted average basis. In case of subsidiary company cost for the purpose of valuation of inventories is determined on a first-in-first-out basis.
- 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 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) Patterns, loose tools, jigs and fixtures are amortised equally over three years.

#### **i) Depreciation**

Depreciation on fixed assets is provided on the straight line basis at the rates specified in Schedule XIV of the Companies Act, 1956 as amended by Notification No.GSR 756E dated 16th December 1993, other than on the following assets which are depreciated at higher rates on the straight line basis over their estimated

useful economic lives as follows:

Particulars	Rates adopted in case of holding company	Rates adopted in case of subsidiary company
CNC and certain other machines	9.48% to 12.65%	
Mobile phone costing above ₹5,000/-	50%	
Computers		33.33%
Office Equipments		20%
Furniture and fixture		10%
Vehicles		10%

#### **J) Employee Benefits**

##### **i) Short term Employee Benefits**

All employee benefits payable wholly within 12 months after the end of the period in which the employees render related services are classified as short term employee benefits and are recognised as expenses in the period in which the employees render 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.

##### **ii) Post-employment benefits**

###### **a) 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 contributions under the Employees' Provident Fund Scheme, Employees' State Insurance Scheme and Officers' Pension Scheme for certain employees are defined contributions plans. The Contributions paid/payable under the schemes are recognised during the period in which the employees render the related service.

###### **b) Defined benefit plans:**

Defined benefit plans are plans under which the Company pays certain defined benefits to employees at the time of their retirement/resignation/death based on rules framed for such schemes. The Employees' Gratuity Scheme is a defined benefit plan. The present value of the obligation under a defined benefit plan is determined based on the actuarial valuation using the Projected Unit Credit method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plan, is based on the market yields on Government securities as at the balance sheet date, with maturity periods approximating the terms of the related obligation.

Actuarial gains and losses are recognised immediately in the statement of Profit and Loss.

Gains or losses on the curtailment or settlement of any defined benefits plan are recognised when the curtailment of settlement occurs. Past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested.

- iii) Other long-term employee benefits:  
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date on the basis of actuarial valuation. The discount rates used for determining the present values of the obligation under defined benefit plans, are based on the appropriate market yields on Government securities as at the balance sheet date.
- iv) Employee Stock Options:  
Compensation cost in respect of stock options granted to eligible employees is recognized using the intrinsic value of the stock options and is amortised over the vesting period of such options granted.

#### **k) Borrowing costs**

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

#### **l) 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 assets 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 realized, except in the case of unabsoed depreciation or carried forward of losses under the Income-tax Act 1961, where deferred tax assets are recognised only to the extent that there is virtual

certainty supported by convincing evidence that sufficient future taxable income will be available against which 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.

#### **m) Intangible Assets**

Intangible assets are recognised in accordance with the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" and are amortised as follows :

Particulars	Period of amortisation
Computer software	36 months
Website development cost	36 months
Designs and drawings	72 months
Technical know-how	10 Years

#### **n) Impairment of Assets**

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

#### **o) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised, if :

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

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

Contingent liability is disclosed in the case of

- a) 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; or
- b) a possible obligation, unless the probability of outflow of resources is remote.

Contingent assets are not recognised .

#### **p) Research and Development**

Revenue expenditure on research and development is charged under respective heads of account. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

## 2. Share Capital

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
<b>AUTHORISED</b>		
450,000,000 Equity Shares of ₹ 1/- each	450.00	450.00
5,000,000 8% Cumulative Redeemable Preference Shares of ₹ 10/- each	50.00	50.00
	<b>500.00</b>	<b>500.00</b>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
<b>Equity</b>		
329,944,550 (329,880,150) Equity Shares of ₹ 1/- each	329.94	329.88
<b>Preference</b>		
Nil (2,800,000) 8% Cumulative Redeemable Preference Shares of ₹ 10/- each	-	28.00
	<b>329.94</b>	<b>357.88</b>

### a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

#### Equity Shares

Particulars	As at 31.03.2014		As at 31.03.2013	
	No of Shares	₹ in Million	No of Shares	₹ in Million
At the beginning of the year	329,880,150	329.88	329,880,150	329.88
Add: Issued during the year pursuant to exercise of employee stock options	64,400	0.06	-	-
Outstanding at the end of the year	329,944,550	329.94	329,880,150	329.88

#### Preference Shares

Particulars	As at 31.03.2014		As at 31.03.2013	
	No of Shares	₹ in Million	No of Shares	₹ in Million
At the beginning of the year	2,800,000	28.00	2,800,000	28.00
Less : Redeemed during the year	2,800,000	28.00	-	-
Outstanding at the end of the year	-	-	2,800,000	28.00

### 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) Terms/rights attached to preference shares

As per the Scheme of Arrangement ("Scheme") duly approved by the Allahabad High Court vide order dated April 19, 2011, 28,000,000 equity shares of ₹ 1/- each fully paid up held by Triveni Engineering & Industries Limited stood converted into 2,800,000 - 8% Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up. These Preference Shares carried right to cumulative dividend @ 8% p.a. 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. The preference shareholders have a preference vis-a-vis equity shareholders with respect to any dividend that may be declared by the Company as well as with regard to redemption of capital in the event of liquidation. The Preference Shares are redeemable at par at the end of 5 years from the date of allotment. However, the Company has an option to redeem these shares at any time after the end of six months from the date of allotment. Accordingly, the preference shares were redeemed during the year.

- d) Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash (during the 5 years immediately preceding)

257,880,150 equity shares of ₹ 1/- each were allotted on May 10, 2011, as fully paid up to the shareholders of Triveni Engineering & Industries Ltd (TEIL) in the ratio of one equity share for every one equity share held by them in TEIL, pursuant to the Scheme.

- e) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31.03.2014		As at 31.03.2013	
	No of Shares	% holding	No of Shares	% holding
<b>Equity Shares of ₹ 1/- each fully paid</b>				
Triveni Engineering & Industries Limited	72,000,000	21.82	72,000,000	21.83
Dhruv M. Sawhney	28,124,645	8.52	28,124,645	8.53
Nalanda India Fund Limited	25,788,000	7.82	25,788,000	7.82
Umananda Trade & Finance Limited	20,157,589	6.11	20,157,589	6.11
Rati Sawhney	16,824,914	5.10	16,824,914	5.10
Tarnik Investments & Trading Limited	18,680,527	5.66	18,680,527	5.66
<b>8% Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid</b>				
Triveni Engineering & Industries Limited	-	-	2,800,000	100.00

- f) Shares reserved for issue under options

Refer Note No 33

### 3. Reserves and Surplus

#### General reserve

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Balance as per the last financial statements	600.00	150.00
Add: Amount transferred from consolidated statement of profit and loss	100.00	450.00
<b>Closing balance</b>	<b>700.00</b>	<b>600.00</b>

#### Capital redemption reserves

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Balance as per the last financial statements	-	-
Add: Amount transferred from consolidated statement of profit and loss	28.00	-
<b>Closing Balance</b>	<b>28.00</b>	<b>-</b>

#### Securities premium

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Balance as per the last financial statements	-	-
Add: Amount received during the year pursuant to exercise of employee stock options	3.28	-
<b>Closing Balance</b>	<b>3.28</b>	<b>-</b>

**Surplus in the consolidated statement of profit and loss**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Balance as per the last financial statements	424.75	140.64
Add: Net profit after tax transferred from consolidated statement of profit and loss	679.56	1,044.85
<b>Amount available for appropriation (A)</b>	<b>1,104.31</b>	<b>1,185.49</b>
<b>Appropriations:</b>		
Transfer to General reserve	100.00	450.00
Transfer to Capital redemption reserve	28.00	-
Dividend on equity shares (Interim)	65.98	82.47
Dividend on equity shares (Earlier year) (Prev. year ₹ 34/-)	0.01	0.00
Dividend on preference share	0.37	-
Proposed dividend on preference share	-	2.24
Proposed dividend on equity shares	181.47	181.43
Tax on equity dividend (Interim)	11.21	13.38
Tax on equity dividend (Earlier year) [Current year ₹ 1,006/- (Prev.year ₹ 6/-)]	0.00	0.00
Tax on preference dividend	0.06	-
Tax on proposed equity and preference dividend	30.84	31.22
<b>Total appropriations (B)</b>	<b>417.94</b>	<b>760.74</b>
<b>Net surplus in the consolidated statement of profit and loss (A-B)</b>	<b>686.37</b>	<b>424.75</b>
<b>Total reserves and surplus</b>	<b>1,417.65</b>	<b>1,024.75</b>

**4. Long-Term Borrowings**

Particulars	Non- Current portion		Current maturities	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
<b>Term loans</b>				
- From Banks				
Rupee term loans	0.20	1.26	1.06	2.01
Foreign currency loan	112.80	-	-	-
- From Others	5.65	4.71	2.62	1.32
	<b>118.65</b>	<b>5.97</b>	<b>3.68</b>	<b>3.33</b>
The above amount includes:				
Secured loans	5.85	5.97	3.68	3.33
Unsecured loans	112.80	-	-	-
	<b>118.65</b>	<b>5.97</b>	<b>3.68</b>	<b>3.33</b>
Less : Amount disclosed under the head "other current liabilities" (Refer Note No. 10)			3.68	3.33
	<b>118.65</b>	<b>5.97</b>	-	-

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

Name of the Bank / Others	Total loan outstanding (₹ in Million)	Repayment terms of loan outstanding	Rate of interest (per annum)	Nature of Security
1. Axis Bank (Vehicle loan)	1.26 (3.27)	In equated monthly instalments ranging from 5 to 20 months (17 to 32 months)	At fixed rates ranging from 9.90% to 10.00%	Secured by hypothecation of vehicles acquired under the respective vehicle loans.
2. Kotak Mahindra Prime Ltd (Vehicle loan)	8.27 (6.03)	In equated monthly instalments ranging from 24 to 46 months (39 to 51 months)	At fixed rates ranging from 9.93% to 10.67%	Secured by hypothecation of vehicles acquired under the respective vehicle loans.
3. Bank of India New York, U.S.A.	112.80 (Nil)	Initial term of one year and roll over term of upto two years.	USD Libor plus 55 basis points p.a.	Unsecured

Figures in brackets relate to previous year.

## 5. Deferred Tax Liabilities (Net)

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
<b>Deferred Tax Liabilities :</b>		
Difference in net book value of fixed assets as per books and tax laws	145.51	141.26
<b>Deferred Tax Assets :</b>		
Expenses allowable on payment basis	12.01	17.78
Unabsorbed depreciation/business loss *	6.97	5.25
Others	30.10	40.40
<b>Net Deferred Tax Liabilities</b>	<b>96.43</b>	<b>77.83</b>

\* Represents unabsorbed depreciation / business losses in respect of subsidiary company, recognised to the extent of deferred tax liabilities of such subsidiary company.

## 6. Other Long-Term Liabilities

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Deposits from customers	8.06	8.06
	8.06	8.06

## 7. Provisions

Particulars	Long-term		Short-term	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
<b>Provisions for Employee Benefits</b>				
Gratuity (Refer Note No.41)	4.70	20.30	-	-
Compensated absences	18.00	15.72	3.36	8.24
<b>Other provisions</b>				
Proposed dividend *	-	-	181.47	183.67
Tax on proposed dividend	-	-	30.84	31.22
Warranty	11.50	19.73	17.96	47.17
Liquidated damages	-	-	49.50	60.43
Cost to completion	-	-	75.27	149.56
Loss on foreign exchange derivatives	-	-	-	1.79
Income Tax [net of advance tax of ₹ 761.65 million (₹ 456.37 million) & includes wealth tax ₹ 0.12 million (₹ 0.08 million)]	-	-	42.54	36.10
	<b>34.20</b>	<b>55.75</b>	<b>400.94</b>	<b>518.18</b>

\* Represents dividend proposed by the Board of Directors at ₹ 0.55 (previous year: ₹ 0.55) per equity share of ₹ 1/- each and at ₹ Nil (previous year: ₹ 0.80) per preference share of ₹ 10/- each, which is subject to the approval by the shareholders.

Disclosures required by Accounting Standard (AS) 29 - Provisions, Contingent liabilities and Contingent assets.

### Movement in provisions

Particulars of disclosure	Nature of provisions				(₹ in Million)
	Warranty	Liquidated Damages	Cost to Completion	Loss on foreign exchange derivatives	
Opening balance	66.90	60.43	149.56	1.79	
	(50.97)	(72.93)	(141.30)	(4.05)	
Provision made during the year	19.69	1.11	5.50	-	
	(50.96)	(3.50)	(46.50)	(1.79)	
Provision used during the year	40.67	2.18	28.19	-	
	(17.21)	(6.25)	(37.61)	(-)	
Provision no longer required reversed	16.46	9.86	51.60	1.79	
	(17.82)	(9.75)	(0.63)	(4.05)	
Closing balance	29.46	49.50	75.27	-	
	(66.90)	(60.43)	(149.56)	(1.79)	

Figures in brackets relate to the previous year.

### 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 as at March 31, 2014 represent the amount of the expected cost of meeting such obligations. The timing of the outflows is expected to be within the period of two years.

**Liquidated damages:** In respect of certain products, the Company has contractual obligations towards customers for matters relating to delivery and performance. The provisions represent the amount estimated to meet the cost of such obligations. The timing of the outflow is expected to be within one year.

**Cost to completion:** The provision represents the costs of materials and services required for erection and integration of turbine packages at the site, prior to commissioning.

**Loss on foreign exchange derivatives:** Represents provision 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.

### 8 Short-Term Borrowings (Secured)

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Repayable on demand		
Cash credits from banks *	69.19	-
	69.19	-

\* Secured by hypothecation of stocks-in-trade, raw materials, stores & spare parts, work-in-progress and trade receivables and a second charge on the fixed assets on a pari-passu basis. Interest rates ranges from 12.25% to 12.50% per annum.

### 9 Trade Payables

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Trade payables (Refer Note No 34 for details of dues to micro and small enterprises)	1,357.24	1,151.69
	1,357.24	1,151.69

## 10 Other Current Liabilities

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Current maturities of long term borrowings (Refer Note No. 4)	3.68	3.33
Creditors for purchases of capital assets	22.47	12.42
Advances from customers	995.59	680.95
Security deposits	0.02	-
Interest accrued but not due on borrowings	0.87	0.07
Employee benefits & other dues	22.70	17.99
Deferred premium on foreign exchange forward contracts	17.21	4.48
Indirect taxes & duties payable	0.99	0.56
Statutory dues relating to employees	7.67	5.80
Income tax deducted at source	6.73	8.71
Unpaid dividend	0.61	0.36
Creditors for other liabilities	5.56	5.85
	<b>1,084.10</b>	<b>740.52</b>

## 11. Tangible Assets

Particulars	Land	Buildings	Plant and Machinery	Office Equipment	Furniture and Fixtures	Vehicles	Computers	Total
<b>Gross block</b>								
As at April 1, 2012	36.42	333.75	1,116.85	24.76	41.73	23.90	54.99	1,632.40
Additions	-	0.53	1.47	1.01	1.78	4.89	7.25	16.93
Deductions	-	-	1.85	-	0.27	0.77	0.89	3.78
<b>As at March 31, 2013</b>	<b>36.42</b>	<b>334.28</b>	<b>1,116.47</b>	<b>25.77</b>	<b>43.24</b>	<b>28.02</b>	<b>61.35</b>	<b>1,645.55</b>
Additions	-	7.58	0.93	0.46	0.45	6.58	4.71	20.71
Deductions	-	-	13.06	-	-	-	1.61	14.67
<b>As at March 31, 2014</b>	<b>36.42</b>	<b>341.86</b>	<b>1,104.34</b>	<b>26.23</b>	<b>43.69</b>	<b>34.60</b>	<b>64.45</b>	<b>1,651.59</b>
<b>Depreciation</b>								
As at April 1, 2012	-	63.45	299.87	6.39	13.34	4.10	38.33	425.48
Charge for the year*	-	10.79	87.27	1.23	2.54	2.52	5.49	109.84
Deductions	-	-	1.22	-	0.24	0.52	0.76	2.74
<b>As at March 31, 2013</b>	<b>-</b>	<b>74.24</b>	<b>385.92</b>	<b>7.62</b>	<b>15.64</b>	<b>6.10</b>	<b>43.06</b>	<b>532.58</b>
Charge for the year*	-	10.89	87.21	1.30	2.61	3.03	4.87	109.91
Deductions	-	-	9.14	-	-	-	1.53	10.67
<b>As at March 31, 2014</b>	<b>-</b>	<b>85.13</b>	<b>463.99</b>	<b>8.92</b>	<b>18.25</b>	<b>9.13</b>	<b>46.40</b>	<b>631.82</b>
<b>Net Block</b>								
<b>As at March 31, 2013</b>	<b>36.42</b>	<b>260.04</b>	<b>730.55</b>	<b>18.15</b>	<b>27.60</b>	<b>21.92</b>	<b>18.29</b>	<b>1,112.97</b>
<b>As at March 31, 2014</b>	<b>36.42</b>	<b>256.73</b>	<b>640.35</b>	<b>17.31</b>	<b>25.44</b>	<b>25.47</b>	<b>18.05</b>	<b>1,019.77</b>

\* Includes depreciation amounting to ₹ Nil (₹ 0.002 million) on assets pertaining to a discontinued business. (Refer Note No. 27)

## 12. Intangible Assets (Other than internally generated)

(₹ in Million)

Particulars	Computer Software	Website	Technical Knowhow	Design and Drawings	Total
<b>Gross block</b>					
As at April 1, 2012	95.34	0.65	25.74	50.83	172.56
Additions	12.81	0.60	15.42	7.36	36.19
Disposals	0.09	-	-	-	0.09
As at March 31, 2013	108.06	1.25	41.16	58.19	208.66
Additions	12.35	0.18	-	28.31	40.84
Disposals	-	-	-	-	-
As at March 31, 2014	120.41	1.43	41.16	86.50	249.50
<b>Amortisation</b>					
As at April 1, 2012	81.31	0.04	1.51	30.56	113.42
Charge for the year	8.63	0.27	2.71	6.46	18.07
Disposals	0.09	-	-	-	0.09
As at March 31, 2013	89.85	0.31	4.22	37.02	131.40
Charge for the year	12.72	0.45	4.12	8.16	25.45
Disposals	-	-	-	-	-
As at March 31, 2014	102.57	0.76	8.34	45.18	156.85
<b>Net Block</b>					
As at March 31, 2013	18.21	0.94	36.94	21.17	77.26
As at March 31, 2014	17.84	0.67	32.82	41.32	92.65

## 13. Loans and Advances

(₹ in Million)

Particulars	Long-term		Short-term	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Capital advances				
Unsecured, considered good	373.62	82.58	-	-
(A)	373.62	82.58	-	-
Security deposit				
Unsecured, considered good	2.76	2.81	0.91	2.32
(B)	2.76	2.81	0.91	2.32
Other loans and advances				
Unsecured, considered good				
Prepaid expenses	2.02	2.31	17.92	13.69
Loans to employees	0.47	0.82	2.48	2.33
Advances to suppliers	-	2.60	123.47	140.10
Service tax recoverable	4.52	-	12.83	9.85
Sales tax recoverable	7.08	-	7.47	-
Excise duty (Cenvat Balance)	-	-	19.86	7.06
Earnest money deposit	-	-	3.89	2.79
Works contract tax recoverable	-	-	0.87	0.81
Advance payment of tax	13.80	15.22	-	-
Amount recoverable from hedging banks	-	-	6.30	24.18
VAT recoverable	83.59	47.93	16.43	-
Excise duty recoverable	26.68	26.50	20.43	1.00
Other amounts recoverable	0.23	0.23	0.12	1.17
(C)	138.39	95.61	232.07	202.98
Total (A+B+C)	514.77	181.00	232.98	205.30

**14. Current Investments (unquoted)**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
(valued at lower of cost or fair value)		
Nil (31,467.848) Mutual Funds Units of DSP Black Rock Money Manager Retail - Growth	-	50.00
	-	<b>50.00</b>
Aggregate book value of unquoted investments	-	50.00

**15. Inventories**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
(valued at lower of cost and net realisable value)		
Raw material and components [includes stock in transit ₹ 2.84 million (₹ 8.11 million)]	440.55	280.16
Work-in-progress	500.32	367.42
Stores and spares	0.18	0.54
Finished goods (stock in transit)	160.25	-
Patterns	12.43	11.72
Tools, jigs and fixtures	2.43	5.21
Others (Scrap)	0.04	0.05
	<b>1,116.20</b>	<b>665.10</b>

**16. Trade Receivables**

Particulars	Non-Current		Current	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
<b>Over Six Months</b>				
Secured - considered good	-	-	-	-
Unsecured - considered good	-	-	297.70	213.25
Considered doubtful	-	-	48.70	38.11
	-	-	346.40	251.36
Less : Provision for doubtful debts	-	-	48.70	38.11
(A)	-	-	297.70	213.25
<b>Others</b>				
Secured - considered good	-	-	-	-
Unsecured - considered good	114.69	58.93	828.15	959.91
(B)	114.69	58.93	828.15	959.91
<b>Total (A+B)</b>	<b>114.69</b>	<b>58.93</b>	<b>1,125.85</b>	<b>1,173.16</b>
Less: Amount disclosed under other non-current assets (Refer Note No 18)	114.69	58.93		
	-	-	<b>1,125.85</b>	<b>1,173.16</b>

## 17. Cash and Bank Balances

Particulars	Non-Current		Current	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
<b>Cash and cash equivalents</b>				
Balance with banks				
Current accounts	-	-	8.81	298.42
Demand deposits (original maturity of less than three months)	-	-	82.50	-
Cheques /drafts on hand	-	-	-	-
Cash on hand	-	-	0.30	1.28
(A)	-	-	<b>91.61</b>	<b>299.70</b>
<b>Other bank balances</b>				
Earmarked balances:				
Unpaid dividend account	-	-	0.61	0.36
Balances under lien/margin/kept as security:				
Fixed/margin deposits (original maturity more than one year)	0.10	0.10	-	-
Other balances:				
Demand deposits (original maturity exceeding three months but upto one year)	-	-	-	20.11
(B)	<b>0.10</b>	<b>0.10</b>	<b>0.61</b>	<b>20.47</b>
<b>(Total A+B)</b>	<b>0.10</b>	<b>0.10</b>	<b>92.22</b>	<b>320.17</b>
Less: Amount disclosed under other non-current assets (Refer Note No 18)	0.10	0.10		
	-	-	<b>92.22</b>	<b>320.17</b>

## 18. Other Assets

Particulars	Non-Current		Current	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Long-term trade receivables (Refer Note No 16)	114.69	58.93	-	-
Non-current cash and bank balances (Refer Note No 17)	0.10	0.10	-	-
Interest accrued on fixed deposits	-	0.01	0.21	0.71
Due from customers (Turnkey Project revenue adjustment)	-	-	433.41	122.07
Duty drawback receivable	-	-	17.72	24.87
Unamortised premium on forward exchange contracts	-	-	4.30	-
	<b>114.79</b>	<b>59.04</b>	<b>455.64</b>	<b>147.65</b>

## 19. Revenue from Operations

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
<b>Sale of products</b>		
Finished goods		
Turbines (including related equipments and supplies)	3,167.09	5,000.32
Spares	755.57	869.65
Civil work receipts	0.21	13.97
<b>Sale of services</b>		
Servicing, operation and maintenance	440.64	360.23
Erection, commissioning and engineering services	153.69	102.88
<b>Turbine extended scope project</b>	790.53	599.65
<b>Other operating revenue</b>		
Sale of scrap	6.85	6.94
Selling commission	0.06	0.21
	<b>5,314.64</b>	<b>6,953.85</b>

## 20. Other Income

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Dividend from current investment	-	1.76
Profit on sale/redemption of current investment	11.36	3.27
Customs duty drawback	25.78	24.08
Rent received	0.04	0.05
Interest income		
Bank Deposits	1.39	7.02
Customers	1.75	1.97
Exchange fluctuation gains *	1.79	35.03
Credit balances written back	2.90	0.24
Provision of liquidated damages reversed (net) - (Refer Note No 7)	8.75	6.25
Provision of cost to completion for earlier year reversed (Refer Note No 7)	51.60	0.63
Provision for diminution in value of current investment written back	-	0.08
Excess provision of expenses written back	1.41	-
Miscellaneous Income	1.30	0.88
	<b>108.07</b>	<b>81.26</b>

\* Includes premium/discount earned on foreign currency forward contracts ₹ Nil (previous year ₹ 28.49 million) and reversal of provision against mark to market losses ₹ 1.79 million (previous year ₹ 4.05 million)

## 21. Material Consumed

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Stock at commencement	280.16	315.37
Purchases	3,291.59	3,761.17
	<b>3,571.75</b>	<b>4,076.54</b>
Less: Stock at close	440.55	280.16
	<b>3,131.20</b>	<b>3,796.38</b>
<b>Details of raw material and components consumed</b>		
Alternators, electric panels and other direct bought-outs	1,299.59	1,893.54
Iron and steel	249.36	315.58
Gear boxes and accessories	337.82	361.79
Oil system components	118.71	148.34
Others	1,125.72	1,077.13
	<b>3,131.20</b>	<b>3,796.38</b>

## 22. Decrease/ (Increase) in Work-in-Progress and Finished Goods

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Stock at commencement		
- Work-in-progress (Turbines)	367.42	457.86
	367.42	457.86
Stock at close		
- Work-in-progress (Turbines)	500.32	367.42
- Finished goods (Turbines)	160.25	-
	660.57	367.42
	<b>(293.15)</b>	<b>90.44</b>

## 23. Employee Benefit Expenses

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Salaries,wages and bonus	487.31	462.52
Contributions to provident and other funds	34.97	34.51
Gratuity	14.98	11.17
Employee welfare	41.24	39.88
	<b>578.50</b>	<b>548.08</b>

## 24. Other Expenses

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Stores,spares and tools consumed	106.27	90.40
Power and fuel	18.32	15.85
Design and engineering charges	3.16	6.40
Repairs and maintenance	10.31	4.67
Machinery	4.28	1.21
Building	8.95	7.62
Others	97.78	94.48
Travelling and conveyance	6.58	6.98
Rent	20.31	5.81
Rates and taxes	2.93	3.15
Insurance	0.98	0.57
Directors' fees	5.00	4.50
Directors' commission	36.57	30.84
Certification & consultation	33.96	39.79
Group shared service cost	-	0.16
Prior period expenses (Refer Note No 36)	14.83	15.63
Bank charges and guarantee commission	31.46	-
Exchange fluctuation loss *	-	1.79
Provision for mark to market loss on foreign exchange derivatives	10.59	16.19
Provision for doubtful debts and advances	2.20	1.19
Bad debts / sundry amounts written off	Warranty expenses [Includes provision for warranty (net of reversals) of ₹ 3.23 million (Previous year: ₹ 33.14 million)] (Refer Note No 7)	19.06
	Payment to Auditors (Refer Note No 44)	52.96
Non moving /obsolete inventory written off	18.11	2.51
Loss on sale of assets	3.72	10.71
Packing and forwarding	3.72	0.94
Selling commission	88.38	70.02
Miscellaneous expenses	49.41	34.27
	<b>105.21</b>	<b>91.25</b>
	<b>701.35</b>	<b>609.89</b>

\* Net off premium/discount earned on foreign currency forward contracts ₹ 36.03 million (previous year ₹ Nil)

**25. Depreciation and Amortisation Expenses**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Depreciation	109.91	109.84
Amortisation	25.45	18.07
	<b>135.36</b>	<b>127.91</b>

**26. Finance Costs**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Interest [Includes ₹ 0.46 million towards interest on income tax (previous year ₹ 0.05 million )]	6.27	25.82
Other borrowing cost	0.63	1.55
Premium paid on foreign currency forward contracts	4.85	-
	<b>11.75</b>	<b>27.37</b>

- 27.** The Company had earlier exited the rural and semi-urban retail business and engineering business of design, supply and commissioning of specialised sugar manufacturing machinery. There are no transactions relating to such discontinued operations during the current year. In the previous year, a loss of ₹ 0.16 million before tax was incurred in respect of such discontinued operations, comprising revenues of ₹ 0.13 million and expenses of ₹ 0.29 million. Upon considering tax benefit thereon of ₹ 0.05 million net loss after tax was ₹ 0.11 million. The total cash outflow of ₹ 0.24 million during the previous year comprised outflow of ₹ 0.24 million on account of operating activities relating to settlement of liabilities and ₹ 0.005 million on account of financing activities.

**28. Earnings per share (EPS)**

Basic EPS	(₹ in Million)	
	31.03.2014	31.03.2013
Net profit after tax	679.56	1,044.85
Less: Dividend on preference shares (including dividend distribution tax)	0.44	2,.62
Adjusted net profit after tax and preference dividend [A]	679.12	1,042.23
Weighted average number of equity shares outstanding during the year [B]	329,881,385	329,880,150
Basic earnings per share ₹/Share [A / B]	2.06	3.16
Diluted EPS	(₹ in Million)	
Adjusted net profit/(loss) after tax and preference dividend, as above [A]	679.12	1,042.23
Weighted average number of equity shares deemed to be issued under options without consideration, outstanding during the year [C]	1,976	6,530
Weighted average number of equity shares outstanding during the year [D=B+C]	329,883,361	329,886,680
Diluted earnings per share ₹/Share [A / D]	2.06	3.16

- 29.** The Company has incurred an expenditure of ₹ 80.89 million (₹ 54.22 million ) towards research and development activities and such expenditure has been expensed under various heads. The break up of such expenditure is as under:

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
a) Capital expenditure	30.21	10.65
b) Recurring expenditure	50.68	43.57
<b>Total</b>	<b>80.89</b>	<b>54.22</b>

### 30. Contingent Liabilities (to the extent not provided for)

Claims against the Company not acknowledged as debts :

SL No	Particulars	(₹ in Million)	
		Amount of Contingent Liability	Amount Paid
1	Excise duty	40.15 (39.92)	26.15 (26.15)
2	Service tax	44.52 (42.39)	4.52 (-)
3	Others	2.08 (2.08)	- (-)
	<b>Total</b>	<b>86.75 (84.39)</b>	<b>30.67 (26.15)</b>

- a) The outflow arising from these claims is uncertain. Such outflow, if any, will be after adjusting reimbursement of ₹ 8.06 million received from customers (Previous year : ₹ 8.06 million) in respect of excise duty demand.
  - b) The amounts shown above represent the best 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 a legal position against such disputes.
31. a) Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ 26.53 million (₹136.10 million) after adjusting advances paid aggregating to ₹ 5.76 millions (₹ 32.46 million).
- b) During the year, the Company has imported capital goods amounting to ₹ 164.61 million under EPCG Scheme at zero duty wherein the duty foregone is ₹ 44.82 million, subject to export obligation of USD 4.90 million in the next 6 years.
32. Title to certain fixed assets vested in the Company under the Scheme of Arrangement and arising out of business conducted till the date the Scheme became effective, could not be transferred to the name of the Company. These assets are being held in trust, by Triveni Engineering & Industries Ltd. The requisite duties, if any, on determination thereof by the Authorities, will be paid and accounted for by the Company appropriately.
33. 40,000 stock options had been granted to an employee of the Company on April 30, 2010, while he was an employee of Triveni Engineering & Industries Ltd. (TEIL), prior to the demerger of its steam turbine business and vesting of the same in the Company under a Scheme of Arrangement, duly approved by the Court. As per the Scheme of Arrangement, an employee stock option scheme styled as 'New Stock Option Scheme' has been formulated by the Company and the employee has been granted 40,000 stock options in lieu of the stock options held by him in TEIL. In accordance with the Scheme of Arrangement, and in line with the best practices, adjustment has been made for the corporate action of demerger, by adjusting the exercise price and share entitlement ratio under the options granted, 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 grant of options under the 'New Stock Option Scheme' framed in accordance with the Scheme of Arrangement, the stock options 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 New Stock Option Scheme are as under:

a) Employee Stock Option Scheme:

No. of Options granted	40,000
Original grant date of Options	30.04.2010
Date of grant under New Stock Option Scheme (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	184,000
Vesting Plan	Graded Vesting as under: 20,000 options to vest on 30.04.2011 20,000 options to vest on 30.04.2012
Normal Exercise Period	Within 2 years from the date of vesting
Exercise Price per share (₹)	52

b) Movement of Options Granted

Particulars	31.03.2014	31.03.2013
Outstanding at the beginning of the year	40,000	40,000
Granted during the year	Nil	Nil
Exercised during the year	14,000	Nil
Lapsed during the year	20,000	Nil
Outstanding at the end of the year	6,000	40,000
Unvested at the end of the year	Nil	Nil
Exercisable at the end of the year	6,000	40,000

The options outstanding as at the end of the year have a weighted average contractual life of 1 month (Previous Year: 7 months) and are exercisable at the grant price of ₹ 52.

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	46.53%
(d) Expected dividend	1.20%
(e) Exercise price of each underlying share under the option	₹ 52

The weighted average fair value of each option of the Company as on the date of the corporate adjustment, issued under New Stock Option Scheme was ₹ 29.30.

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:

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
Net Profit (as reported)	679.56	1,044.85
Less : Preference dividend (including tax thereon)	0.44	2.62
Add : Compensation expense under ESOP considered in the net profit	Nil	Nil
Less/ (Add) : Compensation cost/reversal under ESOP as per fair value *	(0.59)	0.02
Net Profit (fair value basis) attributable to equity shareholders	679.71	1,042.21
Basic earnings per share (as reported) – ₹/Share	2.06	3.16
Basic earnings per share (fair value basis) – ₹/Share	2.07	3.16
Diluted earnings per share (as reported) – ₹/Share	2.06	3.16
Diluted earnings per share (fair value basis) – ₹/Share	2.07	3.16

\* 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.

34. Based on the intimation received by the Company from 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 Million)	
		31.03.2014	31.03.2013
1	Amounts due to Micro and Small enterprises as at the end of the year		
	i) Principal amount	60.24	61.56
	ii) Interest due on above	Nil	Nil
2	i) Principal amount paid after due date or appointed day during the year	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 after the due date or appointed day.	Nil	Nil
4	Total interest accrued and remaining unpaid	Nil	Nil
5	Further interest in respect of defaults of earlier years due and payable in current year upto the date when actually paid	Nil	Nil

35. The Company has taken various residential and office premises under operating leases. These are not non-cancellable and the unexpired period ranges between 6 months and 4 years and the leases are renewable by mutual consent. The Company has given refundable interest-free security deposits under certain agreements.

- a) Lease payments under operating leases amounting to ₹ 6.58 million (₹ 6.98 million) are recognised in the statement of profit and loss under "Other expenses" Rent in Note No 24.
  - b) There are no minimum future lease payments as there are no non-cancellable leases.
  - c) There are no contingent rents recognised in the statement of profit and loss.
  - d) There are no sub-lease arrangements entered into by the Company.
36. Prior period expenses ₹ Nil (previous year ₹ 0.16 million represents legal charges in the statement of profit and loss under "Other expenses" in Note No.24).

37. Disclosure under Accounting Standard (AS) 7 "Construction Contracts" in respect of contracts in progress as at the end of the year is provided here-below:

S.No	Particulars of disclosure	31.03.2014 (₹ in Million)	31.03.2013
i)	Amount of contracts revenue recognised as revenue in the year	790.53	599.65
ii)	Aggregate amount of costs incurred and recognised profits (less recognised losses) upto the reporting date	1,390.18	599.65
iii)	Advances received	157.10	157.10
iv)	Retentions	114.70	58.93
v)	Gross amount due from customers for contract work as an asset	433.41	122.07
vi)	Gross amount due to customers for contract work as a liability	-	-

38. The Company primarily operates in one business segment – Power Generating Equipment and Solutions. There are no reportable geographical segments.

39. Information regarding Related Parties and transactions with them is given below:

a) **Related Party where control exists**

Mr. Dhruv M. Sawhney - Chairman and Managing Director (Key Management Personnel)

b) **Details of related parties with whom transactions have taken place during the year :**

Name of related Party	Relationship
Triveni Engineering & Industries Ltd (TEIL)	Investing Company holding substantial interest.
Mr. Dhruv M. Sawhney (DMS)	Chairman & Managing Director (Key Management Person).
Mr. Nikhil Sawhney (NS)	Vice Chairman and Managing Director (Key Management Person).
Mr. Tarun Sawhney (TS)	Relative of the Key Management Person.
Mr. Arun Mote (AM)	Executive Director (Key Management Person).
Tirath Ram Shah Charitable Trust (TRSCT)	Enterprise in which Key Management Personnel or their relatives have significant influence.
Kameni Upaskar Ltd (KUL)	Company in which Key Management Personnel or their relatives have substantial interest/significant influence.

c) Details of transactions with the related parties during the year :

Sr. No.	Nature of Transaction	TEIL	DMS	NS	TS	AM	TRSCT	KUL	Total
1	Sales and rendering of services	508.37 (545.95)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	508.37 (545.95)
2	Purchase of goods and receiving of services	300.56 (303.54)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	300.56 (303.54)
3	Donation paid	- (-)	- (-)	- (-)	- (-)	- (-)	7.50 (7.50)	- (-)	7.50 (7.50)
4	Rent paid	2.97 (3.92)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2.97 (3.92)
5	Expenses incurred by the party on behalf of the Company/ (-) by the Company on behalf of the party - net	5.38 (2.06)	- (-)	- (-)	- (-)	- (-)	- (-)	- (0.20)	5.38 (2.26)
6	Remuneration	- (-)	32.76 (25.50)	25.23 (19.65)	- (-)	21.72 (6.17)	- (-)	- (-)	79.71 (51.32)
7	Rent received	0.02 (0.02)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.02 (0.02)
8	Directors' fee paid	- (-)	- (-)	- (-)	0.11 (0.06)	- (-)	- (-)	- (-)	0.11 (0.06)
9	Directors' Commission	- (-)	- (-)	- (-)	1.00 (1.00)	- (-)	- (-)	- (-)	1.00 (1.00)
10	Redemption of preference shares	28.00 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	28.00 (-)
11	Amount received by company upon exercise of options under stock option scheme for issue of equity shares	- (-)	- (-)	- (-)	- (-)	3.35 (-)	- (-)	- (-)	3.35 (-)
12	Outstanding balances as at year end								
A.	Receivable	239.14 (87.21)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	239.14 (87.21)
B.	Payable	130.98 (129.84)	0.09 (0.03)	0.04 (0.04)	- (-)	0.29 (0.28)	- (-)	- (-)	131.40 (130.19)

Figures in brackets pertain to the previous year.

40. a) Derivatives outstanding at the balance sheet date

Forward Contract to Sell	Purpose
1. US\$ 25.12 million (₹ 1,590.52 million) [Prev. Yr.: US\$ 7.03 million (₹380.04 million)]	Hedging of receivables and highly probable forecast transactions.
2. Euro 0.39 million (₹ 31.79 million) [Prev. Yr.: Euro 1.15 million (₹ 79.42 million)]	Hedging of receivables and highly probable forecast transactions.
3. Euro 0.25 million Hedged to USD (USD 0.34 million) [Prev.Yr.:Nil]	Hedging of receivables and highly probable forecast transactions
4. GBP 1.13 million (₹ 110.90 million) [Prev. Yr.: GBP 2.65 million (₹ 217.04 million)]	Hedging of highly probable forecast transactions.

Forward Contract to Buy	Purpose
1. Euro 0.43 million (₹ 35.99 million) (Prev. Yr. : Euro 0.70 million (₹ 48.89 million))	Hedging of highly probable forecast transactions
2. US\$ 1.86 million (₹ 126.81 million) [Prev.Yr.US\$ 1.10 million (₹ 60.37 million)]	Hedging of import payables
3. GBP 0.05 million (₹ 4.60 million) [Prev. Yr.: Nil]	Hedging of import payables
4. Euro 0.20 million (₹ 16.87 million) (Prev. Yr.: Nil)	Hedging of liability towards fixed assets

The equivalent currency amount for the foreign currency hedges have been considered at the corresponding exchange rates prevalent at the balance sheet date.

**b) Particulars of un-hedged foreign currency exposures at the balance sheet date**

**Import trade payables**

1. US\$ 0.16 million (₹ 9.56 million) [Prev. Yr.: US\$ 1.08 million (₹ 59.12 million)]
2. Euro 0.14 million (₹ 11.46 million) [Prev. Yr.: Euro 0.04 million (₹ 2.72 million)]
3. CHF 0.003 million (₹ 0.23 million) [Prev. Yr.: CHF 0.002 million (₹ 0.14 million)]
4. GBP 0.09 million (₹ 8.83 million) [Prev. Yr.: GBP 0.03 million (₹ 2.84 million)]
5. JPY 19.94 million (₹ 11.77 million) [Prev. Yr.: JPY 9.50 million (₹ 5.57 million)]

**Export trade receivable**

1. US\$ 0.36 million (₹ 21.19 million) [Prev. Yr.: Nil]
2. Euro 0.03 million (₹ 2.64 million) [Prev. Yr.: Nil]
3. GBP 0.32 million (₹ 31.34 million) [Prev. Yr.: Nil]

**Liabilities towards purchase of fixed assets**

1. US \$ Nil (₹ Nil) [ Prev.Yr.: US\$ 0.20 million (₹ 10.88 million)]
2. Euro 0.003 million (₹ 0.28 million) [Prev. Yr.: Nil]

41. The Company has made provisions during the year for employee benefits relating to its obligations towards defined contribution and defined benefit plans. The required disclosures in this regard are given below:

**i) Defined Contribution Plans**

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
(i) Employer's contribution to employees' provident fund scheme	24.51	23.35
(ii) Employer's contribution to employees' state insurance scheme	0.32	1.43
(iii) Employer's contribution to officers' pension scheme	7.81	7.57

**ii) Defined Benefit Plans**

Change in present value of obligation

Particulars	Gratuity (Partly funded)		Compensated absence (un-funded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Present value of obligation as at the beginning of the year	60.80	57.65	21.10	20.44
Interest cost	4.61	4.29	1.67	1.69
Current service cost	6.26	4.69	1.36	4.71
Benefits paid	(13.07)	(8.02)	(2.82)	(2.31)
Actuarial (gain) / loss on obligation	7.75	2.19	(1.28)	(3.43)
Present value of obligation as at the end of the year	66.35	60.80	20.03	21,10

## Change in value of plan assets

(₹ in Million)

Particulars	Gratuity (Partly funded)		Compensated absence (un-funded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Fair Value of Plan Asset at the beginning of the year	40.50	-	-	-
Acquisition Adjustment	-	-	-	-
Expected Return on Plan Asset	3.54	-	-	-
Contributions	30.58	40.50	-	-
Benefits paid	(13.07)	-	-	-
Actuarial gain / (loss) on Plan Asset	0.10	-	-	-
Fair Value of Plan Asset at the end of year	61.65	40.50	-	-

## Amounts recognised in balance sheet

(₹ in Million)

Particulars	Gratuity (Partly funded)		Compensated absence (un-funded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Present value of obligation as at the end of the year	66.35	60.80	20.03	21.10
Fair Value of plan Asset as at the end of the year	61.65	40.50	-	-
Funded status / difference	(4.70)	(20.30)	(20.03)	(21.10)
Net assets / (liability) recognised in the balance sheet	(4.70)	(20.30)	(20.03)	(21.10)

## Amounts recognised in the statement of profit and loss

(₹ in Million)

Particulars	Gratuity (Partly funded)		Compensated absence (un-funded)	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Current service cost	6.26	4.69	1.35	4.71
Interest cost	4.61	4.29	1.67	1.69
Expected return on plan assets	(3.54)	-	-	-
Net actuarial (gain) / loss recognised during the year	7.65	2.19	(1.28)	(3.43)
Expenses recognised in the statement of profit and loss	14.98	11.17	1.74	2.97

## Experience adjustment

(₹ in Million)

Particulars	Gratuity			Compensated absence		
	31.03.14	31.03.13	31.03.12	31.03.14	31.03.13	31.03.12
Defined benefit obligation	66.35	60.80	57.65	20.03	21.10	20.44
Fair value of Plan Assets	61.64	40.50	-	-	-	-
Surplus / (deficit)	(4.71)	20.30	(57.65)	(20.03)	(21.10)	(20.44)
Experience adjustment on Plan Liabilities-(Gain) / Loss	2.90	2.19	(2.17)	(4.02)	(3.43)	(5.12)
Experience adjustment on Plan Assets-(Gain) / Loss	0.20	-	-	-	-	-

The amount of contribution expected to be made to the gratuity fund during the year ended 31-03-2015 is ₹ 12.30 million

## Major actuarial assumptions

Particulars	Gratuity		Compensated absence	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Discounting rate	8.50%-9.00%	8.00%-8.50%	8.50%	8.25%
Future salary increase	7.00%	5.50%	7.00%	5.50%
Expected rate of return on plan assets	8.75%	-	-	-
Mortality table	IIALM 2006-08	LIC (1994-96)	IIALM 2006-08	LIC (1994-96)
Method used	Projected unit credit method			

The estimates of future salary increase considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

42. The Company has undertaken necessary steps to comply with the Transfer Pricing regulations. The management is of the opinion that the transactions specified in the regulations are at arms-length and hence the aforesaid regulation will not have any impact on the financial statements, particularly the amount of tax expense and that of provision for taxation.

## 43. Statement of additional information

Particulars	(₹ in Million)	
	31.03.2014	31.03.2013
<b>a) Value of imports on CIF basis :</b>		
i) Raw materials	183.72	296.01
ii) Spare parts for machinery Maintenance	6.18	1.49
iii) Purchase of materials and Components	1.85	2.89
iv) Capital goods	191.76	6.83
v) Technical knowhow fee (intangible asset)	-	15.42
<b>b) Expenditure in foreign currency</b>		
i) Travelling	16.55	17.37
ii) Selling commission	34.01	18.29
iii) Erection and commissioning	26.05	17.53
iv) Warranty Expenses	21.24	-
v) Others	3.89	5.40
<b>c) Earnings in foreign currency</b>		
i) Exports of goods on F.O.B. basis	1,258.73	1,684.12
ii) Service charges	156.01	61.35
iii) Selling commission	0.06	0.21
<b>d) Consumption of raw material, spare parts and components :</b>		

Particulars	31.03.2014		31.03.2013	
	₹ in Million	%	₹ in Million	%
<b>i) Raw Material</b>				
- Imported	87.82	2.86%	148.65	4.00%
- Indigenous	3,043.38	97.14%	3,647.73	96.00%
<b>Total</b>	<b>3,131.20</b>	<b>100.00%</b>	<b>3,796.38</b>	<b>100.00%</b>
<b>ii) Components and Spare Parts</b>				
- Imported	-	-	-	-
- Indigenous	106.27	100.00%	90.40	100.00%
<b>Total</b>	<b>106.27</b>	<b>100.00%</b>	<b>90.40</b>	<b>100.00%</b>

**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 paid to non-resident shareholders (including non-resident Indian shareholders) which were declared during the year are as under:-

Particulars	Dividend paid during FY 2013-14		Dividend paid during FY 2012-13	
	Final Dividend for FY 2012-13	Interim Dividend for FY 2013-14	Final Dividend for FY 2011-12	Interim Dividend for FY 2012-13
(i) Number of non-resident shareholders	403	386	480	458
(ii) Number of Ordinary Shares held by them	42,620,795	56,672,353	36,863,927	37,512,894
(iii) Gross amount of dividend- ₹ in million	23.44	11.33	7.37	9.38

**44. Auditors' remuneration represents amount paid / payable to the auditors on account of :**

(₹ in Million)

S. No.	Particulars	Statutory auditors*		Branch auditors		Cost auditors	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
1	Audit fee	0.74	0.66	0.40	0.40	0.06	0.03
2	Tax audit fee	0.19	0.17	0.17	0.17	-	-
3	Limited review fee	0.11	0.11	0.18	0.19	-	-
4	Certification charges	0.27	0.26	0.03	-	-	-
5.	Reimbursement of expenses	0.06	0.04	0.70	0.42	0.00	-
<b>Total</b>		<b>1.37</b>	<b>1.24</b>	<b>1.48</b>	<b>1.18</b>	<b>0.06</b>	<b>0.03</b>

\* Excluding service tax of ₹ 0.07 million (Previous Year ₹ 0.06 million) charged to the statement of profit and loss.

45. The requisite financial information in respect of the subsidiary for the financial year ended March 31, 2014, as per general approval under Section 212 (8) of the Companies Act, 1956 accorded by Government of India, Ministry of Corporate Affairs, vide its General Circular No. 2/2011 dated 08/02/2011, is given below.

Particulars	(₹ in Million)	
	FY 2013-14	FY 2012-13
Name of Subsidiary Company	GE Triveni Limited	GE Triveni Limited
Capital	160.00	160.00
Reserves	(78.95)	(55.29)
Total assets	653.30	156.76
Total liabilities	572.25	52.06
Investments (except in subsidiaries)	-	-
Turnover (net)	217.73	192.17
Profit / (loss) before taxation	(23.66)	(21.20)
Provision for taxation	-	-
Profit / (loss) after taxation	(23.66)	(21.20)
Proposed dividend	-	-

46. Previous year's figures have been regrouped/rearranged wherever necessary, to make them comparable to those for the current year.

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

**Deepak Kumar Sen**

General Manager & CFO

**Dhruv M. Sawhney**

Chairman & Managing Director

Place : Noida (U.P.)

Date : May 27, 2014

**Rajiv Sawhney**

Company Secretary

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

Director & Chairman Audit Committee

## NOTES:

## NOTES:

# INFORMATION ON COMPANY'S BUSINESS LOCATIONS

## Registered Office

A-44, Hosiery Complex,  
Phase II Extension,  
Noida-201 305 (U.P.)  
STD Code: 0120  
Phone: 4748000  
Fax: 4243049  
CIN: L29110UP1995PLC041834  
Website: [www.triventurbines.com](http://www.triventurbines.com)

## 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.ttl@trivenigroup.com](mailto:shares.ttl@trivenigroup.com)

## Corporate Information

### Chairman and Managing Director (CMD)

Mr. Dhruv M. Sawhney  
(DIN-00102999)

### Vice Chairman & Managing Director (VCMD)

Mr. Nikhil Sawhney  
(DIN-00029028)

### Executive Director (ED)

Mr. Arun Prabhakar Mote  
(DIN-01961162)

### Directors

Mr. Tarun Sawhney  
(DIN-00382878)

Lt. Gen. K.K. Hazari (Retd.)  
(DIN-00090909)

Mr. Amal Ganguli  
(DIN-00013808)

Mr. Shekhar Datta  
(DIN 00045591)

Dr. (Mrs.) Vasantha S. Bharucha  
(DIN-026163753)

### Chief Financial Officer

Mr. Deepak K. Sen

### Company Secretary

Mr. Rajiv Sawhney

## 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

## Subsidiary Company

### GE Triveni Limited

12-A, Peenya Industrial Area,  
Peenya, Bengaluru-560 058  
STD Code: 080  
Phone: 22164300  
Fax: 22164321

## Registrar and Share Transfer Agents

For Equity shares held in physical  
and electronic mode  
(Correspondence Address)

M/s Alankit Assignments Ltd.,  
Unit: Triveni Turbine Limited  
205-208 Anarkali Complex  
Jhandewalan Extension,  
New Delhi-110 055.  
STD Code: 011  
Phone: 42541234, 23541234  
Fax: 23552001  
Email: [rta@alankit.com](mailto:rta@alankit.com)

## Manufacturing Facility

12-A, Peenya Industrial Area,  
Peenya, Bengaluru-560 058  
STD Code: 080  
Phone: 22164000  
Fax: 22164100

## Auditors

M/s J. C. Bhalla & Co.

## Branch Auditors

M/s Virmani & Associates

## Triveni Group website

[www.trivenigroup.com](http://www.trivenigroup.com)

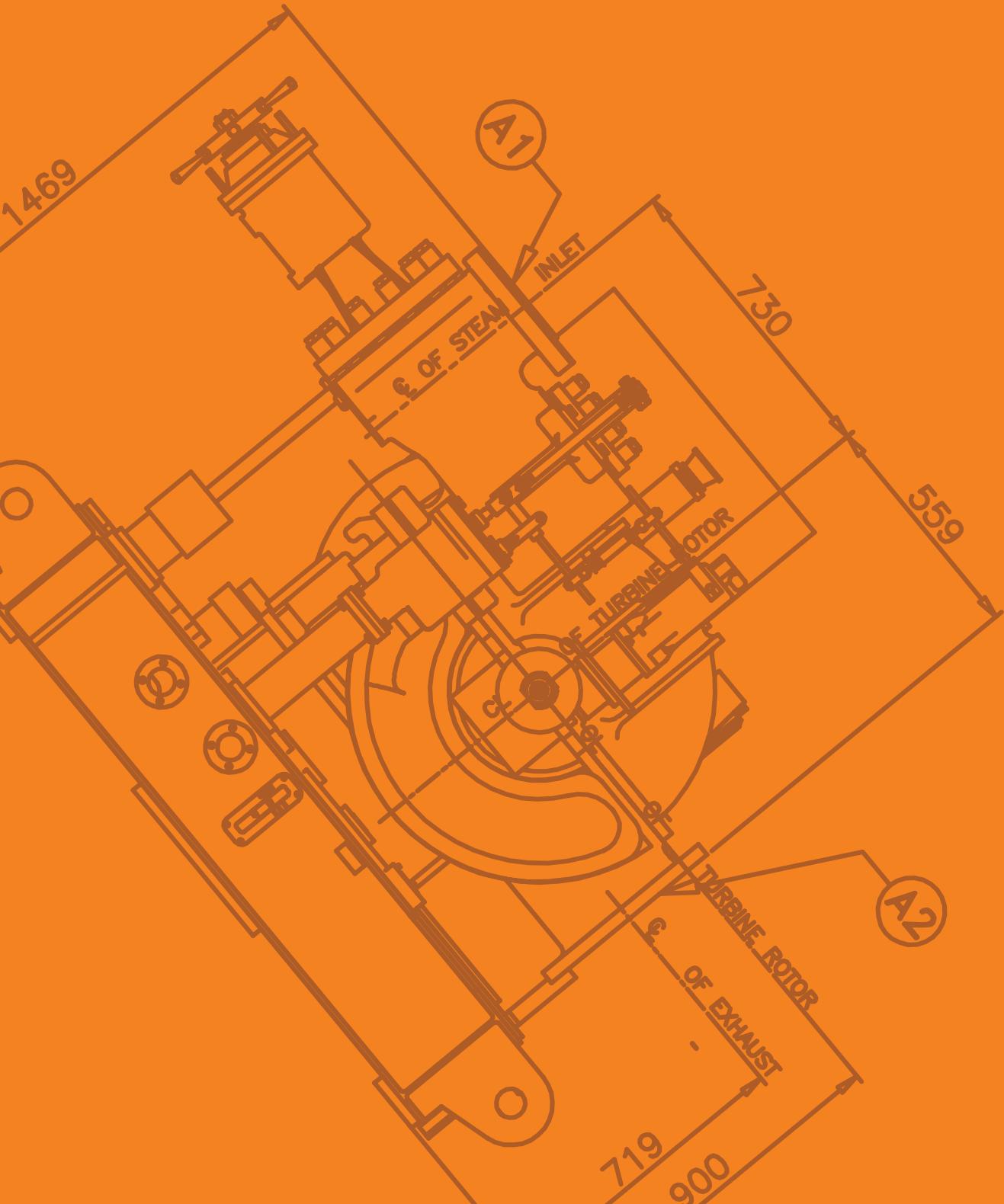
## Bankers

Axis Bank Ltd.  
Yes Bank Ltd.  
IDBI Bank Ltd.  
Punjab National Bank



CIN: L29110UP1995PLC041834

12-A, Peenya Industrial Area,  
Peenya, Bengaluru, Karnataka-560 058  
Website: [www.triventurbines.com](http://www.triventurbines.com)





## **NOTICE**

NOTICE is hereby given that the Nineteenth Annual General Meeting of Members of Triveni Turbine Limited will be held on Friday, the 8<sup>th</sup> day of August, 2014 at 10.30 a.m. at the Expo Centre, A-11, Sector 62, NH-24, Noida, Uttar Pradesh -201301, to transact the following business :

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2014 including audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss for the year ended on that date together with the Report of the Board of Directors and Auditors thereon.
2. To confirm the Interim dividend already paid to the equity shareholders and declare the final dividend on equity shares for the financial year ended March 31, 2014.
3. To appoint a Director in place of Mr. Tarun Sawhney (Director Identification Number : 00382878), who retires by rotation and, being eligible, offers himself for re-appointment.
4. **Appointment of Auditors**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed there under, (including any statutory modification(s) or re-enactment thereof), M/s J.C.Bhalla & Co., Chartered Accountants (Firm Registration No. 001111N), be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM), for three consecutive years until the conclusion of the 22<sup>nd</sup> AGM of the Company (subject to ratification of the appointment by the members at every AGM) on a remuneration including terms of payment to be fixed by the Board of Directors of the Company.

### **SPECIAL BUSINESS**

To consider and, if thought fit, to pass with or without modification(s) the following Resolutions:

#### **5. As an Ordinary Resolution**

RESOLVED THAT pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 read with the rules framed thereunder, (including any statutory modification(s) or re-enactment thereof), M/s Virmani & Associates, Chartered Accountants (Firm Registration Number. 000356N) be and are hereby appointed as Branch Auditors of the Company, to audit the accounts of the Company's branch office in India and to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on a remuneration including terms of payment to be fixed by the Board of Directors of the Company.

#### **6. As an Ordinary Resolution**

RESOLVED THAT pursuant to provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Clause 49 of the Listing Agreement, Dr. (Mrs.) Vasantha S Bharucha (Director Identification Number: 02163753), who was appointed as an Additional Director and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing her candidature for the office of director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term upto March 31, 2019.

#### **7. As an Ordinary Resolution**

RESOLVED THAT pursuant to provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Clause 49 of the Listing Agreement, Lt Gen K.K. Hazari (Retd.) (Director Identification Number: 00090909), a Non-Executive Director of the Company, who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term upto March 31, 2017.

#### **8. As an Ordinary Resolution**

RESOLVED THAT pursuant to provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Clause 49 of the Listing Agreement, Mr. Amal Ganguli (Director Identification Number : 00013808), a non-executive director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, for a term upto March 31, 2019.

#### **9. As an Ordinary Resolution**

RESOLVED THAT pursuant to provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the

Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Clause 49 of the Listing Agreement, Mr. Shekhar Datta (Director Identification Number: 00045591), a non-executive director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, for a term upto March 31, 2019.

**10. As a Special Resolution**

RESOLVED THAT pursuant to the provisions of Sections 196,197, 203 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 ("Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) consent and approval of the Company be and is hereby accorded to the re-appointment of Mr. Arun Prabhakar Mote (Director Identification Number : 01961162), as Whole-time Director (designated as Executive Director) of the Company for a period of two(2) years with effect from November 1, 2014 on the remuneration and terms and conditions as set out in the explanatory statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors (on the recommendations of the Nomination and Remuneration Committee) be and are hereby authorized to revise, amend, alter and vary the remuneration and other terms and conditions of the appointment of Mr. Arun Prabhakar Mote, Executive Director in such manner as may be permissible in accordance with the provisions of the Act and Schedule V as may be agreed to by and between the Board of Directors and Mr. Arun Prabhakar Mote, without any further reference to the shareholders in general meeting.

RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year during the term of office of Mr. Arun Prabhakar Mote as Executive Director, he shall be paid the remuneration, allowances and perquisites except the commission/performance bonus as set out in the explanatory statement referred to above as the Minimum Remuneration with the approval of the Central Government, if required.

RESOLVED FURTHER THAT as Executive Director of the Company Mr. Mote will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the order and directions by the Board from time to time in all respects and confirm to and comply with all such directions and regulations as may from time to time be given or made by the Board and his function will be under the overall authority of the Chairman and Managing Director.

RESOLVED FURTHER THAT Mr. Arun Prabhakar Mote will not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

RESOLVED FURTHER THAT the period of office of Mr. Arun Prabhakar Mote shall be liable to determination by retirement of directors by rotation.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all actions and steps expedient or desirable to give effect to this resolution.

**11. As a Special Resolution**

RESOLVED THAT pursuant to the provisions of Sections 152, 196 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Dhruv M. Sawhney (Director Identification Number: 00102999), Managing Director (designated as Chairman & Managing Director (CMD)) of the Company, shall continue to hold the office of CMD of the Company, for the remaining period of his tenure, whose period of office shall henceforth be liable to determination of retirement of Directors by rotation.

RESOLVED FURTHER THAT save and except as aforesaid, the other terms and conditions including remuneration of Mr. Dhruv M. Sawhney, CMD shall remain unaltered as approved by the shareholders vide special resolution dated September 6, 2011.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**12. As a Special Resolution**

RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded for alteration of existing Articles of Association of the Company by insertion/substitution of certain articles in the manner stated in the explanatory statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By Order of the Board

Place: Noida  
Date: May 27, 2014

Company Secretary

CIN No.: L29110UP1995PLC041834

Registered Office : A-44, Hosiery Complex, Phase II Extension, Gautam Buddha Nagar, Noida, Uttar Pradesh – 201 305

Corporate Office : Express Trade Towers, 8th Floor, 15-16, Sector 16A, Noida, Uttar Pradesh - 201301

Ph. : 91 120-4308000 Fax : 91 120-4311010-11

E-mail : shares.ttl@trivenigroup.com, Website : www.triventurbines.com

## NOTES

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act) in respect of the special business set out in the Notice and the relevant details pursuant to Clause 49 of the Listing Agreements executed with the Stock Exchanges are annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY OR AT ITS CORPORATE OFFICE AT EXPRESS TRADE TOWERS, 15-16, 8TH FLOOR, SECTOR 16A, NOIDA, UTTAR PRADESH- 201 301 NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ATTACHED HEREWITH.**

Proxies submitted on behalf of companies, institutional investors, societies, etc., must be supported by appropriate resolution/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday 5<sup>th</sup> August 2014 to Friday 8<sup>th</sup> August , 2014 (both days inclusive) for the purpose of payment of final dividend on the equity shares for the financial year ended 31st March 2014. Final dividend, if declared at the Meeting, will be paid to those Members holding shares in physical/demat form, whose names appear on the Register of Member of the Company/ list of beneficial owners as per the details furnished by the Depositories viz National Securities Depository Ltd (NSDL) and Central Depository Services (India ) Ltd (CDSL) , as at the close of business hours on 4th August, 2014.
5. Members holding equity shares in physical form are requested to notify/send details of their bank account, email-id etc. in case the same has not been furnished earlier or any change in their registered address/email-ID/NECS mandate/bank details etc. to the Company or its Registrar and Transfer Agent (RTA), M/s Alankit Assignments Ltd., 205-208 , Anarkali Complex , Jhandewalan Extension, New Delhi 110 055 quoting their folio numbers.
- Members holding equity shares in dematerialized form are requested to notify/send the aforesaid details to their respective Depository Participant(s) (DP).
6. In terms of circular issued by Securities and Exchange Board of India (SEBI), it is mandatory to furnish a copy of PAN Card to the Company/RTA in the following cases viz. transfer of shares, deletion of name, transmission of shares and transposition of shares held in physical form. Shareholders are requested to furnish copy of PAN Card for all the above mentioned transactions.
7. Members holding equity shares in physical form are advised, in their own interest to avail of the nomination facility by filing Form SH 13 and deposit the same with the Company or its RTA. Members holding shares in demat form may contact their respective DP for recording nomination in respect of their shares.
8. Members holding equity shares in physical form in identical order of names in more than one folio are requested to send to the Company or its RTA, the details of such folios together with the share certificates for consolidating their holding in one folio.A consolidated share certificate will be issued to such Members.
9. The Company's equity shares are compulsorily traded in dematerialized form. Members holding equity shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management.
10. Members desirous of obtaining any information/clarification are requested to address their questions, if any, in writing to the Company Secretary at the Corporate Office of the Company at least 10 days before the date of the Annual General Meeting (AGM), so that the information may be made available at the AGM.
11. Members are informed that in the case of joint holder(s) attending the meeting, only such joint holder which is higher in the order of names will be entitled to vote.
12. Members are requested to bring their attendance slip duly completed and signed, to be handed over at the entrance of the meeting hall.
13. As a measure of economy, copies of the Annual Reports will not be distributed at the venue of the AGM. Members are therefore requested to bring their own copies of the Annual Reports to the meeting.
14. Notice of the AGM along with the Annual Report for the financial year 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. The annual report and the notice of the 19<sup>th</sup> AGM will also be available on the Company's website [www.triveniturbines.com](http://www.triveniturbines.com).
15. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register/update the same in respect of equity shares held by them in demat form with their respective DP and in the case of physical form with the Company or its RTA.
16. The Articles of Association of the Company and the other documents referred to in the notice and explanatory statement are open for inspection at the Registered/Corporate Office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of AGM and will also be available for inspection at the meeting.
17. Members/Proxies are welcome at the AGM of the Company. However the Members/Proxies may please note that no gifts/gift coupons will be distributed at the AGM.
18. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India ) Ltd (CDSL) on all the resolutions set forth in this Notice.

The instructions for e-voting are as under:

**(A) In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the Electronic Voting Sequence Number - "EVSN" along with "TRIVENI TURBINE LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

<b>For Members holding shares in Demat &amp; Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's after the folio number. For example: If your name is Ramesh Kumar with folio number 1234 then enter RA12340000 in the PAN field</li> <li>• Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/ NSDL client id. For example: If your name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234'</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on 30<sup>th</sup> June, 2014 in the Dividend Bank details field.</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
  - (viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (x) Click on the relevant EVSN on which you choose to vote.
  - (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
  - (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
  - (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (B)** The e-voting period commences on 30<sup>th</sup> July, 2014 (9.00 a.m. IST) and ends on 1<sup>st</sup> August, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 30<sup>th</sup> June, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or at the telephone No. 18002005533.
- 19. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on 30<sup>th</sup> June, 2014.
- 20. Ms Leena Jain, Practising Company Secretary (C. P. No. : 4946) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- 21. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting. The Scrutinizer's decision on the validity of e-voting will be final.
- 22. The Results on resolutions shall be declared at or after the AGM of the Company and the resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the Resolutions.
- 23. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company ([www.triveniturbines.com](http://www.triveniturbines.com)) and on the CDSL's website ([www.cdslindia.com](http://www.cdslindia.com)) within two (2) days of the passing of the resolutions and communication of the same to BSE Limited and National Stock Exchange of India Limited.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

##### **Item No.5**

Pursuant to the authorization given by the shareholders, M/s Virmani & Associates (VA), Chartered Accountants were appointed as Branch Auditors by the Board of Directors of the Company for auditing the accounts of the branch office of the Company at Bangalore for the financial year 2013-14 and shall hold this office upto the conclusion of the ensuing Annual General Meeting (AGM).

As per the provisions of Section 143(8) of the Companies Act, 2013 (Act) read with Rules made there under, the appointment of Branch auditors shall be made in accordance with the provisions of Section 139 of the Act by the shareholders at the AGM.

VA have confirmed their eligibility for the proposed appointment as Branch Auditor of the Company. Pursuant to the recommendation of the Audit Committee, the Board has proposed the appointment of VA as Branch Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of next AGM of the Company for approval of the members.

The Board commends the passing of Resolution set out at Item No. 5 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are concerned or interested, financially or otherwise, in this resolution.

##### **Item No. 6**

The Board of Directors of the Company had, pursuant to the provisions of Section 161 of the Companies Act, 2013 (Act) and the Articles of Association of the Company, appointed Dr (Mrs.) Vasantha S Bharucha as an Additional Director of the Company with effect from March 19, 2014. She would hold this office upto the date of the ensuing Annual General Meeting and is eligible for appointment as Director.

The Company has received notice, in writing, from a member under Section 160 of the Act alongwith the requisite deposit, proposing the candidature of Ms Bharucha for the office of Independent Director.

Section 149 of the Act inter-alia stipulates the criteria of independence for the appointment of an Independent Director, not liable to retire by rotation. Ms Bharucha is not disqualified from being appointed as Director in terms of Section 164 of the Act and has consented to act as Director of the Company. The Company has also received a declaration from her that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement with stock exchanges. In the opinion of the Board, she fulfills the conditions specified in the Act and the Rules made thereunder and also under the amended Listing Agreement, for appointment as an Independent Director and she is independent of the management.

Brief resume of Ms Bharucha alongwith relevant details pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges is provided hereto.

Keeping in view the vast experience and knowledge of Ms Bharucha, it is proposed to appoint her as an Independent Director for a term upto March 31, 2019. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Ms Bharucha is being placed before the members for approval.

A copy of the draft letter for the appointment of Ms Bharucha as an Independent Director setting out the terms and conditions, is available for inspection by members at the Registered Office of the Company.

The Board commends the passing of Resolution set out at Item No. 6 of the Notice.

Save and except Dr (Mrs.) Vasantha S Bharucha and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

##### **Nos. 7 to 9**

Lt Gen K.K.Hazari (Retd ), Mr. Amal Ganguli and Mr. Shekhar Datta have been Non-Executive Directors of the Company. They are considered as Independent Directors for the purpose of clause 49 of the Listing Agreement. As per their terms of appointment, they are liable to retire by rotation under the relevant provisions of the Companies Act, 1956.

Section 149 of the Companies Act, 2013 (Act) inter-alia stipulates that the independent directors are not liable to retire by rotation and lays down the criteria of independence for the appointment of an Independent Director.

All the aforesaid Directors are eligible and are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have consented to act as Directors of the Company. The Company has also received declarations from these Directors that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement with Stock Exchanges.

In the opinion of the Board, all of them fulfill the conditions specified in the Act and the Rules made thereunder and also under the amended Listing Agreement for appointment as Independent Director and they are independent of the management.

Keeping in view the contributions made by these directors during their association with the Company, the Board considers that it shall be in the interest of the Company to continue to have the benefit of their rich experience and knowledge. It is therefore proposed to appoint Gen. Hazari as Independent Director for a term upto March 31, 2017 and Mr. Amal Ganguli and Mr. Shekhar Datta as Independent Directors for a term upto March 31, 2019. The Company has received notices, in writing, from some members along with the requisite deposit proposing the candidatures of each of these Directors for the office of Independent Directors. In compliance with the provisions of Section 149 read with Schedule IV of the Act, their appointments are being placed before the members for approval.

Brief resumes of Lt. Gen K.K.Hazari (Retd), Mr. Amal Ganguli and Mr. Shekhar Datta alongwith relevant details pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges are provided hereto.

Copies of the draft letters for the appointment of Gen. Hazari, Mr. Ganguli and Mr. Datta as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

The Board commends the passing of Resolutions set out at Item Nos.7 to 9 of the Notice.

Save and except Lt. Gen. K.K.Hazari (Retd.), Mr. Amal Ganguli and Mr. Shekhar Datta and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item Nos.7 to 9 of the Notice

#### **Item No.10**

The Existing tenure of Mr. Arun Prabhakar Mote, Whole Time Director, designated as Executive Director is due to expire on 31<sup>st</sup> October, 2014. Keeping in view the contributions made by Mr. Mote during his association with the Company, the Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee of the Board at their meeting held on 27<sup>th</sup> May 2014, subject to the approval of the shareholders by way of special resolution at a general meeting have re-appointed Mr. Mote as Whole time Director for a period of two years commencing from 1<sup>st</sup> November, 2014 .

The approval of the shareholders is being sought to the terms and conditions for the appointment of Mr. Mote as the Whole Time Director and the remuneration payable to him as given hereunder. A brief resume of Mr. Mote is annexed to this Notice.

#### **Remuneration:**

Salary: Rs.5,35,000/- per month with an annual increment as may be decided by the Board/Nomination and Remuneration Committee effective 1st April each year. The annual increment will be merit based and will take into account the performance in the Company.

#### **Allowances and Perquisites:**

Special Allowance : Rs 3,90,000/- per month with the authority to the Board/Nomination and Remuneration Committee to increase the same from time to time. This allowance will not be taken into account for calculation of benefits such as HRA ,PF,Gratuity, Leave encashment etc.

Housing : Leased residential accommodation for a rent upto 60% of the Salary or House Rent Allowance in lieu thereof at the rate of 60% of Salary as per the rules of the Company .

Medical Reimbursement, Leave Travel Allowance, Leave Encashment, Insurance Coverage, Company's contribution to the Provident and Superannuation Funds and payment of gratuity (As per Rules of Company).

Explanation : Perquisites shall be evaluated as per Income-tax Rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

**Performance Bonus:** As may be decided by the Board on the recommendation of the Nomination and Remuneration Committee.

**Amenities:** Provision for use of the Company's car with driver for official duties and telephones at the residence (including payment of local calls and long distance official calls, cellular phone, telefax, internet and other communication facilities).

#### **Explanation :**

The amenities shall not be included for the purposes of computation of the Executive Director's remuneration as aforesaid.

#### **General**

The office of the Executive Director may be terminated by the Company or the concerned Director by giving the other 3 (three) months prior notice in writing.

The Employment of the Executive Director may be terminated by the Company without notice or payment in lieu of notice :-

- (i) If the Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate Company to which he is required to render services ; or
- (ii) In the event of any serious repeated or continuing breach of non observance by the Director of any of the stipulations contained in terms of employment with the Company ; or

- (iii) In the event the Board expresses its loss of confidence in the Director.

Upon termination by whatever means of the Executive Director's employment, the Director shall immediately tender his resignation from the office of Director of the Company and from such other offices held by him in Company or any subsidiary or associate Company and other entities without claim for compensation for loss of office. The Director shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiary or associate Company

**Overall Remuneration:**

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed under Sections 196, 197 and other applicable provisions of the Act as for the time being in force read with Schedule V to the Act.

**Minimum Remuneration:**

Notwithstanding anything to the contrary contained herein, in the event of loss or inadequacy of profits in any financial year during the tenure of Mr. Mote as Executive Director, the Company will subject to applicable laws, pay above mentioned remuneration, perquisites and allowances except the commission, performance bonus as the Minimum Remuneration with the approval of the Central Government, if required .

The appointment of Mr. Mote as Executive Director of the Company and payment of remuneration to him requires the approval of the shareholders by a special resolution in general meeting in accordance with the relevant provisions and Schedule V of the Act.

The Board commands the passing of Special Resolution set out at Item No. 10 of the notice.

Save and except Mr. Arun Prabhakar Mote and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested in the resolution set out at Item No. 10 of the Notice.

**Item No. 11**

The shareholders of the Company at their Annual General Meeting held on 6<sup>th</sup> September 2011 had appointed Mr. Dhruv M Sawhney, as Managing Director (designated as Chairman and Managing Director) of the Company for a period of five years with effect from May 10, 2011 whose period of office was not liable to determination by retirement of directors by rotation in terms of the provisions of Companies Act, 1956. His present tenure is due to expire on May 9, 2016 .

Section 196 of the Companies Act, 2013 ("Act") inter-alia provides that no company shall appoint or continue the employment of any person as managing director, who has attained the age of 70 years, unless his appointment is approved by a special resolution. During his present tenure, Mr. Dhruv M. Sawhney will be attaining the age of 70 years. Though his appointment as CMD had already been approved by the Shareholders by passing a Special Resolution, it is intended to seek approval of the members to comply with the relevant provisions of the Act.

The Board of Directors of your Company at present consist of 8 members, with 4 of them being Independent Directors, 1 being Non-Executive and 1 being Executive Director (liable to retire by rotation) and the remaining 2 being Executive Directors (not liable to retire by rotation).

The provisions of Section 152 of the Act provide that not less than two-thirds of the total number of directors (excluding Independent Directors) of a public company shall be liable to determination by retirement of directors by rotation. To comply with the relevant provisions of the Act, it is desirable that the office of CMD be made liable to determination by retirement of directors by rotation.

The Board commands the passing of Special Resolution set out at Item No. 11 of the Notice.

Save and except Mr. Dhruv M. Sawhney, Chairman & Managing Director, Mr. Nikhil Sawhney, Vice Chairman & Managing Director, Mr. Tarun Sawhney, Director who are related to each other and their other relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in this special resolution.

**Item No. 12**

With a view to align the existing Articles of Association (AoA) of the Company with the new Companies Act, 2013 (CA 2013) and the Rules framed thereunder, it is considered desirable to alter the existing AoA in the following manner:-

**1. The existing Article 1 with its heading and marginal note be deleted and in its place, the following Article be substituted:-**

The regulations contained in Table F of Schedule I of the Companies Act, 2013( Act) shall apply to the Company in so far as the Articles contained in these Articles of Association are inconsistent with or repugnant to any of the regulations contained in the Act, various schedules and the Rules framed thereunder.

**General authority**

Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case by virtue of this Article, the Company is hereby specifically authorized, empowered and entitled to have such right, privilege or authority, to carry out such transactions as have been permitted by the Act without there being any separate/specific article in that behalf herein provided.

**2. The existing Article 38 C be deleted and in its place, the following Article be substituted**

38C The Board of Directors shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation, notwithstanding any specific provision to this effect contained in any other articles.

**3. The existing Article 39 be deleted and in its place, the following Article be substituted:-**

- 39 .(i) The Directors shall elect a Chairperson of the meeting and determine the period for which he is to hold such office subject to such renewals or reappointments as they think best. If no chairperson is appointed, or if at any meeting of the Board, the Chairperson be not present within fifteen minutes after the time appointed for holding the same, the Vice Chairperson if so appointed shall be the Chairperson of the meeting. In the absence of Chairperson and Vice Chairperson within fifteen minutes after the time appointed for the meeting, the Directors present shall choose one of their numbers to be Chairperson of such meeting.
- (ii) The Board of Directors shall have the power to appoint/re-appoint any individual as the Chairperson/Vice Chairperson as well as the Managing Director (MD), Joint Managing Director (JMD), Executive Director (ED), Chief Executive Officer (CEO) or in any other capacity at the same time.

As per the provisions of Section 14 of CA 2013, the AoA can be altered with the approval of the shareholders by a special resolution.

The Board of Directors of the Company accordingly recommend the passing of the Special resolution at item no 12 of the Notice.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this special resolution.

By Order of the Board

Place: Noida  
Date: May 27, 2014

Company Secretary

**Details of Directors seeking appointment/ re-appointment at the Annual General Meeting Scheduled to be held on 8<sup>th</sup> August 2014 pursuant to Clause 49 of the Listing Agreement)**

**Mr. Tarun Sawhney**

**Promoter / Non-Executive Director**

Mr. Tarun Sawhney aged about 41 years, is a Director of the Company since 3<sup>rd</sup> December 2007. He possesses a Master's degree in Business Administration from the Wharton School, University of Pennsylvania, USA a premier academics institutions and a Bachelors of Arts ( Economic Honours) and Master of Arts from Emmanuel College, University of Cambridge, UK- one of the oldest and best academic institutions in the world. He has work experience in the fields of e-business, agriculture , manufacturing, telecommunications, information technology and financial and portfolio analysis . He worked with AT Kerney Inc, U.K., a management consultancy firm , from 1998 to 2000.

List of Other Directorship held	Chairman/Member of the committees of the other Board of the Companies on which he is a Director*	Details of shareholding in the Company
<b>Vice Chairman and Managing Director</b>  Triveni Engineering & Industries Ltd	<b>Audit Committee</b>  Triveni Engineering & Industries Ltd.-Member	14266775 Equity Shares
<b>Director</b>  GE Triveni Ltd.	<b>Stakeholders Relationship Committee</b>  Triveni Engineering & Industries Ltd.-Member	of Re. 1/- each.

**Dr. (Mrs.) Vasantha S Bharucha**

**Independent Non-Executive Director**

Dr. (Mrs.) Vasantha S Bharucha aged 69 years, is a Director of the Company since 19<sup>th</sup> March 2014. She is an economist of repute and holds Doctorate in Economics from University of Mumbai. Dr. Bharucha served as Economic Adviser in the Ministry of Commerce & Industry, Government of India during policy liberalization. She was the Resident Director of India's Trade Promotion office in the US based in New York and was also an Executive Director of the National Centre for Trade Information using technology for trade. She was an Independent Director on the Central Board of State Bank of India (SBI) for three years during 2008-2011 and was also a Director on the Board of Delhi Circle of SBI. Besides, she was on the Board of Diamond Power Infrastructure Ltd. She has rich experience in industry, trade and finance in the engineering and consumer sectors and has published a number of reports and strategy papers on Economic subject. She has been consultant and adviser to International organizations like WTO, UNCTAD, ITC and the UNDP. Presently, Dr. Bharucha is a Strategy Consultant to various corporates.

List of Other Directorship held	Chairman/Member of the committees of the other Board of the Companies on which he is a Director*	Details of shareholding in the Company
Nil	Nil	Nil

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

**Independent Non-Executive Director**

Lt. Gen. K. K. Hazari (Retd.), aged 85 years, is a Director of the Company since 3rd December 2007. He is a graduate of Defence Services Staff College, Camberley, UK and National Defence College, New Delhi. He has rendered 38 years of service in the Armed Forces of India and has served as Vice Chief of Army Staff. He has a special interest in matters like long term planning, management structures and systems and financial planning and has written extensively on these subjects. He was a member of the Committee of Defence Expenditure appointed by the Govt. of India in 1990 as also of the Kargil Review Committee constituted by the Govt. of India.

<b>List of Other Directorship held</b>	<b>Chairman/Member of the committees of the other Board of the Companies on which he is a Director*</b>	<b>Details of shareholding in the Company</b>
<b>Chairman</b> Magoo Strategic Infotech Pvt Ltd <b>Director</b> Triveni Engineering & Industries Ltd. Triveni Engineering Ltd. Interglobe Enterprises Ltd.	<b>Audit Committee</b> Triveni Engineering & Industries Ltd - Chairman Interglobe Enterprises Ltd. - Member <b>Stakeholders Relationship Committee</b> Triveni Engineering & Industries Ltd – Chairman	Nil

**Mr. Amal Ganguli**

**Independent Non-Executive Director**

Mr. Amal Ganguli aged 75 years, is a Director of the Company since 10<sup>th</sup> May , 2011. He is a fellow member of the Institute of Chartered Accountants of India and the Institute of Chartered Accountants of England and Wales and a member of the New Delhi chapter of the Institute of Internal Auditors, Florida, U.S.A. He was the Chairman and Senior Partner of Pricewaterhouse Coopers (Pwc), India till his retirement on March 31, 2003. Besides his qualifications in the area of accounting and auditing, Mr. Ganguli is alumnus of IMI, Geneva. Mr.Ganguli, trained in the UK to become a Chartered Accountant. He was seconded as a Partner to Pwc, UK / USA for a year in 1972-73. During his career spanning over 40 years, Mr. Ganguli's range of work included International Tax advice and planning, cross border investments, Corporate mergers and re-organisation, financial evaluation of projects, management, operational and statutory audit and consulting projects funded by International funding agencies.

<b>List of Other Directorship held</b>	<b>Chairman/Member of the committees of the other Board of the Companies on which he is a Director*</b>	<b>Details of shareholding in the Company</b>
<b>Director</b> Maruti Suzuki India Ltd. Tata Communications Ltd. Century Textiles & Industries Ltd. ICRA Ltd. HCL Technologies Ltd. New Delhi Television Ltd. AVTEC Ltd. Hughes Communication India Ltd. Aricent Technologies (Holdings) Ltd. Laurus Lab Pvt. Ltd. AIG Trustee Co. (India) Pvt. Ltd. ML Informap Pvt. Ltd. Tata Teleservices Maharashtra Ltd. Mangalam Cement Ltd. <b>Advisory Board</b> Thought Arbitrage Research Institute (A not for profit Company) Greenfuel Energy Pvt Ltd.	<b>Audit Committee</b> <b>Chairman</b> Maruti Suzuki India Ltd. Tata Communications Ltd. HCL Technologies Ltd. New Delhi Television Ltd. <b>Member</b> Century Textiles & Industries Ltd. ICRA Ltd. HCL Technologies Ltd. Hughes Communication India Ltd. Aricent Technologies (Holdings) Ltd. Tata Teleservices Maharashtra Ltd.	NIL

**Mr. Shekhar Datta**

**Independent Non-Executive Director**

Mr. Shekhar Datta aged 77 years, is a Director of the Company since 29th October 2012. He is a Graduate in Mechanical Engineering from London and is a Fellow of All India Management Association. Mr. Datta has been Business Consultant to a number of Indian companies and former member of International Business Advisory Council of UNIDO. Mr.Datta has been President of Confederation of Indian Industry (CII), Bombay Chamber of Commerce & Industry and Indo-Italian Chamber of Commerce & Industry. He has been honoured with the citation of 'Commendatore' (1995) in the Order for Merit of the Italian Republic, by the President of Italy; as 'Companion' of the Institution of Mechanical Engineers, U.K. and awarded 'Winner' of the Indo-British Trophy (1997) conferred by Her Majesty Queen Elizabeth II.

Mr Datta was the Managing Director and President of Greaves Cotton Ltd. and has held directorships in other reputed companies like Bharat Heavy Electricals Ltd., Industrial Development Bank of India Ltd, Crompton Greaves Ltd. He was also Chairman of the Bombay Stock Exchange Ltd.

<b>List of Other Directorship held</b>	<b>Chairman/Member of the committees of the other Board of the Companies on which he is a Director</b>	<b>Details of shareholding in the Company</b>
<b>Director</b> Triveni Engineering & Industries Ltd. Wockhardt Ltd. Titagarh Wagons Ltd.	<b>Audit Committee</b> Wockhardt Ltd - Chairman Triveni Engineering & Industries Ltd - Member <b>Investor Grievance Committee</b> Wockhardt Ltd - Chairman	10000 Equity Shares of Re. 1/- each.

**Mr. Arun Prabhakar Mote****Whole time Director**

Mr. Arun Prabhakar Mote aged 60 years is a Director of the Company since November 1 , 2012. He has a Masters Degree in Technology from the IIT – Bombay and a Masters Degree in Business Administration from the Jamnalal Bajaj Institute of Management Studies Bombay University. He has been associated with Triveni Group for around last 15 years. Prior to his appointment he was CEO (Turbines).

<b>List of Other Directorship held</b>	<b>Chairman/Member of the committees of the other Board of the Companies on which he is a Director*</b>	<b>Details of shareholding in the Company</b>
<b>Director</b> GE Triveni Ltd.	Nil	92000 Equity Shares of Re. 1/- each.

**Mr Dhruv M Sawhney****Promoter/Chairman & Managing Director**

Mr. Dhruv M Sawhney aged about 70 years, is an eminent industrialist. He has been on the Board of the Company since 10<sup>th</sup> May, 2011. He graduated with a Masters in Mechanical Sciences from Emmanuel College, University of Cambridge, U.K. and M.B.A with distinction from the Wharton School, University of Pennsylvania, U.S.A. and is a life member of Beta Gamma Sigma. Mr. Sawhney has received the highest civilian award "Chevalier de la Legion d'Honneur" from President Chirac of the French Republic.

He is a Past President of the Confederation of Indian Industry (CII), the Indian Sugar Mills Association and the Sugar Technologists Association of India and the International Society of Sugarcane Technologists. He was the first chairman from the developing world of the international society of sugar cane technologists. He has served on the Board of various public sector organizations and chaired Government advisory councils on Industry, Energy and Sugar. He chairs the Commonwealth Leadership Development Conferences found by HRH Prince Philip, the Duke of Edinburgh in 1956 to foster and broaden the understanding and decision making ability of individuals in the common wealth countries. He is Deputy Chairman of the Evian Group and Chairman of the India Steering Committee of the World Economic Forum, Switzerland. He also chairs CII's International and Internal Audit Committees. He takes a keen interest in education and was a past Governor of the Indian Institute of Management Lucknow, the Management Institute at the University of Delhi and Chairman of the Doon School Dehradun, one of India's most famous public schools. He is a Companion Member of the Chartered Institute of Management, U.K. and chairs the Board of Trustees of Delhi's oldest private charitable hospital. He was President of the All India Chess Federation for 12 years.

<b>List of Other Directorship held</b>	<b>Chairman/Member of the committees of the other Board of the Companies on which he is a Director*</b>	<b>Details of shareholding in the Company</b>
<b>Chairman and Managing Director</b> Triveni Engineering & Industries Ltd <b>Director</b> GE Triveni Ltd Orient Bell Ltd. Triveni Engineering Ltd. Triveni Energy Systems Ltd.	<b>Audit Committee</b> GE Triveni Ltd - Chairman	28124645 Equity Shares of Re. 1/- each.

\* The Committees considered for the purpose are those prescribed under Clause 49(1) (C) of the Listing Agreement i.e. Audit Committee & Shareholders' Grievance Committee of Public Limited Companies.

# PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]



CIN No.: L29110UP1995PLC041834

**Registered Office :** A-44, Hosiery Complex, Phase II Extension, Gautam Buddha Nagar, Noida, Uttar Pradesh – 201 305

**Corporate Office :** Express Trade Towers, 8th Floor, 15-16, Sector 16A, Noida, Uttar Pradesh – 201301

Ph. : 91 120-4308000 Fax : 91 120-4311010-11 E-mail : shares.ttl@trivenigroup.com, Website : www.triveniturbines.com

Name of the member(s) :

Registered address :

E Mail Id:

Folio No. / \*Client ID:

\*DP ID:

I / We, being the member(s) of \_\_\_\_\_ equity shares of Re 1/- each of the above named Company, hereby appoint:

1) Name: \_\_\_\_\_ E Mail: \_\_\_\_\_

Address: \_\_\_\_\_

Signature \_\_\_\_\_, Or failing him / her

2) Name: \_\_\_\_\_ E Mail: \_\_\_\_\_

Address: \_\_\_\_\_

Signature \_\_\_\_\_, Or failing him / her

3) Name: \_\_\_\_\_ E Mail: \_\_\_\_\_

Address: \_\_\_\_\_

Signature \_\_\_\_\_

and whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General Meeting meeting of the company, to be held on the Friday, the 8th day of August 2014 at 10.30 a.m. at the Expo Centre, A-11, Sector 62, NH-24, Noida, Uttar Pradesh - 201 301 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
Ordinary Business		For	Against
1.	Adoption of Financial statement, Reports of the Board of Directors and Auditors for the year ended 31st March 2014.		
2.	Confirmation of interim dividend paid during the financial year 2013-2014 & Declaration of final dividend for the said Financial Year.		
3.	Re- appointment of Mr. Tarun Sawhney, who retires by rotation .		
4.	Appointment of M/s J.C.Bhalla & Co. Chartered Accountants, as auditors and fixing their remuneration.		
Special Business			
5.	Appointment of M/s Virmani & Associates, Chartered Accountants as Branch Auditors and fixing their remuneration .		
6.	Appointment of Dr. (Mrs.) Vasantha S Bharucha as an Independent Director .		
7.	Appointment of Lt Gen K.K.Hazari ( Retd ) as an Independent Director.		
8.	Appointment of Mr Amal Ganguli as an Independent Director.		
9.	Appointment of Mr. Shekhar Datta as an Independent Director.		
10.	Re-appointment of Mr. Arun Prabhakar Mote as a Whole-time Director and fixation of his remuneration.		
11.	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, whose period of office shall be liable to determination of retirement of Directors by rotation.		
12.	Alteration of Articles of Association of the Company by insertion / substitution of certain articles.		

\* Applicable for investors holding shares in electronic form

Signed this ..... day of ..... 2014.

Signature of the Member ..... Signature of the Proxy Holder(s) .....

Affix  
Re. 1/-  
Revenue  
Stamp

**NOTE :**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office at A-44, Hosiery Complex, Phase-II Extension , Noida, Uttar Pradesh - 201305 or Corporate Office of the Company at 8th Floor, Express Trade Towers, 15- 16, Sector 16A, Noida, Uttar Pradesh - 201301, not less than 48 hours before the commencement of the Meeting,
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 19th Annual General Meeting.
- \*3. It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' and 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including detail of member(s) in above box before submission.



CIN No.: L29110UP1995PLC041834

Registered Office : A-44, Hosiery Complex, Phase II Extension, Gautam Buddha Nagar, Noida, Uttar Pradesh – 201 305

Corporate Office : Express Trade Towers, 8th Floor, 15-16, Sector 16A, Noida, Uttar Pradesh – 201301

Ph. : 91 120-4308000 Fax : 91 120-4311010-11 E-mail : shares.ttl@trivenigroup.com Website : www.triveniturbines.com

### ATTENDANCE SLIP

19<sup>th</sup> ANNUAL GENERAL MEETING - August 8, 2014

Name of the Member  
(In Block Letters)

Name of Proxy, If any  
(In Block Letters)  
(In case Proxy attends the meeting  
in place of member)

DP ID/Client ID/Folio No.\*

No. of Shares held

I/We hereby record my / our presence at the 19th Annual General Meeting of the Company to be held on Friday, the 8<sup>th</sup> day of August, 2014 at 10.30 a.m at the Expo Centre, A-11, Sector 62, NH-24, Noida, Uttar Pradesh - 201 301.

\*Applicable in case of shares held in physical form .

Signature of the Member ..... Signature of the Proxy Holder(s) .....

Note:

1. Members/Proxy holders are requested to bring this Attendance Slip duly filled in and signed with them, when they come to the meeting and hand it over at the **ATTENDANCE VERIFICATION COUNTER**, at the entrance of the Meeting Hall.
2. **NO ATTENDANCE SLIP SHALL BE ISSUED AT THE MEETING.**
3. Electronic copy of the Annual Report for the Financial year 2013-14 & Notice of the AGM alongwith the Attendance slip & Proxy form is being sent to all the members whose e-mail address is registered with the Company /DP unless any member has requested for a hard copy of the same . Members receiving electronic copy & attending the AGM can print copy of the Attendance slip.
4. Physical copy of the Annual Report for the Financial year 2013-14 & the Notice of the AGM alongwith the Attendance slip & Proxy form is being sent in the permitted mode(s) to all members whose e-mail is not registered or have requested for hard copy. Please bring your copy of the Annual Report to the Meeting.
5. The Meeting is of members only, and you are requested not to bring with you any person, who is not a member or a proxy.

Note :Please read the instructions given in the Notice of AGM before casting your vote through e-voting.