sugar gears turbines water treatment

Triveni is an established, dynamic and professionally managed Rs 10 bn company. Our core competencies are in the areas of sugar, steam turbines, gears and water & waste water treatment, derived from years of experience and through an excellent blend of people, technology and entrepreneurship.

- One of the 250 largest companies in India.
- One of the largest producers of sugar in India.
- Leading producer of steam turbines up to 15 MW and a provider of comprehensive solutions for steam-based power generation ranging from 0.5 MW to 50 MW.
- Market leader in high speed gears and gear boxes.
- Technology based solution provider for the water and waste water treatment industry.

"Triveni can be best described as a technology-focused, sugar-plus company"

Chairman Mr. Dhruv M. Sawhney reviews the company's formidable strengths in the marketplace

Overview

How would you sum up the strengths of your company?

Triveni can be best described as a technology-focused, sugar-plus company. Our competitive edge is our comprehensive customer-centric orientation: for instance, Triveni has not only employed its technology capital to reduce its costs and deliver comprehensive solutions to customers but in doing so, it has also helped customers reduce *their* costs and make better end products. It is our firm belief that engineering excellence contributes a significant value to technology-intensive businesses like turbines, high speed gears and water & wastewater treatment and also to commodity business like sugar manufacture.

How will you enhance the shareholders' understanding of the company's diverse businesses?

Through a couple of initiatives: first, I must assure shareholders that Triveni is present in businesses that are aligned with the long-term national direction, government policies and our perception of people's needs. Our belief is that there will be a growing national demand, both at a corporate and

consumer level, for all our business, products and services. Secondly, we have segregated the performance of each of our businesses in the annual report, which will facilitate a better understanding of their stand alone prospects.

Can you explain the long-term national direction ?

Take power, for instance. The country is currently facing a significant power shortage calculated on peak demand, which is only expected to increase. It would be reasonable to assume that since power now represents a raw material for life, it will be the highest priority on every government's agenda over the next few decades. Triveni is one of the most attractive proxies of this industry in its capacity as a manufacturer of turbines and high-speed gears as well as through the operation of clean energy cogeneration plants from non-renewable sources. Nearly 21 per cent of the company's turnover was derived from the products delivered directly to the power industry.

Or take sugar, where consumption is only expected to increase as per-capita incomes rise in India and in which India has the potential of playing a lead role in the international market. The relevance of waste & water treatment is reflective of the state of industrial effluents and quality of India's water infrastructure, which is way below international benchmarks. So I will encapsulate our relevance in a single sentence: Triveni represents an excellent proxy for the future of a modern, dynamic and internationally competitive India.

The company's presence in these diverse businesses represents diverse risks.

On the contrary, our presence in these diverse businesses represents prudent de-risking: each of our businesses is in various stages of the maturity cycle. In my opinion the businesses have a prudent balance between some that will deliver stable growth, while others that will grow significantly faster. For instance, sugar and turbines represent the upper end of the maturity index, high-speed gears is a reasonably mature business while water treatment and wastewater treatment businesses are relatively nascent but enjoy aggressive growth prospects. In a dynamic global environment, we perceive this business mix as an attractively de-risked proposition holding out prospects of sustainable growth over the foreseeable future.

There are a number of companies in each of these businesses. What is Triveni's differentiator?

There are two distinctive differentiators: in sugar, it is our economies of scale and thrust on technology to achieve world-class operational efficiencies, whereas in engineering, we strive to provide customised engineering solutions dovetailed with a lifecycle service relationship. We design our engineering products around a customer's specific needs; thereafter, we don't walk away from the product: we sell it, run it and service it. This is particularly relevant in a world where a number of manufacturers need to run their machines with a near-zero downtime. As a result, we see ourselves as enhancing their competitiveness through product, solution and service - a formidable customer proposition.

You emphasised the company's technology focus. How do you manage the risk of obsolescence, which would perhaps represent the company's biggest risk?

Good question. We enjoy decades of presence in a technology-led business like turbines, where we have evolved from mere purchaser of foreign technology to a point where, through absorption capabilities, we are either enjoying strategic relationships with international technology leaders or are delivering robust products through our captive or pooled technology capabilities. The result: we are proactively and continuously enhancing our product and solution delivery capabilities through research and development, innovation and through feedback from all our customers. We enjoy market leadership across most of our products and each of our divisions is focused on customer delight.

Performance

Were you pleased with the company's results in 2004-05?

Absolutely, considering the environment that the company had been in over the last few years: the sugar industry was in a difficult spot and the economy had been in a slowdown. So the performance of the company in 2004-05 was a vindication of an important strategy: our diverse business mix, in which a stagger in one division was more than offset by an upturn in another. As it turned out, a sharp increase in steel prices took some sheen off the performance of our engineering division, but an increase in sugar realisations accounted for nearly 80 per cent of the over four-fold increase in our post tax bottomline of Rs. 995.2 mn during the year under review.

1 SUGAR DIVISION

A number of shareholders will point out that perhaps the sharp sugar-led increase in profits was more a play of the marketplace than Triveni's effort during the year under review.

Sure, but the increase in profits would have never transpired had we not got down to doing one of the most challenging things in any business; investing during the down years in patient anticipation of the better. Even during the down turn, we invested in the modernisation of the sugar units to achieve benefits which are fully under our control and invested additionally in the cogeneration plant to insulate ourselves from the sugar cycle, developing an alternative stable revenue stream. Besides, we invested in state-of-the-art vacuum pans in a joint collaboration with Sugar Research International of Australia. This translated into lower losses, higher bagasse savings and a higher return on our invested capital. The result of these initiatives is that when the industry turned around, Triveni was in the right place at the right time with the right capacity and the right efficiencies. This enabled us to capitalize on the industry rebound during 2004-05.

There is a fear that the sugar prices may not sustain at these levels and the business may demonstrate its notorious cyclicality once cane availability increases from the 2005-06 season onwards.

My estimation is that from now onwards, the cyclicality will be less pronounced for a number of

reasons: the government did not permit the import of white sugar during the last two years even when a shortage was evident, but quite pragmatically allowed the import of raw sugar under an Advance License Scheme with corresponding export obligations. This will ensure that the surplus sugar production in the future, if any, will be offset by such exports. Considering all factors and as described in detail in the Management Discussion and Analysis, the sugar outlook appears stable till 2007.

How has the division capitalised on this upturn with a view to make its business more sustainable?

We embarked on two broad initiatives: cogeneration of power at Deoband and a further increase in our installed sugar crushing capacity.

- We commissioned a 22 MW co-generation unit in 2004-05. The result is one of the most efficient cogeneration plants in India with a high availability of the plant. Following the favourable experience that emerged from its commissioning, we are now setting up a similar 23 MW plant in Khatauli in 2005-06. Since these projects will utilize the captively generated bagasse and generate a return that will be completely insulated from the fortunes of the sugar industry, we will be mitigating the cyclical impact on this business.

- We intend to become a large regional player. The Khatauli sugar unit is being modernised and expanded to 16,000 tcd and we are planning to set up three new sugar units, one of which will be set up at Sabitgarh, district Bulundshahar, UP. All these units would have capacity of 5000-7000 tcd, expandable to 12000 tcd. As a result, we expect our sugarcane crushing capacity to significantly rise over our current base of 25250 tcd. These projects will enable us to avail of incentives under the UP Government Sugar Policy.

2 TURBINES BUSINESS

Even as the power generation industry is growing rapidly, the turbines business did not appear to perform well during the year under review.

'Did not appear to perform well' is relative. On the positive side, the division grew its turnover by more than 20 per cent during the year under review, which is fair in the circumstances. On the other hand, the significant potential latent in our business did not translate into reality during the year under review as there was a sharp increase in steel prices, which dented our margins temporarily with respect to fixed price orders. However, the revised pricing for the subsequent orders will restore our margins.

When will the division unleash value?

This will transpire from 2005-06 onwards for a number of reasons: there is a sharp increase in the demand for turbines under 15 MW at a time of robust industrial rebound; three of our main industrial consumers – steel, cement and paper – are doing well; we hold a 60 per cent share of the market (including imports) in our products; we are enhancing our capacity from 550 units to 1200 units during 2005-06; our business prospects from this division are covered by orders in hand, which are over 180 per cent of last year's sales.

What gives you considerable optimism that this business will do well into the long-term?

Let me address the macro perspective: the power industry is going to boom over the coming years with an increased investment in generation, strengthening prospects for turbine manufacturers like us. We are in the right product segment, enjoying high margins in an oligopolistic environment, protected from increasing competition by our intellectual capital. The captive development of taper twisted blades will take us into another league, strengthening our margins over time. I also expect that the high multiples generally given to large turbine manufacturers like Siemens and BHEL will gradually rub off on our company, enhancing value for our shareowners.

3 HIGH SPEED GEARS

A number of shareholders will want to know what role this division is playing in an otherwise high growth and high turnover company?

At Triveni, we are convinced that this division, which supplies gears for mechanical drives, for primarily steam turbines, will play a progressively bigger role within the organisation. For a number of reasons: it may be a relatively low turnover business today but when compared with the other businesses within the company, it is a high margin business. We already possess the competence to enhance our scale and influence: for instance, our quality and reputation are reflected in the fact that we not only supply to direct end customers but also to turbine manufacturers like Siemens and BHEL who eventually compete with our turbines in the marketplace. This is the biggest endorsement of our capability.

CHAIRMAN'S OVERVIEW

What represents the competitive edge of the division?

A prudent combination of technology and customer service. For instance, we commissioned machines in the last financial year which made it possible for us to grind at higher speeds and therefore, shrink grinding time from 100 hours to a mere 15 hours. We are investing Rs. 250 mn in the business between 2004-05 and 2006-07, which will help us to treble our output. We shall be signing a seven-year agreement with Lufkin Industries in the next few weeks, which will take our licensed manufacturing capacity upto 25 MW for complete gear boxes including rotating parts. We expect to protect our margins as we grow and, as a result, this business will contribute attractively to the company over the foreseeable future.

4 WATER/WASTEWATER TREATMENT

This business accounted for a topline of Rs. 80 mn during 2004-05. What is the vision that you have for it?

This business has vast potential. One has to only assess the growing waste water problem in the public domain to realise that we are sitting on a grave hygiene problem if the situation is not addressed with urgency. There is one example where existing technologies have not been able to address this effectively: they have not been able to minimise the coliform content in the waste water to the extent that is required by any mature society. As a result, even after the treatment of industrial effluents discharged into rivers through existing technologies, much of the water continues to be grossly unfit.

What value does Triveni expect to bring to this national priority?

We are introducing a generation of technology that is so far ahead of the prevailing standard that I am tempted to say that there is virtually no competition for it. Our combination of membrane and CEDI technology represents the delivery of higher water purity at a lower operating cost, which represents a far greater value than the prevailing membrane and resin based technology. Our big markets will be the municipal and industrial sectors and even though the business is still at a nascent point today, we are convinced that even one large order could translate into a significant revenue potential.

MANAGEMENT DISCUSSION AND ANALYSIS

Sugar division

Turnover, 2004-05	:	Rs. 8.13 bn
Turnover growth	:	68 per cent
Turnover growth CAGR (5 years)	:	16 per cent
Division turnover as a proportion of the company turnover, 2004-05	:	78 per cent
Plants	:	Khatauli and Deoband in West UP, Ramkola in East UP

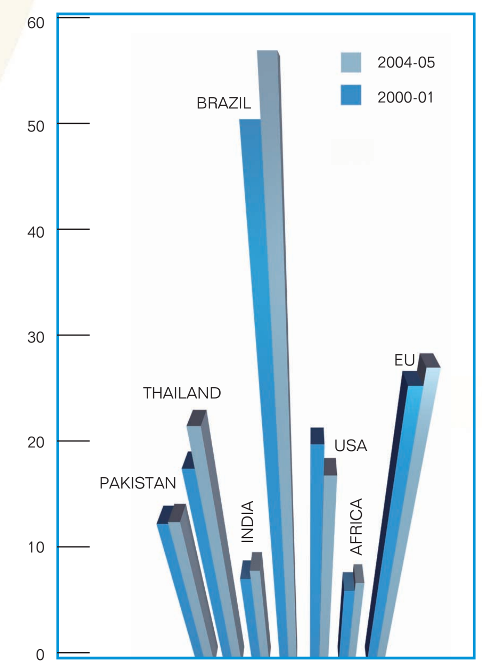
OVERVIEW

The company's installed capacity of 25,250 tcd across the three units is among the largest in India. The company's Khatauli unit is credited with having crushed the largest quantity of sugar across any unit in India in the 2004-05 sugar season.

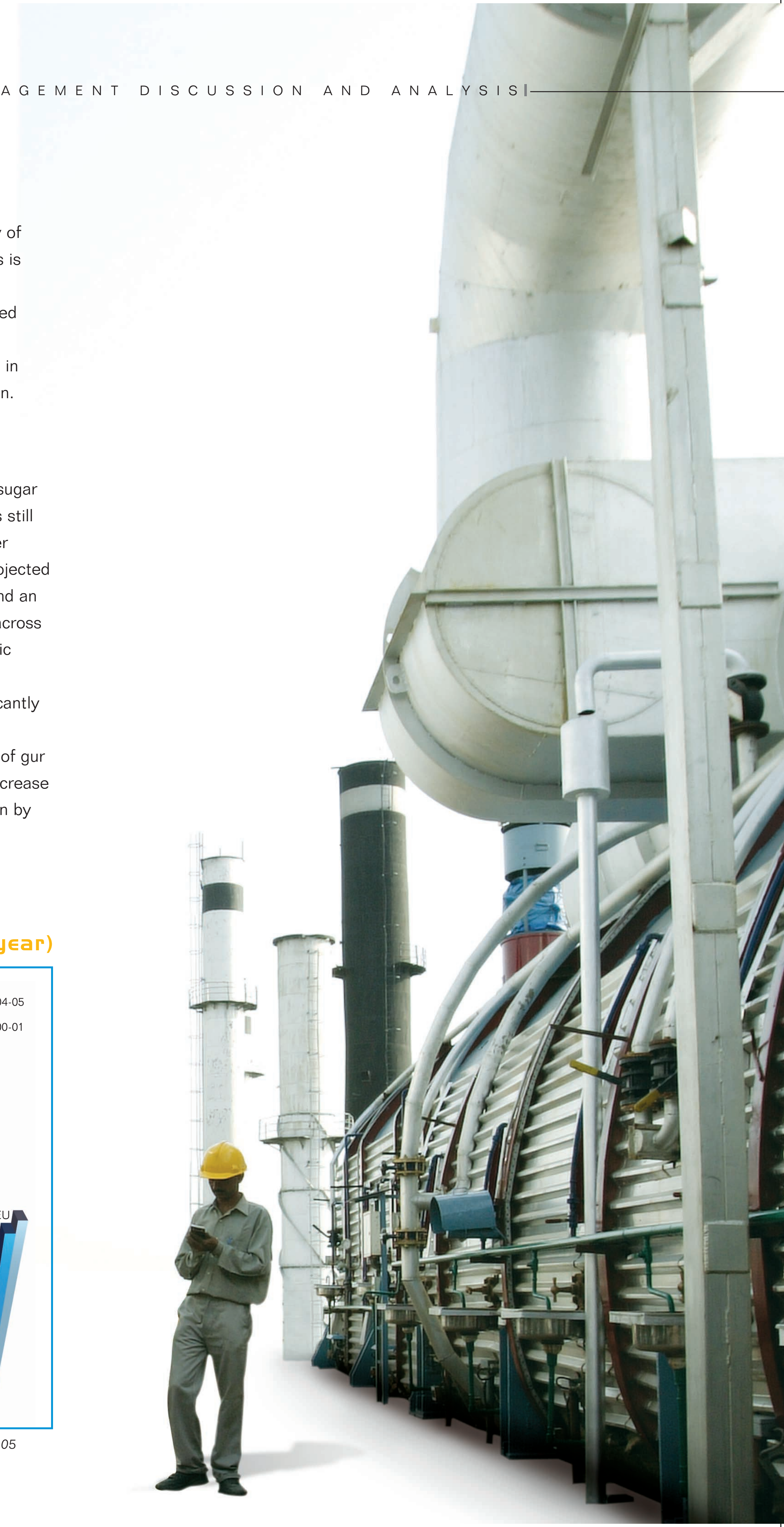
RATIONALE FOR PRESENCE

India is the largest consumer of sugar and its per capita consumption is still below the levels achieved by peer countries (see graph). With a projected increase in per capita incomes and an improvement in lifestyle quality across India's middle and lower economic classes, we expect that sugar consumption will increase significantly on account of two factors: the crossover from the consumption of gur and khandsari to sugar and an increase in direct and indirect consumption by all sections of the Indian society.

PER CAPITA SUGAR CONSUMPTION (Kg/year)



Source: International Sugar Report 2004-05



MANAGEMENT DISCUSSION AND ANALYSIS

OUR VALUE PROPOSITION

Sugarcane is the only significant raw material for the domestic sugar industry. Consequently, any interruption in sowing or harvesting of sugarcane could lead to a detrimental impact on the sugar industry at large and to our company.

As a forward-looking organization, Triveni is actively engaged in mitigating foreseeable risk factors. In relation to fostering the availability of sugarcane in its 'command area', Triveni protects farmer interests in a number of ways – ensuring consistent and equitable cane purchase from farmers, providing access to advanced farming best-practices, arranging timely remuneration and taking a leadership position in community development. In turn, these initiatives encourage farmers to allocate a significant acreage towards the cultivation of sugarcane, making the arrangement mutually rewarding. The quality of the company's output has helped it graduate to the status of a major brand in India's retail and wholesale markets, thereby enabling it to enjoy a premium and a distinctive recall in a relatively unbranded marketplace.

OUR STRENGTHS

- Advanced technological assets and capital equipment, represented by world-class continuous vacuum pans at the B (sugar boiling) and C (sugar boiling) stages, resulting in boiling consistency, uniform crystal size, reduced molasses purity, decline in steam consumption and enhanced product quality. The technology and intellectual property for this equipment were jointly developed with Sugar Research International, the premier Australian organization.

- Positive recall in a competitive marketplace, translating into a premium and quicker off-take.

- The location of the sugar manufacturing plants in the fertile Doab region (between the Ganga and Yamuna rivers), resulting in a superior sugarcane quality and an exceptionally high yield.

- Canal water availability over a large part of the region, representing one of the highest penetrations of man-made water interventions in India, reducing the company's dependence on monsoon vagaries.

- Established culture of cane cultivation in the region.

- Largest cane crushing capability across any one unit in India (18.66 million quintals in the 2004-05 sugar season at Khatauli); a quicker crush enables the farmer to grow wheat on fallow land and earn an attractive supplementary income.

- Excellent cane procurement logistics, critical for any large sugar unit, demonstrated in the systematic pooling of cane from no less than 220 purchase centers in the Khatauli command area without any shortage or inventory pile-up.

- Dependable relations with more than 160,000 farmers across the Khatauli, Deoband and Ramkola command areas, resulting in a reliable and increasing supply of sugarcane.

- Strong in-house technical and project management capability, resulting in the commissioning of the Deoband co-generation project in the fastest implementation time lines; proposed expansion of the Khatauli capacity from 11750 tcd to 16000 tcd.

- Vast project execution experience in setting up sugar plants and carrying out expansions in view of our earlier experience in sugar plant machinery and through our subsidiary, Triveni SRI Limited.

Highest cane crushing across any one unit in India (18.66 million quintals in the 2004-05 sugar season at Khatauli); a quicker crush enables the farmer to grow wheat on fallow land and earn an attractive supplementary income.

INDUSTRY ANALYSIS

World sugar

The forecast of the world sugar balance (October 2004 to September 2005) indicates that production will be 2 mn tonnes lower than consumption: world sugar output[1] (October 2004 to September 2005) has been estimated at 146.1 mn tonnes (raw value) as against 143.7 mn tonnes in the previous year while consumption is estimated 2.1 per cent higher at 148 mn tonnes (raw value) with increased demand coming out of Asia and the Far East.

Interestingly, leading trade house ED&F Man sees this global (2004-05, Oct-Sept) deficit widening to 4 mn tonnes; its production estimate for 2004-05 is unchanged from its 2003-04 benchmark of 143 mn, while consumption, driven by Asia, is forecast to increase from 144 mn to 147 mn.

In fact, the principal factor behind the price rise over the past 18 months was the conviction that global demand growth could outstrip production in 2004-05, depleting stocks, as well as the belief that high oil prices may induce Brazil and other countries to divert more cane towards the production of ethanol, reducing cane supplies directed towards sugar manufacture.

Looking into the short-term, two developments are likely to tip the Asian balance: India's sugar consumption has been growing at an average annual rate of around 3 per cent over the last ten years; besides, global sucrose demand, discounting the role of artificial sweeteners, is expected to grow by around one mn tonnes a year. China too is likely to become a major importer after 2007,

[1]*Source: F O Licht, World Sugar Balance (2005)*

MANAGEMENT DISCUSSION AND ANALYSIS

sugar

given the limited availability of its resources to expand sugar production.

WTO

Sugar and dairy products are probably the most protected agricultural sectors. As a result, the impact of product-specific negotiations in the WTO Doha Round (as agreed in the July 2004 framework) on sugar was more significant than in the last WTO Round of multilateral trade negotiations.

The critical factors: the base period chosen for the duty reduction commitments, the length of the implementation period for making the reductions and whether sugar would be included in a WTO list of sensitive products, which would allow it to escape a part of the WTO trade reform process.

More recently, the World Trade Organization's highest court issued a final ruling on April 28, 2005, ordering the European Union to stop dumping subsidized sugar illegally on the global markets or face trade sanctions. The decision by the WTO's Appellate Body in Geneva gives the EU up to 15 months to strictly comply with this directive. It is important to note that the export of white sugar, especially from European Union, is heavily subsidised at prices less than 25 per cent of the prices prevailing in the European domestic markets. But for such exports, the international prices of the white sugar would be higher and would in turn have a favorable impact on India's domestic prices.

In 2004, a panel of WTO experts estimated that the EU exported about four million metric tonnes of sugar in 2000-01 (period under investigation) or about three times more than what the rules permitted. As a result, any reform in this area will give Indian exports a significant boost and have a positive impact on global prices.

India also suffers from a small quota in the Lome and ACP conventions, which gives members a preferential price in the lucrative EU and US markets. Any increase in these quotas could help domestic manufacturers in the short term.

Ethanol[2]

At the 13th annual International Sugar Organisation seminar in 2004, Chairman Francisco Varua (also President of the Philippines Sugar Millers Association) pronounced that ethanol could become the sugar cane industry's principal product by the end of the first decade of the new millennium. Not only are fuel ethanol programmes spreading across the globe, but more players are becoming aware of the need for cross-order trade to help the product become more competitive against gasoline.

Since Brazil will need to raise ethanol production by 14 bn litres[3] (25 mn tonnes sugar equivalent) just to meet its growing domestic demand – this represents 175 mn tonnes of cane, 2.5 mn hectare of extra land and an addition 85 to 90 mills – FO Licht does not expect a large Brazilian sugarcane crop to upset the world sugar balance, especially as ethanol is expected to become dearer over the foreseeable future.

Domestic Industry Scenario and Outlook

Industry structure

The sugar industry in India is highly fragmented, with 566 sugar units spread over 16 states. The total capital employed by the sugar industry is Rs.500 bn, the annual turnover Rs.250 bn, annual sugarcane payments Rs.180 bn, direct employment for 500,000 and the involvement of 45 mn farmer/families in cane growth.

The average size of each unit is approximately 3300 tcd, substantially below the new international economic size of 7500 tcd[4]. Nearly 35 per cent of all Indian mills are in the private sector, 6 per cent in the public sector and 59 per cent in the co-operative sector. Despite the large recent profits shown by the Indian sugar industry, 112 mills – old and inefficient remained closed during the year.

The total capital employed by the sugar industry is Rs.500 bn, the annual turnover Rs.250 bn, annual sugarcane payments Rs.180 bn, direct employment for 500,000 and the involvement of 45 mn farmer/families in cane growth.

In a raw material-dependant industry, profitability is influenced by the following factors:

- **Cane availability:** Within the 'reserved area' of any factory, the yield and size of the area under sugarcane are critical success drivers.
- **Economic size:** Without a minimum economic size of 5,000 tcd (generally 10,000 tcd in Western Uttar Pradesh), it is becoming increasingly difficult for a sugar unit to command pricing power.
- **Technology:** The ability to minimize sugar processing losses depends on process technology.
- **Demand-pull:** The ability to draw a higher percentage of sugarcane from the 'reserved area' reduces the diversion to other sweeteners.
- **Sucrose content:** This is directly influenced by soil quality and cane development programmes initiated by progressive manufacturers; a higher sugar content in sugarcane leads to the manufacture of more sugar, while payment is still based on weight.
- **Operating efficiency:** The ability to bring cane in quickly from the fields and continuously operate a sugar unit minimises post-harvest sucrose evaporation.

Cane area and production

In the 2004-05 sugar season, a lower planting of sugarcane and poor yields resulted in a fall in sugar production in India. With rising sugarcane prices and

[2]Source: F O Licht (Sweetner Report), [3]Source: F O Licht (Sweetner Report)

[4]Source: Triveni research and ISO

MANAGEMENT DISCUSSION AND ANALYSIS

sugar

prompt payments to farmers, this trend is expected to reverse over the next few years.

Sugar pricing

A turnaround in free sale sugar realisations commenced in February 2004, with subsequent increases in May 2004 and January 2005 (Indian Sugar Mills Association data). Triveni's realisations were higher than the all-India average due to a combination of regional, quality, colour and crystal size factors.

On average, domestic sugar prices strengthened in 2004-05 and demand-supply forecasts indicate that they could remain firm over the coming two years.

India's sugar import policy

The upturn in India's sugar cycle is a direct result of the forward-looking policies of the Ministry of Food, Government of India. There have been instances in the past when a sugar shortage in India was followed by a reduction in customs tariff, allowing an enormous quantity of white sugar to flood the market and trigger a steep fall in sugar prices. This time the government permitted only the import of raw sugar by sugar factories - not

Year[5]	Area under sugarcane (million hectares)	Yield (tonnes per hectare)	Sugarcane production (million tonnes)	Sugar production (million tonnes)
1930-31	1.2	30.9	36.4	0.1
1940-41	1.6	32.1	52.0	1.1
1950-51	1.7	40.5	69.2	1.1
1960-61	2.4	45.0	110.5	3.0
1970-71	2.6	48.3	126.4	3.7
1980-81	2.7	57.8	154.3	5.1
1990-91	3.7	65.4	241.1	12.0
1999-00	4.2	70.8	299.2	18.2
2001-02	4.4	68.2	298.4	18.5
2002-03	4.3	64.6	281.6	20.1
2003-04	3.9	63.8	221.2	13.9
2004-05	3.7	62.9	201.9	13.0 *(estimated)*

Ex-factory prices of free sale realizations[6]

(Rs./MT/sugar)	2002-03	2003-04	2004-05
October	11600	11290	14710
November	11140	12030	14650
December	10810	11770	15360
January	10710	11660	16630
February	10660	12930	16500
March	10540	12770	16640
April	10650	13420	
May	10580	13990	
June	10810	14220	
July	11810	14060	
August	12590	14650	
September	12340	14720	
Average	11190	13210	

[5] *Source: National Federation of Co-operative Sugar Factories and Energy Lines (2005)*
[6] *ISMA*

traders - with an export obligation under the Advance License Scheme, one of a number of policies to ensure long-term price stability, given the temporary imbalance between production and consumption.

In 2004-05, government policies ensured that sugar prices remained at reasonable levels, which improved industry viability and resulted in a record, timely and even retrospective payments to sugarcane growers, a win-win proposition. This encouraged nationwide sugarcane planting and will translate into higher output, notwithstanding a lower-than-average monsoon.

In 2004-05, government policies ensured that sugar prices remained at reasonable levels, which improved industry viability and resulted in a record, timely and even retrospective payments to sugarcane growers, a win-win proposition.

Levy sugar prices

Under the provision of sub-section (c) of Section 3 of the Essential Commodities Act, 1955, the ex-factory prices of levy sugar are determined each year by the Ministry of Food and Civil Supplies, Government of India. The current ratio of free-to-levy sugar is 90:10 i.e. 10 per cent of the sugar produced is to be sold at prices fixed by the Government for different levy price zones in the country. Every month, a fixed quantity is released to each factory in respect of specified buyers nominated by the Central Government. In U.P., there are three levy price zones: while the Khatauli and Deoband factories figure in the Western U.P. price zone, Ramkola figures in the Eastern U.P. price zone. The levy price for West U.P. was Rs. 1275.92 per quintal and Rs. 1383.41 per quintal for East U.P.

Statutory minimum sugarcane price (SMP)

This price is determined by the Central Government on the basis of Clause 3 of the Sugarcane (Control) Order, 1966 with respect to each sugar season. The Government fixes the price considering the recommendations by the Commission for Agricultural Costs and Prices. The SMP for 2004-05 season was fixed at Rs. 74.50 per quintal corresponding to a base recovery of 8.5 per cent. The previous season's average recovery for each sugar unit was used to determine what

MANAGEMENT DISCUSSION AND ANALYSIS

sugar

SMP payment needed to be made by each factory, calculated on the basis of Rs. 0.88 per quintal for an every 0.1 per cent increase in recovery over 8.5 per cent. The SMP for Khatauli, Deoband and Ramkola units were fixed at Rs. 89.46 per quintal, Rs. 92.10 per quintal and Rs. 87.70 per quintal respectively.

For the purpose of extra sugarcane payment to growers above the SMP, a formula of sharing sugar realizations with the growers has been prescribed under Sugarcane Control Order, 1966. After the ‘L’ factor (representing the cost of production) based on the SMP is announced by the Government (which invariably comes some two or three years later), the cost based on the L factor is subtracted from the actual realization of sugar; 50 per cent of this extra amount is shared with growers. In reality, factories in U.P. invariably pay much more than what is warranted by this formula as State Advised sugarcane Prices (SAP) announced by the U.P. government are higher than the SMP by more than the 50 per cent sharing payable.

State advised price

A majority judgement of the Supreme Court dated 5 May 2004 held that the State Government in U.P., in exercise of its regulatory power as contained in the U.P. Sugarcane (Regulation of Supply & Purchase) Act 1953, could fix the price of sugarcane. A review petition filed by ISMA, highlighting the inconsistencies with an earlier unanimous decision of a five-judge bench of the Supreme Court of 1956 in Ch. Tikaramji’s case, and other specific constitutional points, was turned down. The U.P. Government announced an SAP higher than that paid by the industry in 1996-97, 2002-03 and 2003-04. On a demand made by the Sugarcane Societies and the U.P. Government, Triveni made all these payments for its three sugar units under protest, making it one of a handful of such factories in U.P. to have done so.

U.P. government sugar policy

To encourage investment in the sugar industry, the U.P. Government announced a Sugar Industry Incentive Policy 2004 during the year under review. It spelt out the following:

- The sugar industry as the most important industry in the state and sugarcane as its principal cash crop, supporting the livelihoods of 3.2 mn farmer families and a labour force of 160,000 directly or indirectly in the state.
- The industry’s position as a driver of social and economic growth in the locations of its presence.
- The identification of various ancillary or downstream industries like sugar machinery, distilleries, electricity co-generation, ethanol and bio-fertilizer as being linked with the industry.
- The contribution of almost Rs. 4 bn to the Indian and state exchequer via excise and purchase tax.
- The reservation of almost 2.3 mn hectares for U.P. sugar mills, accounting for 124 mn tonnes of sugarcane (almost 42 per cent of the national production).
- The use of only 41.04 per cent of the sugarcane produced in the state by the sugar industry, the rest going to gur, khandsari, seed, juice, cattle feed and chewing.

The sugar industry is the most important industry in the state and sugarcane is its principal cash crop, supporting the livelihoods of 3.2 mn farmer families and a labour force of 160,000 directly or indirectly in the state.

- The need to produce 7.5 mn tonnes of sugar by 2010-11 through enhanced cane drawal to fulfill the country’s increased appetite for the commodity.
- The planned special incentive policy for the entry of private mills into sugar manufacture due to a funds constraint among the government and co-operative sectors.
- An estimated capital requirement of Rs. 20 billion to fund the new plants for which a special incentive package may be required.

For being eligible for the incentives, the government announced the following guidelines:

- Minimum one-time capital investment of Rs. 3.5 bn or phased (from 2004-05 to 2006-07) capital investment of Rs. 5 bn; to commence commercial production by 31 March 2007.
- Eligibility covering the setting up of new sugar units, expansion of existing sugar capacity and related projects (ethanol/alcohol from molasses as well as co-generation from bagasse).
- Provision of monetary benefits in the form of capital subsidy and various incentives on the cane purchase and sugar and molasses sale.

The government announced that these incentives would be provided only after the company or the unit cleared all its sugarcane dues to farmers. For an investment of over Rs. 3.5 bn, the incentive would be applicable for five years; for an investment over Rs. 5 bn, the incentive would be applicable for 10 years with a provision that proceeds from the overall incentive did not exceed the capital investment. Triveni intends to take advantage of this scheme.

OPERATIONAL PERFORMANCE IN THE 2004-05 SUGAR SEASON

Your company’s Khatauli, Deoband and Ramkola units crushed 18.66 mn tonnes, 13.8 mn tonnes and 3.4 mn tonnes of sugarcane respectively

MANAGEMENT DISCUSSION AND ANALYSIS

The sugarcane crushed at the Khatauli sugar unit was the **highest across any unit** in the country.

during the 2004-05 sugar season. The sugarcane crushed at the Khatauli sugar unit was the highest across any unit in the country. Recovery was 10.06 per cent at Khatauli, 10.19 per cent at Deoband and 9.86 per cent at Ramkola. The company also imported 0.185 mn tonnes of raw sugar, which was converted into white sugar during the 2004-05 sugar season.

The company produced 1,96,000 tonnes in Khatauli (including processed raw sugar), 1,52,000 tonnes in Deoband (including processed raw sugar) and 33,600 tonnes in Ramkola, a cumulative 3,81,600 tonnes in 2004-05 (3,64,400 tonnes in 2003-04). As a result, your company emerged as one of the largest sugar producers in India and expects to preserve this position following the increased production from its ongoing expansion programmes.

The company's Khatauli unit procured cane from over 220 out-centres during the latter part of the season, a record across any sugar unit in India. Dispersed prudently over a 59,000 hectare command area, Khatauli's sugarcane marketing staff refined the logistical system of cane harvest and transportation in the shortest time (empirical studies suggest that if whole stalk sugarcane is not crushed within 16 hours following harvest, the sucrose in the cane is converted into non-sugars with a consequent drop in sugar recovery). This efficiency will stand the company in good stead when it expands its capacity to 16,000 tcd in the 2005-06 season. Besides, engineering stoppages were within the estimated budget and there was an attractive improvement in steam consumption, thereby increasing the allocation of bagasse for the Deoband co-generation plant.

FORWARD-LOOKING STATEMENTS

Global corporate strategy

In the opinion of leading international sugar expert F.O. Licht, regulatory, technological and organizational issues will drive the growth of sugar companies. Since sugar is an agricultural commodity, the last factor is expected to influence profits the most. In this connection, it would be reasonable to assume that regulatory differences between various production locations may decline. As a result, companies that profited from 'regulation rents' (guaranteed income within a protected business environment) will need to change their strategy to protect their longer-term survival.

The last of these determinants limits the expansionary drive of sugar companies to national and/or supra-national entities (EU) where an identical set of rules guarantees a high degree of planning security. The regulatory environment under which sugar companies operate is often challenging, requiring skill, experience and political clout.

From an international perspective, the industry structure of the sugar sector is surprisingly mature and yet fragmented; technology is advanced but innovations restricted to 'normal technological progress'; markets saturated but driven by economic or population growth. As a result, technological economies of scale are important in determining the size of an individual plant.

From an organizational perspective, companies can succeed through prudent cost reduction by centralizing functions (cost accounting and data processing) or optimizing competencies (bargaining contracts with suppliers and customers etc.).

Global consumption forecast

Global sugar consumption is expected to increase by an average 1.5 per cent over the next 10 years. While the outlook does not account for any significant demand shocks - the only country that will reduce its consumption is the US - analysts have argued that China could increase its per capita consumption levels dramatically during this period.

Domestic sugar balance

Your company has been fairly accurate in its sugar production forecasts (with reference to data given in the annual reports of the last two years) usually made in May, well before the monsoons. Looking ahead, your company has made a five-year nationwide production, consumption and inventory forecast.

World sugar consumption projection (1000 tonnes, raw value)[7]

	2005	2010	2015
EU	18080	18612	19117
Russia	6860	7942	8866
Europe	32122	33976	35685
Africa	13842	15989	18114
U.S.A.	8959	8969	8949
N & C America	19221	20462	21760
Brazil	10395	11379	12383
South America	18161	18669	20254
China	12500	14143	16553
India	19250	22470	25188
Asia/Pacific	63204	71516	80187
TOTAL	149549	160709	176163

[7] *Source: FO Licht, 2005*

Comparison between Triveni estimates and actual sugar production (mn tonnes)

Details	2002-03	2003-04	2004-05	2005-06
Company estimate	19.5	13.6	13.0	18.0[8]
Actual production	20.1	13.6	13.0[8]	–

Production, consumption and stock - past, present and future (mn tonnes)

Details	2003-04	2004-05	2005-06	2006-07
Opening Stock	11.6	7.8	4.5	4. 8
Production	13.6	12.9	18.0[9]	22.0[9]
Imports/ raw sugar processed	0.5	2.0	1.5[10]	-
Total available	25.7	22.7	24.0	26.8
Internal consumption	17.7	18.2	18.8	19.4
Exports	0.2		0.4[11]	1.6[11]
Closing stock	7.8	4.5	4.8	5.8
Closing stock per cent (of domestic consumption and exports)	43.6	24.7	25.0	27.6
Sugar price trends	↑	↑	↑	↑

[8]*Source: ISMA and Ministry of Food, Government of India (April 2005)*

[9]*ISMA discussions / press reports*

[10]*Source: Financial Express (April 2005)*

[11]*White sugar export obligation under Advance License Scheme (ALS)*

The key determinant of average sugar prices over a year is the stock ratio (stock in the country compared to consumption), which is also the basis on which the International Sugar Organization, Sugar Journal F.O.Licht and global sugar trading houses draw out their estimates. Some factors used by your company in arriving at the estimated stock levels comprise the following:

- Even as industry estimates have opening stocks as on October 1, 2004 that vary from 6.9 mn tonnes to 7.5 mn tonnes, the Government is using a figure of between 8.2 mn and 8.5 mn tonnes. If we take the Government figure, then internal consumption in 2003-04 will be even lower than 17.7 mn tonnes, which does not seem sustainable as the industry and Government have agreed on the consumption figure of 16.80 mn tonnes in 2001-02 as their base.

With low sugar prices in 2002-03 and 2003-04 as well as the impact of rising population and prosperity, it would be reasonable to assume that sugar consumption increased by around 0.6 mn tonnes per year during the period.

According to Government estimates, the consumption of sugar is estimated to grow by CAGR of 3 per cent. In the current sugar season up to March 31 2005, 1.4 mn tonnes of raw sugar had been imported. Taking into account the existing contracts for raw sugar imports and future contracts, we forecast that a further 0.6 mn tonnes of raw sugar will arrive in the country before September 30, 2005.

- While it is difficult to accurately predict sugar production before the onset of the monsoons, as in the past, we have collected data on the existing area under sugarcane in different parts of the country, and after making a prediction on sugarcane drawal rates based on expected competition from alternate sweeteners, arrived at the subsequent year's production. Sugar production for 2006-07 has taken into account new crushing capacities, which will come on stream and the closure of some unviable ones.

- By the end of the 2006-07 season, around 2.0 mn tonnes of raw sugar will have been imported (as per Government policy, tolled white sugar will need to be exported within 24/36 months from the date of imports). It will only be possible for these export commitments to be completed by 2007-08.

- With closing stock as a proportion of consumption under 30 per cent upto September 2007, we expect sugar prices to keep pace with inflation and the inevitable rise in sugarcane cost during the next three years, enabling current margins to be preserved.

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- We have not factored an increase in disposable incomes, which, if it transpires, will strengthen Indian average consumption for 2004-05 (17.82kg / year[12]) towards the European (39.34kg / year) and North American (37.24 kg / year) averages.

Company's expansion plans

Your company intends to complete the following projects which will enable it to avail benefits / incentives under the

[12]*Source: FO Licht*

UP Government sugar policy:

• The commissioning of three new sugar plants . Each plant to have 5000 to 7000 tcd capacities (expandable to 10,000-12,000 tcd at a minimal cost). The commissioning of one of the plants (Sabitgarh) at one of the best sites in India today, with 75 per cent of the cultivable area being canal irrigated with almost no low lying sugarcane areas. In preparation, over 5000 hectares of high recovery sugarcane have been planted.

• The modernisation and expansion of the Khatauli sugar unit from 11750 tcd to 16,000 tcd, which will make it the largest single standalone sugar unit in India.

• The commissioning of a 23 MW co-generation plant at Khatauli by September 2005 to supplement the 22 MW cogeneration plant at Deoband.

Following the establishment of these three units and the expansions at the existing units, your company's cane crushing capacity will significantly rise from its existing aggregate of 25,250 tcd.

The benefits of this scale equate to a better coverage of overheads, generation of adequate bagasse to ensure the fullest utilisation (over 270 days) of your company's two cogeneration units and tax-free profits from the two cogeneration units for ten years.

Going ahead, your company also intends to commission a large distillery to fully consume the large throughput of molasses with the objective to manufacture ethanol in line with the government policy.

It is our opinion that there will be an inevitable consolidation over the next few years in the sugar industry, with unviable plants in the co-operative, state government and private sectors closing down. This will present attractive acquisition opportunities and your company expects to avail of them especially if they lie in our targeted geographies.

CO-GENERATION

Bagasse-based cogeneration power is a renewable, environment friendly driver of sustainable development. The Government of India has issued the national electricity policy which calls for the promotion of cogeneration and generation from renewable sources of energy. It also calls for progressively increasing the share of electricity from non-conventional sources as prescribed by state electricity regulatory commissions.

The potential of bagasse-based cogeneration in India is estimated at around 3500 MW of which over 750 MW has already been installed. Uttar Pradesh, a power-deficit state, is experiencing an average power shortage of approximately 12 per cent and a peak shortage of about 20 per cent. The potential of exportable power from the state's sugar mills is estimated at 1000 MW, of which approximately 150 MW has been installed / under construction.

Your company commissioned a 22 MW ultra-modern and energy efficient, bagasse-based cogeneration power plant at Deoband on December 5, 2004. This plant, completed in one of the fastest implementation timelines in India, utilises a high pressure (87 Ata) and temperature (515 degree C), 120 TPH boiler and a matching 22 MW double extraction condensing turbo-generator with supporting auxiliaries. The highly efficient turbine as per global benchmarks was sourced from Skoda, Czech Republic. Superior technology and project management resulted in a high availability of the plant since commissioning.

This Rs. 760 mn cogeneration plant is fully automated, using a sophisticated DCS. For maximising energy efficiency, a large number of variable frequency drives have been added. The boiler is fitted with electro-static precipitators, which allows the plant to minimize emissions far below the norms prescribed by the state pollution control board.

The electricity produced by the cogeneration power plant was sold to the Uttar Pradesh Power Corporation, with which your company has a power purchase agreement for 10 years. The applicable price for the year 2004-05 was Rs.2.81 per unit.

Your company also embarked on the commissioning of a similar 23 MW cogeneration power plant at Khatauli. This cogeneration plant will incorporate a Skoda turbine and equally sophisticated equipment, similar to the plant in Deoband, but will additionally utilise a continuous electro de-ionization polishing step in its boiler feed water system (installed through the Water Business Group of Triveni) with the objective to eliminate chemical handling as well as improve water quality. This will be the first installation of this world-class technology in the power segment in India; the installation itself will be one of the largest in the world.

The cogeneration of power across these two projects is expected to represent a stable and predictable proportion of the company's bottom

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line over the coming years.

HOW WE MANAGE RISKS IN OUR SUGAR DIVISION

Raw material risk

The business of this division depends entirely on the availability of cane, any decline in which could jeopardize the existing and proposed investments.

De-risking: Your company's Khatauli and Deoband plants are situated in one of the most fertile stretches of Gangetic India, ensuring a high yield. Cane growing is a tradition in this geography. Your company incentivises the sustained planting of cane and supply to the company through a number of initiatives such as accelerated cane payments, providing seeds and other services to farmers, imparting best farm practices for enhancing the yield and assisting growers to keep the crop healthy and disease-free. It intends to move to a cash-and-carry system to incentivise a greater cane planting in Sabitgarh.

Your company has no control over its sugar realizations, which are influenced by a number of factors.

De-risking: Your company enhanced capacity at its existing units, is adding more greenfield units and is investing in technology to rationalize operational costs. Your company made – and is making – synergic diversifications through cogeneration projects, which will enhance the stable and predictable component in its profit mix. Your company also plans to commission a distillery to make a better downstream utilization of molasses for the manufacture of ethanol. With a view to enhance its realisations, the company branded its sugar 'Shagun', receiving an encouraging market response. Though its market is currently small, it is expected to grow steadily in view of the consumers' preference for food hygiene. The mix of these factors and a diversified business portfolio will enable the company to minimise the cyclical influence on the sugar industry.

MANAGEMENT DISCUSSION AND ANALYSIS

TECHNOLOGY AND OUR SUGAR BUSINESS

• **Continuous Vacuum Pan:** Developed by Triveni SRI Limited, a wholly owned subsidiary, in association with Sugar Research International (SRI) of Mackay, Australia, the CVC was installed in the Deoband sugar factory for usage on 'C' massecuite, the first time an SRI pan was installed for 'C' massecuite in a sulphitation plant.

SRI is one of the sugar machinery technology authorities in the world; our subsidiary, Triveni SRI Ltd., has an exclusive license in India from SRI International for many of their products. Owing to technical improvements made on the CVP, Triveni and SRI are now eligible to jointly own the intellectual property for this new improved vacuum pan. Your company has in the past presented these details in a paper jointly presented with SRI at a convention of the International Society for Sugar Sugarcane Technology.

• **Syrup Clarifier System:** Installed at the Deoband and Khatauli sugar plants to improve the quality of sugar, this licensed product from SRI has been sold to EID Parry in Tamil Nadu, where it is working efficiently.

• **Short Retention Clarifier:** To be installed in 2005-06 at the Khatauli unit and at the new plant, the clarification of juice is achieved in only 30 minutes while in a normal clarifier juice is retained for approximately 150 minutes. This prevents the inversion of sugar and also leads to an improved sugar recovery and quality.

Mill-tandem: Designed and manufactured by the company (captive technology), installed in your company's sugar plants. The mill-tandem has proved to be one of the most efficient in India: reflected in the reduction in bagasse losses and increase in reduced mills extraction (RME); RME for the unit is 96 while that of the industry is around 95; bagasse loss in the unit is 1.6 compared to 1.9 for the rest of the industry; strong design feature ensures a negligible downtime. Triveni has set up over 65 sugar plants and supplied over 300 cane mills to sugar factories in India and overseas.

Turbine business group

Turnover, 2004-05	:	Rs. 1.75 bn
Turnover growth	:	33 per cent
Turnover growth CAGR (5 years)	:	20 per cent
Division turnover as a proportion of the company turnover, 2004-05	:	17 per cent
Plant	:	Bangalore

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Triveni continues to enjoy a leading position in India's steam-based industrial power generation and rotating machinery segments. The Turbine Business Group has the capability to offer comprehensive solutions for steam-based power generation ranging from 0.5 MW to 50 MW.

RATIONALE FOR PRESENCE

- India's power demand is expected to increase to 200,000 MW by 2012 against an installed capacity of approximately 110,000 MW.
- The Electricity Act 2003 and National Electricity Policy encourage captive, IPPs and cogeneration power plants, a segment catered to by the company. This has already resulted in a large number of small, distributed power plants being installed.

OUR VALUE PROPOSITION

- Cost leadership leading to an enhanced price-value proposition for customers.
- Differentiation on the basis of customer proximity.
- An extensive service network and skilled personnel that allow us to actively market a lifetime relationship with the customer; the offer of O&M services in addition to the spares, servicing and AMC services.
- The overhaul of over 700 turbines every year. In the unlikely event of any breakdown, our norm for response time is 24 hours for accessible areas and 48 hours for inaccessible areas (generally bettered). Consequently, according to our estimates, the average uptime for turbines is over 99 per cent.
- Delivery of a reliable, efficient turbine customised around the customer's requirements and delivered on time.

TECHNOLOGY AND OUR TURBINES BUSINESS

The business of turbines is perhaps more sophisticated than most other technology-led business on the grounds that it combines precision engineering with manufacturing. Reason: a solution of optimised efficiency is engineered around a client's requirement and then the turbine is manufactured with a precision to ensure that the design parameters are comprehensively addressed.

Over the years, the company has distinguished itself in the industrial and marine segments not just through the rapid absorption of capabilities from leading technology providers, but also through in house technology development customised around client needs. This has been derived through an ability to perform world-class computational fluid dynamics, finite element analysis, performance cycle optimization, blade vibration analysis, stress analysis and rotor dynamics analysis. Over the years, these capabilities have enhanced efficiency and availability at the customers' premises.

The company's most impressive accomplishment was the completion of an R&D project wherein the services of Impact Technologies (USA) and consulting professors from the Indian Institute of Science, the Indian Institute of Technology and the University of De Montfort (UK) were utilised. The result was the successful development of highly efficient low pressure twisted and tapered blades. The company already has received orders for turbines incorporating these blades, which will be commissioned in April 2006.

The company also developed new efficient turbine designs upto 22 MW.

OUR STRENGTHS

- One of the leading players with a substantial market share.
- A base of over 1450 functioning turbines.
- Strong research and development capabilities.
- Focus on service.
- Modern infrastructure and facilities.
- ISO 9001 and ISO14001 certified.

PERFORMANCE REVIEW, 2004-05

The company's turnover from this business group increased from Rs. 1.32 bn in 2003-04 to Rs. 1.75 bn in 2004-05, corresponding to an increase in wattage delivery from 184 MW to 218 MW.

This increase was largely

MANAGEMENT DISCUSSION AND ANALYSIS

turbines

derived from the setting up of new captive, IPPs, and process cogeneration plants, the majority of the orders being derived from the steel, paper and IPP segments.

- Steel: The commissioning of a large number of new steel plants as well as capacity expansion by the existing ones were accompanied by the waste heat utilisation for the power generation projects, generating a strong demand from this segment.
- IPP: The government's encouragement for biomass and renewable power led to significant new capacity additions.
- Paper: The sector continued to perform well.

Even as competition in the upto 15 MW range of steam turbines primarily comprised Siemens (DDIT) and Hangzhou (China), the company successfully maintained its considerable market share. BHEL, Beliss etc. accounted for a marginal share of this segment.

The company's exports were Rs. 105.4 mn in 2004-05. Until 2004-05, the company had exported to Bangladesh, China, Finland, Guyana, Indonesia, Ireland, Jamaica, Kenya, Korea, Malaysia, Nepal, Pakistan, Philippines, Sri Lanka, Tanzania, Turkey, Thailand, Uganda, Venezuela, Vietnam and Yugoslavia. Now exports to northern Europe were made to Wartsila AB while orders were also booked from a Japanese original equipment manufacturer.

FORWARD-LOOKING STATEMENT

The optimism of this business group is based on its attractive order book, a projected increase in production from a wattage delivery of 218 MW in 2004-05 to over 400 MW in 2005-06.

The demand trend is expected to be as follows: the sub 3 MW segment is expected to lose ground to the 6-15 MW and 15-25 MW steam turbine segments, with the latter finding increasing favour in India's sugar, co-generation, steel, cement and paper segments; besides, the overall turbine demand is expected to stay robust.

The company expects to capitalize on this market reality through the following initiatives:

- Commercialisation of in house technology already developed for models up to 22 MW in the next 18/24 months.
- Agreement to package Skoda Power's steam turbines above 16 till 50 MW..
- Doubling capacity by March 2006 to cater to the increasing demand and higher margins.
- Quicker delivery

In this division, the company enjoyed an order book of Rs.2.97 bn as on March 31, 2005 (sales of Rs. 1.75 bn in 2004-05) or nearly equivalent to projected 12 months of sale for 2005-06. Nearly 20 per cent of the revenues is expected to be derived from exports by 2007-08.

As a result, this business group is expected to emerge as a robust driver of corporate growth over the foreseeable future.

HOW WE MANAGE RISKS IN OUR TURBINES DIVISION

Technology obsolescence risk

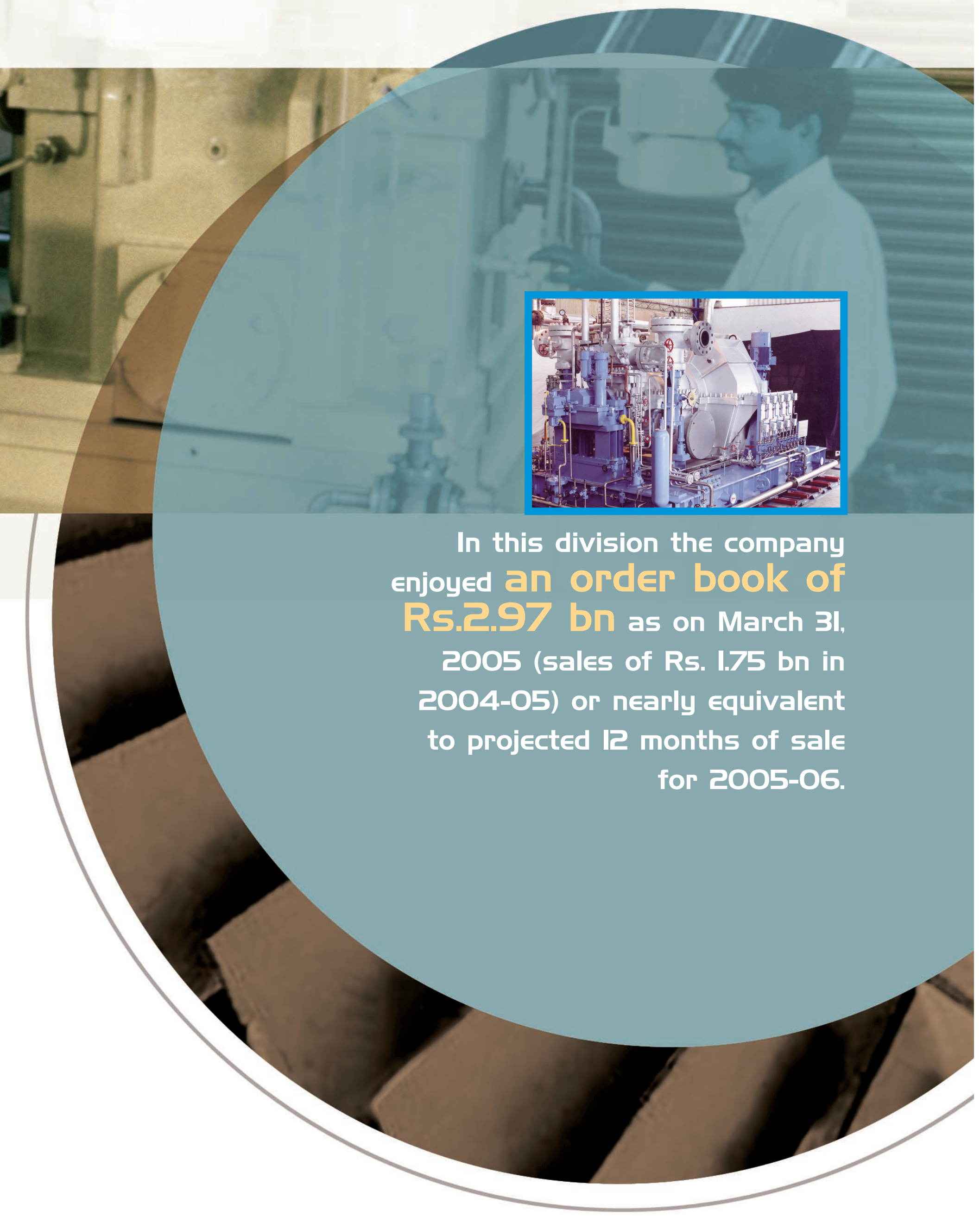
In a precision cum heavy engineering business, any delay in being able to benchmark products with the world's best could result in a loss of market share.

De-risking: The company possesses deep capabilities to develop its own technology, resulting in customised solutions around specific customer needs. For instance, the company successfully developed the low pressure twisted and tapered blades critical in turbine performance, utilizing, inter alia, the services of a US design company, resulting in an efficiency that is among the best in the world.

Cyclicality risk

There is an element of cyclicality in the business as it services some cyclical commodity-based industrial customers.

De-risking: The company has protected itself from this cyclicality by building a complete product range to service a wide spectrum of industries. Simultaneously, the company is continuously increasing the size of the turbines that it offers customers with the objective to enhance the size of its addressable market.



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Default risk

In a business where we customise products, revenue can be blocked in unproductive inventory in the event of customer default.

De-risking: The company's business is not capital-intensive but sustained through timely customer remittances. The company appraises not just customer liquidity, creditworthiness and financing arrangements before engaging into business with them, but also appraises this during the entire tenure of the relationship, ensuring timely receipts. The company negotiates a sizeable advance before embarking on a project, followed by payments at periodic milestones. As a result, prior to the final delivery, only a negligible proportion of the contract is outstanding, minimizing the extent of the risk arising from any possible default.

High speed gears

Turnover, 2004-05	:	Rs. 275.5 mn
Turnover growth	:	27 per cent
Turnover growth CAGR (5 years)	:	29 per cent
Division turnover as a proportion of the company turnover, 2004-05	:	3 per cent
Plant	:	Mysore, Karnataka

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

In 1976, the gear division was started as a backward integration of the turbine division. This business unit's success helped it evolve into an independent business group, servicing captive and external clients (some happen to be the company's turbine competitors) from 1980 onwards. Today, this division has emerged as a market leader for high-speed gears and manufactures a range up to 70 MW at speeds up to 50,000 rpm.

RATIONALE FOR PRESENCE

The Electricity Act 2003 encourages the commissioning of captive power / co-generation plants, which use turbines equipped with high-speed gears. Besides, the economic viability of captive thermal power plants in the steel, sugar, paper and other process industries has also emerged as a demand driver. The extension of these trends justifies the company's presence within this business.

OUR VALUE PROPOSITION

- The company provides world-class technology products and solutions for high speed and specialty slow speed gearing applications. Over the years, the division has extended its business line to the refurbishment of gearboxes of various manufacturers, testifying to its technology understanding and product superiority.
- The company has extended its technology to niche areas substituting competing imported products.
- Cutting-edge machinery has allowed Triveni to achieve a product quality comparable with any global gear manufacturer.

TECHNOLOGY AND OUR GEARS DIVISION

Over the years, the High Speed Gears Business Unit successfully developed its own technology for products up to 7.5 MW. It also collaborated with Lufkin Industries Inc. to address the growing 7.5-15 MW demand. The company's extended exposure enabled it to become technologically self-sufficient in the 7.5-15 MW segment as well. As a result, the division manufactures complete gearboxes including the in-house manufacture of rotating gears.

The ongoing collaboration with Lufkin Inc. enabled the company to cater to the 15-70 MW demand, wherein the gearboxes are assembled using rotating gears manufactured by its collaborator. As a result, the company addresses the market needs in high-speed gears up to 70 MW in one way or the other.

In view of the deep technology skills, the company was selected by Lufkin France to execute a drafting and hi-end designing assignment, which enhanced its high end design credibility. Due to pioneering engineering skills, the company has established its reputation as a major player in the retrofitment segment for high-speed gears. As a result, it derives nearly 30 per cent of its revenues from this line of business, growing its knowledge capability due to a continuous exposure to diverse technologies.

MANAGEMENT DISCUSSION AND ANALYSIS

High speed gears

OUR STRENGTHS

- Market leadership with a substantial share.
- Long-standing and preferred supply relationships with esteemed original equipment manufacturers like BHEL and Siemens DDIT etc.
- Access to world-class technology through a license agreement with Lufkin Industries Inc.
- Engineering strength amply demonstrated through its refurbishment service.
- World-class infrastructure demonstrated through state-of-the-art assets and infrastructure.

PERFORMANCE REVIEW, 2004-05

- The business group achieved a 27 per cent sales growth and finished the year with a turnover of Rs. 275.5 mn.
- About 80 per cent of its OEM revenue was derived from sales to the power industry and about 15 per cent to the pumps and compressor industry.
- The retrofitting / replacement market (including import substitution) contributed to a healthy bottom line.
- The unit continued to provide a substantial proportion of BHEL's and Siemens DDIT's gear box requirements.
- The unit invested in large CNC profile grinding and CNC hobbing machines from Gleason Pfauter (Germany), a globally renowned manufacturer. These grinding machines can produce DIN3 quality and can grind up to a 1.6 metre diameter and hob up to a 2.0 metre diameter, which significantly enhances the unit's capacity and capabilities. For example, a gear that took 100 hours to grind on old machines is now expected to take only around 15 hours. The unit also invested in expanding the existing assembly bay in order to respond to growing demand. The unit's quality commitment was demonstrated in the successful completion of a number of Six Sigma projects during the year.
- The unit made consistent sales to the niche segment of hydro-turbines for the first time.
- The unit added 3 Pro-E stations and designers who were trained at Lufkin (France) in hydel gear box technology.
- The unit finished the year with a healthy order book including a significant breakthrough in securing a specialised slow-speed gear box order of Rs. 20 mn from Manikgarh Cement.

FORWARD-LOOKING STATEMENT

The unit is optimistic of prospects for 2005-06 due to the likely outsourcing of machined equipment by Lufkin Industries Inc., a buoyant market for power equipment as well as capital goods industries, reflected in its order book equivalent to nearly nine months of offtake of 2004-05.

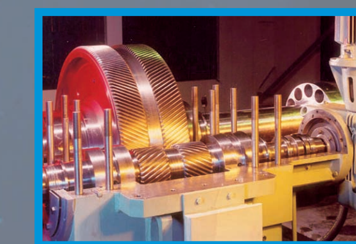
The company expects to sign an extension of its license agreement with Lufkin Industries Inc. by May 15, 2005, to extend its direct manufacturing range and vastly increase the number of countries to be included in the new agreement. Previously the market was limited to India for the licensed range and the company expects to be able to market in South-Asia and Africa.

The unit expects to substantially grow the business in the next few years for the following reasons:

- The export market for sub-25 MW high-speed gears is estimated at Rs. one bn. for the territory mentioned above with a large potential in the small power gear box segment.
- A 20 per cent cost advantage over European competitors.
- A growing international demand in the sub 7.5 MW segment, where the company is technologically self-sufficient.
- A strong relationship with Lufkin Industries Inc., enabling the latter to originate business enquiries for the company for exports to South Asia.

The unit's focus is to carve a major share in the small high power gear box segment from original equipment manufacturers (OEMs) and retain a significant presence in the smaller segment. The unit supplied a number of hydel gear boxes for VA Tech; it has since been selected as a key supply partner by the company.

The unit expects to achieve significant growth in turnover and margins in the next few years.



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HOW WE MANAGE RISKS IN OUR GEAR DIVISION

Foreign competition risk

A number of international entrants could enter the business, enhancing competition.

De-risking: The company enjoys an established brand equity in terms of superior products, technology, customer relationship and refurbishment solutions, which is expected to serve as an adequate hedge against competition. The company, enjoying a cost advantage, is also in the process of giving a full thrust on the exports to broad base its market.

Payments risk

Defaults by customers could dent profitability.

De-risking: The company usually works with an esteemed clientele enjoying an established financial position, covering itself with advances and milestone payments.

Water business group

Turnover, 2004-05	:	Rs. 81.5 mn.
Turnover growth	:	36 per cent
Division turnover as a proportion of the company turnover, 2004-05	:	1 per cent

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Triveni enjoys an encouraging position in the nascent businesses of water and waste water treatment solutions in India. The company distinguishes itself in the marketplace through its offering of the most comprehensive set of water and wastewater treatment products and solutions in India.

RATIONALE FOR PRESENCE

The company's presence is not only advisable but also absolutely imperative from a national perspective for the following reasons:

- An increase in population and development are increasing the pressure on pollution, environmental exploitation and ecological degradation in India at a time when the judiciary is stepping in to protect citizen interests.
- Nearly 70 per cent of India's surface water and a growing proportion of its ground water resources are polluted and unfit for consumption.
- Domestic wastewater accounts for the pollution of India's 14 major river systems; 50 mn M3 of untreated sewage is discharged into them each year.
- Industrial waste is another polluter; although it accounts for only 3 per cent of India's water withdrawal, its toxic addition to the effluent load is disproportionately higher and tends to reside in the ecological system for decades.
- The World Bank estimates that water demand will increase from 552 bn cubic metres (BCM) to 1050 BCM by 2025, increasing the need for water treatment and wastewater treatment solutions.
- In India, per capita fresh water availability declined from 5000 metre cube per year (M3 / year) in 1947 to 2000 M3/year in 1997 and is expected to decline to 1500 M3 / year by 2025. Six out of India's 20 major water basins have already declined below the water scarcity threshold limit of 1000 M3 / year and there is a fear that this number might increase to 11 over the next three decades.
- The size of India's environmental industry has been annually estimated at between USD 1-3.5 bn. KPMG estimates that India's water and wastewater treatment market will be of the order of Rs. 26 bn to Rs. 33 bn per annum (on the basis of existing technologies). Nearly 71 per cent of this market will be accounted by industrial segments, growing annually by about 5 per cent. Demand for water and wastewater solutions from India's industrial sector will be driven by an increase in manufacturing capacity, higher water costs, stricter regulations and a better discounting for environmentally compliant companies on the capital market.
- In this large and growing space marked by regional solutions providers, no company enjoys a turnover of more than Rs. 2.50 bn, an attractive opportunity for a nationally positioned solutions provider.
- The prevailing technologies in water and wastewater treatment in India are grossly ill-equipped to address the magnitude of the pollution problem.

OUR VALUE PROPOSITION

- The company possesses a rich 20-year experience in the marketing, process engineering and execution of the pre-treatment section of water treatment with a successful track record of around 60 projects; its extension into high value added mechanical equipment for the water and wastewater treatment in 2003-04 represents an extension of the value chain.
- The company is present across the whole process and value chain: from pre-treatment to high purity to the recycle of water and wastewater, for both industrial and municipal applications.
- The company enjoys collaboration with the $ 1.2 bn US Filter (Siemens Group) in the areas of water and wastewater treatment.
- The company represents cutting-edge technology supported by a high standard of customer service across the complete lifecycle-production to commissioning to maintenance of the solution-differentiator among domestic companies.

OUR STRENGTHS

- The company possesses a large and highly skilled team of professionals with a rich industry experience, translating into superior solutions for customers.
- The company possesses a large customer base, useful for customer references in generating new business.
- The company's business utilizes little capital while enjoying high margins.
- The company provides equipment (as opposed to turnkey solutions), which enables it to avoid competing with its clients.

waste water treatment

• The company focuses and has access to value-added/ high technology products and solutions, which translate into better margins due to limited competition.

PERFORMANCE REVIEW, 2004-05

The company restructured with the objective to enhance its core competence in mechanical equipment engineering and manufacturing in the water and wastewater treatment industry. It evolved from a turnkey operator to a mechanical equipment supplier during 2004-05 and, in doing so, increased its turnover from Rs. 59.7 mn in 2003-04 to Rs. 81.5 mn in 2004-05.

The business group manufactures a diverse set of products and solutions based on conventional and value-added technology-centric systems. In May 2004, the company signed an agreement with a US $ 1.2 bn US Filter Corporation (part of Siemens AG, Germany), the largest water and wastewater treatment equipment and solution provider in the world. The company's association with this global leader will enable it to access the most comprehensive product portfolio among all Indian players: from clarifiers, aerators and filters to de-watering equipment to membrane solutions.

During the year under review, the company entered the field of high purity water systems, securing several orders for sophisticated and progressively automated membrane solutions. Besides, the company maintained its high market share in conventional treatment equipment with large EPC customers like L&T, Degremont, IVRCL, ECA and Nagarjuna Construction.

The company strengthened its international exposure through the export of clarifier drive heads through US Filter to a number of customers across the world. It received a first-of-its-kind order for a continuous electro-de-ioniser (CEDI) made by Ionpure, a subsidiary of US Filter. The company successfully exhibited and participated in a number of conferences and expositions, generating a good response to its products.

FORWARD LOOKING STATEMENT

The water treatment business is incentivised by the increasing demand and limited supply for water for both industry as well as municipalities. This optimism is reflected in the company's order book: within the first two months of the year under review, order book exceeded the entire billing of 2004-05. This sharp growth was derived from customised solutions, a first mover's presence in a fragmented market and the nascent stage of the water treatment and wastewater treatment market in India.

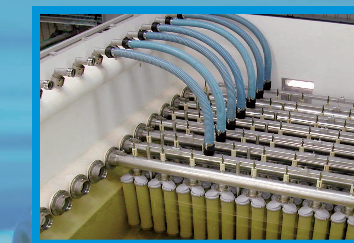
HOW WE MANAGE RISKS IN OUR WATER BUSINESS DIVISION

Delay risk

In a business where we cater to the requirement of municipal corporations, a delay could affect the company.

De-risking: The company has mitigated this risk by exiting turnkey solutions where it would have been required to buy various kinds of equipment and integrate them into its solution. The company's decision to graduate to product sale is relatively safe instead.

MANAGEMENT DISCUSSION AND ANALYSIS



The company signed an agreement with a US $ 1.2 bn **US Filter Corporation** (part of Siemens AG, Germany), the largest water and wastewater treatment equipment and solution provider in the world.

TECHNOLOGY AND OUR WATER BUSINESS DIVISION

Over the years, the company has brought advanced technologies to the Indian market through a close relationships with several business groups of US Filter Inc.:

• Envirex for conventional treatment equipment (license agreement since 1987)

• Ionpure for continuous electro de-ionising (CEDI) equipment

• Memcor for Membrane Bio-Reactor (MBR) and micro-filtration membrane solutions and equipment

• Process Water Systems for process engineering and support.

Going ahead, the company expects to revolutionise India's water and wastewater treatment segments through the introduction of various technologies relevant to the current / evolving market needs, particularly the following:

CEDI technology

Relevance: India's water treatment business in the power sector

Source: Ion Pure (US Filter)
Replacing: Conventional de-mineralisation based on resin.

Advantages:
• Absence of chemical additives
• Safe for human handling
• Use of a tenth of the conventional space
• Reduced Boiler Blowdowns
• Four year payback

Membrane technology – Microfiltration

Relevance: India's waste water treatment business in recycle / reuse segment.
Source: Memcor (US Filter)
Replacing: Conventional Clarifier and aerobic biological treatment

Advantages:
• Barrier filtration technology that can rationalise coliform content in polluted water to less than safe limits making the water conducive for marine life.
• Enhanced post-treatment water quality or downstream cities down to only 3-4 ppm BOD.
• Zero discharge and the absence of additives to treat the water, minimizing side effects.
• Lower space requirement (a quarter of the normal plant size) and a 40 per cent power cost saving over the conventional system.
• Minimal civic disruption; more than 70 per cent of value addition done in the workshop.
• Automated with minimal human interface.

Triveni Khushali Bazaar

Turnover, 2004-05	:	Rs. 12.4 mn
Presence	:	Khatauli, Deoband and franchise stores in Sisauli, Jansath and Ghatain
Commenced operations	:	February 2005.

Triveni Khushali Bazaar is a **one-stop shop** for farmers and rural customers where they can buy agri-inputs, cattle feed, cycle, plastic furniture, FMCG, automobiles, building material and petroleum products.

OVERVIEW

Triveni leveraged its rural presence with a synergic diversification into agri-retail through the commissioning of branded stores called Triveni Khushali Bazaar.

RATIONALE FOR PRESENCE

India's agri-retail industry is presently fragmented, similar to where urban retail was Indian a decade ago. Recognising its vast scope and the fact that organized retail is one of the fastest growing sectors in India, several companies like ITC, DCM Shriram and Godrej enhanced their presence through rural retail stores.

OUR VALUE PROPOSITION

In rural India, organized retailing is practically absent. As a result, farmers are often exposed to exploitation from intermediaries. Your company's intervention will prevent that in the areas of its presence.

For one, it enjoys excellent longstanding goodwill with sugarcane growers in particular and the high brand equity of Triveni in general. Besides, the company is perceived as being closely aligned with farmer goodwill.

The company's retail stores cater to the needs of farmers and rural customers through the marketing of quality agri-inputs and day-to-day requirements of FMCG and agri-related products.

The company entered into a tie-up with a number of large companies to market their brands, circumventing intermediaries and helping price products competitively. Triveni Khushali Bazaar stores will also provide modern farm equipment on rent. Besides, the company's agronomists present at the stores advise farmers on the best crop management practices.

OUR STRENGTHS

Triveni Khushali Bazaar is a one-stop shop for farmers and rural customers where they can buy agri-inputs like seeds, fertilizers, pesticides; cattle feed, cycle, plastic furniture and FMCG; automobiles like tractors and bikes; building material like cement as well as petroleum products like diesel and petrol.

PERFORMANCE REVIEW, 2004-05

The company commissioned a store at Khatauli and Deoband, the former on a three acre plot, in addition to franchise stores at Sisaul, Jansath and Ghatain. The first Triveni Khushali Bazaar was commissioned in February 2005 and within two months, generated revenues of Rs. 12.4 mn and average footfalls of around 300 (peak 800) accompanied by a high conversion rate.

FORWARD-LOOKING STATEMENT

Encouraged by this success, your company plans to open new stores not only in the command area of the existing and proposed sugar mills but also in Western Uttar Pradesh towns in 2005-06.

Financial review

FINANCIAL RATIOS

Ratios	2004-05	2003-04
Operating Profit/Net turnover (per cent)	18	11
PBT/Net turnover (per cent)	13	4
PAT/Net turnover (per cent)	10	3
Interest cover	4.98	2.75
Earning per share (Rs. per share of Rs.1 each)	11.94	2.07
PAT/Net worth (per cent)	58	15
Long term loans/Net worth	0.67	0.62
Total loans/Net worth	2.68	3.49
Debt servicing coverage	2.63	1.66

There has been a substantial improvement in the results, reflected in an across-the-board improvement in the financial ratios. It is the endeavor of the company to strengthen its financial position through a rapid expansion in all its business segments through accruals and a progressive reduction in debt.

Being a seasonal industry, sugar stocks were at their peak in March end, as a result of which working capital loans were at their highest. Such loans were at Rs. 3104.8 mn on 31st March 2004 but had subsequently declined to Rs. 1672.8 mn (almost 50 per cent) by September 2004. Thus, the unusually high gearing at the end of the company's financial year did not reflect the true gearing of the company.

TURNOVER

During the financial year under review, gross turnover increased by 60 per cent to Rs.10.21 bn, a record for the company. Sugar sales increased by 68 per cent, turbine sales by 33 per cent and gear sales by 27 per cent. The co-generation plant at Deoband commenced operations in December 2004 and during the limited period of working in 2004-05 contributed Rs.183.3 mn to the turnover.

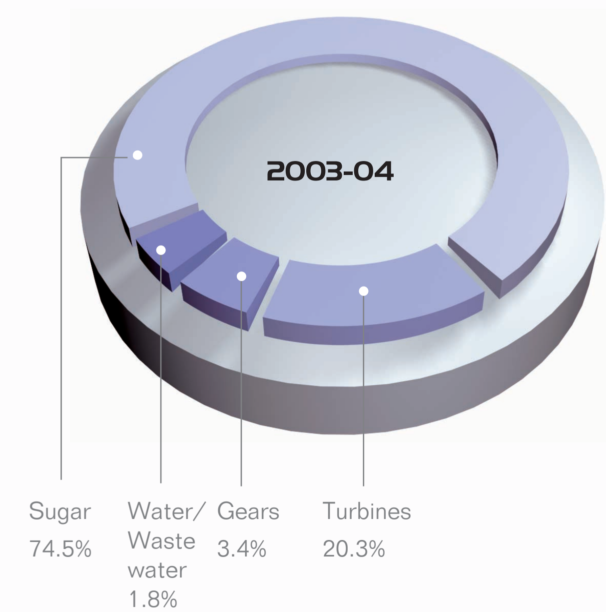
The business segment wise gross revenue is provided here below:

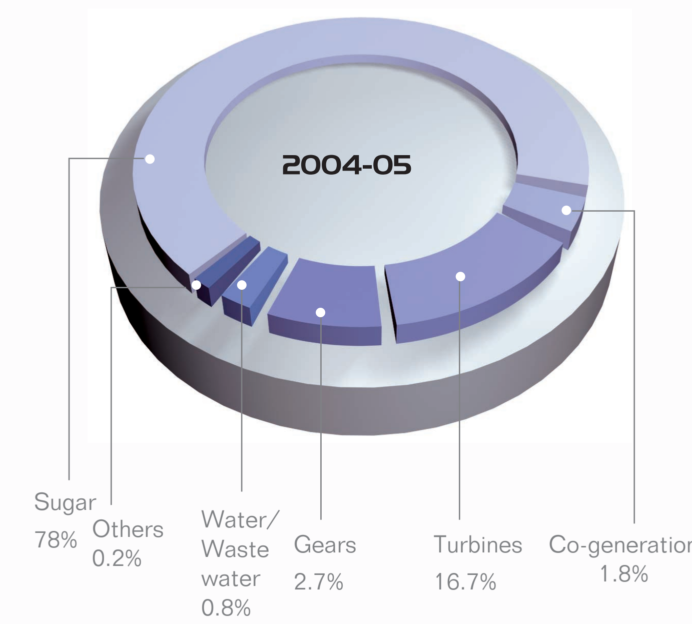
Rs. mn

Business segments	2004-05	2003-04
Sugar	8131.6	4846.1
Co-generation	183.3	–
Turbines	1747.4	1317.6
Gears	275.5	216.4
Water / waste water	81.5	121.0 *
Others	21.2	–
Total	**10440.5**	**6501.1**

** including revenue of Rs. 61.2 mn for project activities which have been discontinued*

Notes: These are prior to inter unit elimination





Sugar division

This division accounted for a gross turnover of Rs. 8.13 bn, 78 per cent of the company's revenue in 2004-05. The revenue break-up in respect of its major products is given below:

Rs. mn

Products	2004-05	2003-04	2002-03	2001-02	2000-01
Sugar	7461.8	4376.1	5087.6	4222.1	3571.8
Molasses	526.9	337.4	293.9	297.4	237.6
Bagasse	127.7	118.6	66.8	30.6	27.6
Others	15.2	14.0	9.6	10.0	22.7

A 22 MW cogeneration plant was commissioned at the Deoband sugar unit with the twin objectives to insulate the business from industry cyclicality and provide steady alternative revenues.

Turbine

This division accounted for a gross turnover of Rs. 1.75 bn, 17 per cent of the company's revenue in 2004-05. The product wise revenue break up is given below:

Rs. mn

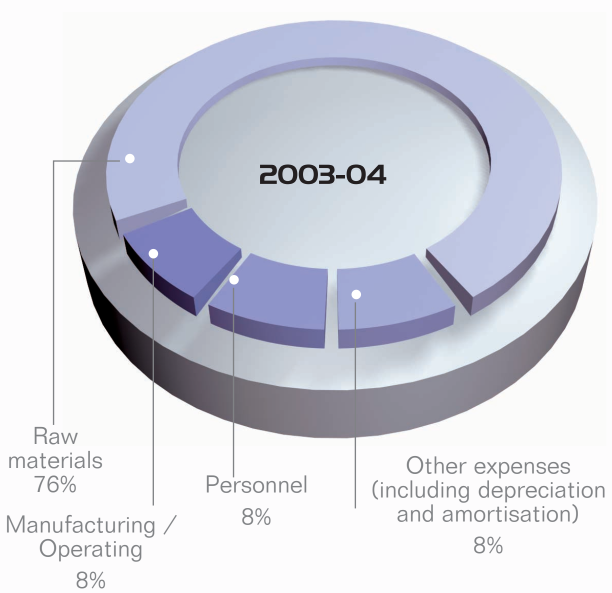
Products and services	2004-05	2003-04	2002-03	2001-02	2000-01
Turbine	1486.9	1117.3	959.3	806.8	720.1
Spares	133.1	118.7	121.3	113.3	127.0
Refurbishing	42.7	24.7	50.9	31.4	45.7
Others	84.7	56.9	56.2	43.4	26.7

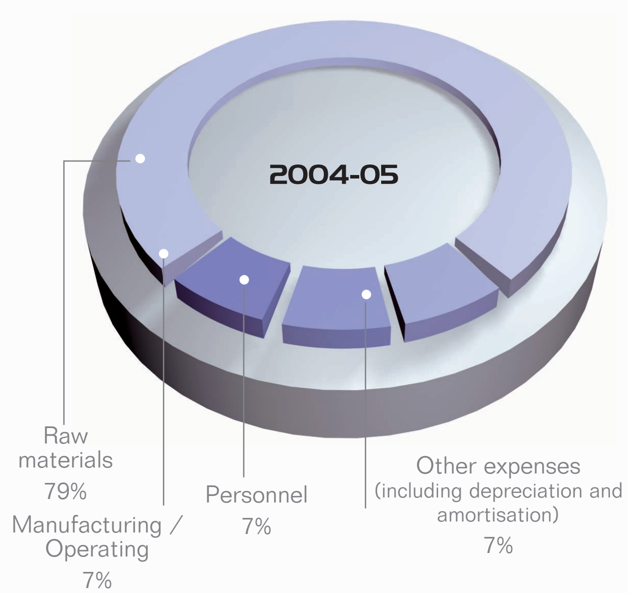
Gears

This Division accounted for a turnover of Rs. 275.5 mn, 3 per cent of the company's revenue in 2004-05. Spares and services remained a high margin segment but accounted for only around 11 per cent of division's turnover in 2004-05. The total division's revenue grew by a CAGR of 29 per cent in five years.

Water/ waste water treatment

This Division accounted for turnover of Rs. 81.5 mn, 1 per cent of the company's revenue in 2004-05. While the base is currently small, in view of the company's technology range and potential in the industry, there is a substantial growth opportunity.





EXPENSES

Cumulative expenses increased 16 per cent over the previous year as against an increase in net turnover by 62 per cent (in the manufacture of sugar, raw materials and other manufacturing expenses were related to the production rather than the turnover during the year under review). The various expenses are briefly described below:

Raw material

This increased by 20 per cent to Rs. 6007.8 mn in 2004-05. The cane crush during the year declined by 15 per cent over the previous year as the financial year 2003-04 include the impact of a longer season 2002-03 due to a late commencement. Cane price increased significantly. Further, a charge of Rs. 236.0 mn in respect of the differential cane price, arising from the Supreme Court judgment as explained here pertaining to the sugar produced in earlier season but sold in the current year, was also considered. The increase in raw material costs in the engineering units was on account of an increase in turnover.

In view of the Supreme Court judgment in May 2004 upholding the power of the State Government to fix the cane price over the statutory minimum price, the company provided the entire differential cane price (Rs. 604.6 mn) for the seasons 1996-97, 2002-03 and 2003-04 during the year under review. Further, to state realistic profits for the current year, in respect of the differential cane price of Rs. 368.6 mn relating to sugar produced in such years but sold in earlier years, an equivalent amount was withdrawn from the Amalgamation Reserve (Rs. 26.5 mn), General Reserve (Rs. 309.4 mn) and Surplus (Rs. 32.7 mn) to meet the charge. The withdrawal from the Amalgamation Reserve was on account of the cane differential price relating to 1996-97 for Khatauli sugar unit pertaining to the erstwhile Triveni Engineering & Industries Ltd. prior to the merger.

Manufacturing / operating expenses

Such expenses declined by 4 per cent to Rs.523.9 mn in 2004-05 due to a 15 per cent lower crush, but somewhat offset by an increase in the company's engineering business.

Personnel cost

In absolute terms, this expenditure increased by Rs. 27.9 mn or 6 per cent over 2003-04 on account of a secular annual increase as well as additional manpower recruited for the co-generation project. As a proportion of to net turnover, personnel expenditure was at 6 per cent in 2004-05 as against 9 per cent in 2003-04.

OPERATING PROFIT

The operating profit of the company increased from Rs. 0.65 bn in 2003-04 to Rs.1.72 bn, an increase of 166 per cent. Operating profit to net sales increased from 11 per cent in 2003-04 to 18 per cent in 2004-05 largely due to the enhanced contribution from the company's sugar operations. The increase in operating profits in the engineering business groups was limited due to margins being affected by an unprecedented increase in steel prices. As prices were subsequently revised by the turbine and gear units, and, based on orders on hand, a substantial improvement in operating margins is expected in 2005-06.

FINANCE COST

Total finance cost increased by 33 per cent to Rs.297.8 mn. Interest on fixed loans increased by only 30 per cent on account of additional loans availed to fund new projects, though the average utilization of the term loans during the year was higher by 47 per cent as their average cost declined and is expected to reduce further when the impact of cheaper loans (including from SDF) will be fully felt. Interest on working capital finance was lower at Rs.188.4 mn as compared to Rs.198.1 mn. The average utilization of working capital finance was marginally higher than in the previous year, but average cost declined. Despite rising interest rates, these costs are expected to reduce in view of the higher limits of commercial paper that the company intends to use following an up-gradation in its short-term credit rating. The company was awarded a short-term rating of 'A1' awarded by ICRA in August 2002 for Rs.500 mn, currently revised to 'A1+' (highest safety) with an increase in limit to Rs.2.25 bn.

PROFIT AFTER TAX

The company achieved a profit before tax of Rs. 1241.1 mn in 2004-05 as against Rs. 255.2 mn in 2003-04, an increase of 386 per cent. The total tax charge was Rs.245.9 million as against Rs.77.6 mn in 2003-04. The profit after tax was at a record Rs. 995.2 mn against Rs.177.6 mn in 2003-04, an increase of 460 per cent.

SHARE CAPITAL

During the year under review, 50 per cent of the value of preference shares (Rs.19.8 mn) was redeemed and the rest were redeemed after the expiry of the year on 1 April 2005. Subsequent to the year, the Board of Directors, subject to the approval of the shareholders, recommended bonus shares in the ratio of 3:2 by capitalising a part of the Securities Premium Account.

RESERVES

Reserves as on March 31 2005 increased by 34 per cent to Rs.1.84 bn after adjusting Rs.63.6 mn towards the premium paid on the redemption of the preference shares and following the withdrawal of Rs. 368.6 mn to meet the extraordinary charge in respect of a differential cane price pertaining to the earlier years. An increase in net worth helped the company strengthen all its leverage ratios despite an increase in loans to fund ongoing projects.

FIXED ASSETS

During the year under review, fixed assets increased by Rs.1.17 bn following the implementation of the modernization and co-generation projects at Deoband as well as the commissioning of the new imported grinding and hobbing machines at the Mysore gear unit. Capital work-in-progress as on 31.3.2005 was Rs. 300.4 mn, mainly pertaining to projects at Khatauli.

LOANS

During 2004-05, fresh term loans of Rs.738.4 mn were raised and loans of Rs.182.4 mn were repaid, funding a fair amount of capital expenditure from internal resources. Some of this, however, would be reimbursed on the disbursement of the approved loans. In respect of the modernization and co-generation projects at Khatauli and Deoband, the company expects to avail major portion of the funding (Rs.786.4 mn) from the Sugar Development Fund at soft interest (4 per cent) and repayment terms (7-10 years) – hence, 'quasi' equity in nature.

MISCELLANEOUS

Capital employed: This increased 42 per cent to Rs.2.88 bn, reflecting the commissioning and undertaking of new projects.

Inventory: This reflects finished sugar stocks, which declined by 15 per cent from the previous year in line with the correction of surplus sugar stocks in the country. The inventories in the Turbines unit increased commensurate with the growing business.

Advances from the customers: This increased significantly by 91 per cent to Rs.511.4 mn, reflecting the strong order book in the Turbine business.

Creditors: This includes an outstanding differential cane price of Rs. 329.9 mn for 2002-03, paid subsequent to the year. With this payment, the company discharged its entire liability of differential cane price aggregating to Rs.604.6 mn with respect to 1996-97, 2002-03 and 2003-04.

Social and community service

MYSORE

Triveni's Mysore unit (gears division) made sensitive contributions towards community development.

• It worked with Child Labour Rehabilitation Cum Welfare Fund, an organization that takes care of under- privileged children, especially those from rural districts of Mysore.

• It worked with the World Renewal Spiritual Trust, a unit of Brahma Kumaris in Mysore actively involved in improving lifestyles through spiritual education and empowerment.

• It contributed substantially and also participated actively in social activities and seminars, among them noted a one 'healthy lifestyle's by Dr. Premasand from Mount Abu.

• It participated in a chess tournament organized for raising funds for tsunami relief under the guidance of the Mysore Rotary Club apart from an employees' contribution (all employees voluntarily contributed one day's salary to the PM's fund, which was matched by the company).

BANGALORE

Triveni's Bangalore unit (turbines division) is engaged in social and community development in and around the Peenya Industrial Area and in Bangalore city. During 2004-05, it was engaged in the following activities:

• The Government Model Primary School located in Peenya catering to the educational needs of children of workmen engaged in Peenya was affected by road widening, which compelled schools to forego several classrooms. To accommodate them, the Company built one classroom and donated another, addressing the needs of around 40 students.

• The Company contributed towards the construction of a prayer hall in Government Junior College (Peenya).

• The company helped co-conduct a sports event comprising all industries in Peenya to foster sportsmanship.

SOCIAL AND COMMUNITY SERVICE

• The company provided furniture to Mallasandra Village Primary School located near its factory in Bangalore.

SUGAR UNITS

Triveni's sugar units at Khatauli, Deoband and Ramkola engaged in a number of activities to enhance the quality of rural life in an around its areas of influence.

THE KAR MOBILES SPORTS & RECREATION CLUB CONDUCTED

Repair, construction and maintenance of roads and irrigation channels

• The company repaired around 14 kms of village approach roads and constructed 5 kms of new roads. This included brick soling and the creation of *pucca* roads to facilitate transportation for villagers and cane growers.

• It distributed culverts and hume pipes to facilitate the irrigations needs of people in its command areas.

• It constructed a room in the school in village Kutesra, besides helping in the construction of two temples and a *gaushala* (cow shelter).

• It conducted cricket and football tournaments in Babbal, Rankhandi, Bhaila and other villages.

Cultural and medical programmes

• The company arranged various cultural programmes in Bala Sundari Mela at Deoband.

• It organised two eye camps in association with I.M.A., providing free operation and treatment to all. It also organised two health check-up camps by enlisting the services of specialised doctors and general physicians.

• It participated in the annual langar of a popular Gurudwara at village Paniyali.

| DIRECTORS' REPORT |

Directors' report

To the members

The Directors have pleasure in presenting the 70th Annual Report on the business and operations of your company and the Audited Financial Statement for the financial year ended 31st March 2005. Information on subsidiary companies required under section 212 of the Companies Act, 1956 is provided in Annexure B of this Report.

FINANCIAL RESULTS

Rs. mn

	2004-05	2003-04
Sales (Gross)	10210.18	6379.17
Operating profit	1717.61	646.48
Interest and other financial charges	297.82	223.73
Amortisation	55.27	64.54
Depreciation	123.46	103.03
Profit before tax & extraordinary items	1241.06	255.18
Extraordinary charge	–	–
Profit before taxation	1241.06	255.18
Tax liability	235.29	30.34
Net deferred tax charge	10.57	47.26
Profit after tax	995.20	177.58
Surplus brought forward	44.55	104.87
Available for appropriation	1039.75	282.45
APPROPRIATIONS		
Proposed final equity dividend (incl.tax)	61.12	28.21
Interim dividend paid-equity shares (incl. tax)	32.83	–
Interim Dividend paid Preference shares (incl. tax)	2.70	5.37
Transfer to Molasses Reserve	0.83	1.64
Transfer to Capital Redemption Reserve	19.87	–
Transfer to General Reserve	840	170
Surplus carried forward	82.40	77.23
Earnings per equity share of Re 1 each (in Rs.)	11.94	2.07

During the year, an amount of Rs 368.6 mn was withdrawn from the Reserves (General Reserves – Rs 309.4 mn, amalgamation Reserve – Rs 26.5 mn and Surplus – Rs 32.7 mn) to meet the extra ordinary charge in respect of differential cane price pertaining to the earlier years.

PERFORMANCE

The year 2004-05 was a landmark one for your company as it achieved a remarkable improvement in performance across all fronts. Gross sales increased by 60 per cent to Rs. 10.21 bn and profit after tax increased 460 per cent to Rs. 995 mn (PAT increase of 270 per cent in 2003-04). This improvement was contributed by all the businesses of your company, most notably the sugar operations.

For the benefit of readers, a segment wise reporting about the various businesses of the Group for the year ended 31st March 2005 has been given in the Schedule of Notes to the consolidated financial statements while detailed comments on the performance of the various divisions are given in the Management Discussion and Analysis.

DIVIDEND

The Directors had earlier approved the payment of an interim dividend of 12 per cent on 39,73,995 12 per cent redeemable cumulative preference shares of residual face value of Rs. 5 each, entailing a payment of Rs. 2.70 mn including dividend tax for the financial year ended 31st March 2005. The interim dividend on preference shares shall, with the approval of the shareholders at the forthcoming Annual General Meeting, be treated as the final dividend.

The Directors approved the payment of an interim dividend of Rs. 3.5 per share (35 per cent) on equity shares (face value of Rs. 10 each) of the company on 21st July 2004. This involved a payout of Rs. 33 mn (including tax on dividend of Rs. 4 mn). Your Directors recommend a final dividend of Rs. 0.65 per share (65 per cent) as final dividend on the equity share (of face value of Re 1 each), involving the payment of Rs. 61 mn including a dividend tax of Rs. 7 mn for the financial year ended March 31, 2005. The final dividend is equivalent to Rs. 6.5 on the earlier face value of Rs. 10 per equity share. The total dividend on equity shares for 2004-05 would be 100 per cent (versus 30 per cent last year) and is in line with the improvement in the financial condition and operations of the company. This payment, if approved by shareholders at the forthcoming Annual General Meeting, will be paid to:

1. Those equity shareholders holding shares in a physical form and whose names appear on the Register of Members of the company on 6th July 2005; and

2. Those equity shareholders holding shares in a dematerialised form and whose names appear as beneficial owners as at the end of business hours on 5th July 2005.

REDEMPTION OF PREFERENCE SHARES

In pursuance of the Scheme of Arrangement between the company and its shareholders, which was duly approved by the Hon'ble Allahabad High Court vide its order dated 27th March 2003, 50 per cent of the redemption amount at Rs.21 per share (Rs.5 redemption amount plus Rs.16 as premium) with respect to 3,973,995 12 per cent redeemable cumulative preference shares (preference shares) was paid to preference shareholders on 1st April, 2004. The remaining redemption money of Rs.21 (Rs.5 redemption amount plus Rs.16 as premium) was paid on 1st April 2005. Dividend on the residual value of Rs.5 per preference share was also paid alongwith the redemption money on 1st April 2005. With the full redemption money having been paid, all the 3,973,995 12 per cent redeemable cumulative preference shares have been fully extinguished, discharged and cancelled with effect from 1st April 2005, and the same were not a valid and tradable security thereafter.

STOCK SPLIT

The equity shares of the company were sub-divided by

| DIRECTORS' REPORT |

changing the face value of each equity share from Rs. 10 to Re 1 per share following the approval of shareholders under Section 94 of the Companies Act, 1956, thereby increasing the number of equity shares from 8,315,206 of Rs. 10 each to 83152060 shares of Re 1 each effective from 16th February 2005. Consequent to the above changes, new share certificates were issued to the shareholders holding shares in physical form and necessary changes were made in the beneficial account of the shareholders holding shares in dematerialised form.

BONUS SHARES

The company had a balance of Rs. 1.534 bn as on March 31, 2005 in free reserves built out of profits and share premium collected in cash. An adjustment of Rs. 63.58 mn is required on 1.4.2005 in respect of a premium paid on the final redemption of preference shares against the Security Premium Account. As against such reserves, the present total paid-up capital of the company is Rs. 83.15 mn. There is a need to increase this paid-up share capital to make it commensurate with the total activities and capital employed by the company. The Directors have, subject to shareholders approval, proposed that a sum of Rs.124.73 mn be drawn from the Security Premium Account of the company and transferred to the Share Capital Account for the issue and allotment of 124,728,090 equity shares of Re 1 each as fully paid bonus shares to members holding equity shares on the record date to be fixed by the Board.

BUSINESS OUTLOOK AND STRATEGY

In view of overall favourable conditions and the efforts of your company to avail the opportunities presented by such an environment, your company is witnessing substantial growth. With a turnover of over Rs. 10 bn and a profit after tax of Rs. 1 bn, Triveni now enjoys a prominent position in Indian industry.

Our corporate vision was to emerge as a leading player in each of our business segments; we enjoy that position today. We now plan to significantly expand operations across all our core businesses. Our capacities in sugar manufacture and power generation equipment are expected to significantly increase in the next few years. With our emphasis on modernization, technology and human resources, we expect improvements in efficiency and productivity.

According to Government of India estimates, the demand for sugar in India is expected to outstrip production in 2005-06 while the closing stock of sugar at the end of the current sugar year (2004-05) will be almost half the opening stock. Substantial investments in world-class co-generation facilities at Khatauli and Deoband sugar units will provide additional income. Once the expansion programs are under execution, the company may consider investment in a large distillery to produce alcohol/ethanol from sugarcane. UP Government Sugar Industry Incentive Policy 2004, provides incentives including capital subsidy and other incentives relating to purchase of sugar cane and sale of sugar upon investment of Rs 3.50 bn /Rs 5.0 bn in new sugar capacities, expansion of sugar capacities and sugar related projects, such as, bagasse based cogeneration plants or manufacture of ethanol.

The company possesses adequate land and received relevant regulatory approvals required for a new 7000 tcd sugar factory at Sabitgarh (district Bulandshahar, Uttar Pradesh). The command area of this new plant is covered by canal irrigation to a great extent and is relatively less dependent on the monsoons and tube well irrigation. Your company is evaluating additional sites based on similar criteria and proposes to intensify cane development through the use of institutional credit, faster payments to cane growers and the sale of non perishable products and services to farmers from Triveni's Khushali Agri Centres.

We anticipate that the growth of India's engineering and power sectors will come from increased domestic demand and developed market outsourcing. To capitalize on these opportunities, our steam turbine, high-speed gears and water business groups expect to substantially enhance their production capabilities. Their respective capacity expansions will leverage the infrastructure that exists around our units in Bangalore, Mysore and NOIDA. Our concentration on in-house research and development as well as alliances with global industry leaders for world-class technologies should help us maintain our leading position.

ISSUE OF FRESH CAPITAL

With a view to fund certain projects intended to be taken up by the company and comply with the directions of BSE for trading in our equity shares, the Board of Directors have, subject to the approval of the shareholders, approved a public issue of up to 50 mn equity shares of Re.1 each. The company is in the process of seeking approval of the shareholders and taking necessary steps to achieve its objective expeditiously.

TECHNOLOGY

The first range of high efficiency, low pressure, twisted and tapered blades were fully developed, are now in production and will be integrated into orders we have on hand for delivery starting from 2006. Our in-house research and development team benchmarked this product with the best global efficiencies of Impulse design and created a product with a robust structural design. Impact Technology, USA, who are pioneers in turbo machinery design, as well as professors from the Indian Institute of Sciences, Indian Institute of Technology and a prominent U.K. University were advisors and partners in our success. Our design philosophy is to provide a robust and efficient turbine design and we have currently initiated a programme to design a family of turbine models upto 22 MW to service diverse process industry needs.

At our cogeneration project in Khatauli, Triveni's Water Business Group in association with US Filter, is putting up a 'Two Pass RO (Reverse Osmosis) followed by CEDI' scheme which will be the first installation in India's power sector and one of the largest installations of this continuous electro de-ionization (CEDI-VNX) technology globally. The advantage of this technology is that it will make the operation of the cogeneration plant free of any bulk acid / alkali requirements. This technology will allow our Khatauli unit to not only report a cost effective de-ionization solution but also permit a better turbine performance and low maintenance downtime.

Your company is manufacturing and installing a new short retention juice clarifier system in the sugar unit at Khatauli, which is as per your company's licensed design from SRI, Australia. The short retention clarifier reduces process losses and increases the sugar quality.

HUMAN RESOURCES

The company believes that development of its people is essential for growth of the organization. Accordingly, an emphasis was laid on the development of entrepreneurial skills through work independence, freedom of expression and ownership of actions and decision at all levels. Training programmes were organised for officers and non-officers in technical as well as managerial functions for 2637 person-days. Accordingly, 4.37 person-days of training were imparted per officer and 2.18 person-days per supervisor.

Industrial relations at all our units were cordial. A wage and

| DIRECTORS' REPORT |

productivity agreement with the workers of the Turbine Business Group was signed in December 2004 leading to a long-term settlement for three years and 10 months instead of three years in the past.

QUALITY AND ENVIRONMENT

As required by the existing Environment Laws, the company submitted the necessary statements for the year 2003-04 to the U.P. Pollution Control Board.

An integral part of the vision of your company is to provide customer satisfaction through the best product and service quality. Your company's Bangalore unit was re-certified for ISO 9001 in 2002 and ISO 14001 in 2005, while the Mysore unit was re-certified for ISO 9001 and ISO 14001 in 2004. Your Bangalore and Mysore units have embarked upon a Six Sigma programme to achieve quality and service levels in line with the best international standards.

As a corporate social responsibility, Triveni made significant efforts to preserve the environment in and around its sugar and other units. Both sugar units at Deoband and Khatauli took steps to minimize effluent generation with the target to become zero-effluent in the near future. In this direction, a water management system for the re-circulation and reuse of process cooling water was installed at the Khatauli unit. Oil and grease traps were installed and at Deoband there was an underground water reservoir for collecting the process water for reuse in the factory.

At Deoband, world-class electrostatic precipitators (ESP) were installed in the cogeneration boiler to significantly reduce the emission of suspended particulate matter (SPM). The emissions from the stack were also considerably below the statutory norms of 150 mg/Nm3.

CORPORATE GOVERNANCE

Your company strives to achieve appropriate standards of good corporate governance. A separate report on Corporate Governance is given in Annexure C along with the Auditors' statement on its compliance in Annexure D.

AUDITORS

M/s J.C. Bhalla & Co., Chartered Accountants, Auditors of the company, who retire at the conclusion of the forthcoming Annual General Meeting, have consented to continue in office, if appointed. They have confirmed that their appointment, if made, will be in accordance with the limits specified in Section 224 (1B) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed.

2. Appropriate accounting policies have been selected and applied consistently, and they have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the statement of affairs of the company as on March 31, 2005 and of the profit of the company for the period 1st April 2004 to March 31, 2005.

3. 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 and detecting fraud and other irregularities.

4. The Annual Accounts have been prepared on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE 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 given in Annexure A to this Report.

PARTICULARS OF EMPLOYEES

As required under the provision of sub-section (2A) of the section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, particulars of employees are set out in the annexure to the Directors' Report. However, as per provision of section 219(1) (b) (iv) of the Companies Act, 1956, the report and the accounts are 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 office of the company.

DIRECTORS

Mr Dhruv M Sawhney, whose tenure as Managing Director expired on 30th March, 2005, was re-appointed by the Board of Directors of the company at their meeting held on 28th March, 2005, for a period of five years with effect from 31st March, 2005 and his remuneration was fixed subject to the approval of the shareholders.

Mr F.C. Kohli and Lt. Gen. K K Hazari retire by rotation, and being eligible, offer themselves for reappointment.

Mr M V Subbiah had been an independent and non-executive Director of the group companies for ten years, and resigned on account of his taking up a teaching assignment in the USA. His great vision and dynamism will be greatly missed. The Directors would like to place on record their gratitude and deep appreciation for the support and guidance given by Mr Subbiah to the Board and Management of Triveni.

Mr S K Seth, who had been an independent and non-executive Director of the group companies for twelve years, passed away on 3rd August 2004. Mr. Seth had been Chairman of the Audit Sub-Committee, Executive Sub-committee and Share Transfer and Investors Grievances Committees. Mr. Seth tirelessly worked to help the company achieve the best standards in Internal Audit and Corporate Governance. The Directors would like to place on record their gratitude and deep appreciation for the support and guidance given by Mr. Seth to the Board and Management of Triveni.

DEPOSITS

Fixed Deposits accepted from shareholders and the public stood at Rs. 165 mn as on March 31, 2005 against Rs. 158 mn in the previous year. Deposits amounting to Rs. 6 mn remain unpaid, out of which Rs. 1.8 mn have since been repaid/renewed as on 2nd May, 2005.

APPRECIATION

Your Directors gratefully acknowledge the support given by our customers, shareholders, employees, farmers, the Central, Uttar Pradesh and Karnataka Governments, financial institutions and banks, and all other stakeholders, and we look forward to their continued support and encouragement.

For and on behalf of the Board of Directors,

Place: Noida, UP
Date: 2nd May, 2005

Dhruv M Sawhney
Chairman & Managing Director

ANNEXURE - A

Additional Information as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

(A) CONSERVATION OF ENERGY

(a) Energy Conservation Measures

1 A 22 MW high pressure, fuel efficient Co-generation project at Deoband commenced operations in December 2004. Under this project the company has installed a 120 TPH 87 ata 515° C Boiler which replaced the existing low pressure, inefficient boilers and resulted in considerable energy savings.

2 Installation at Deoband of Auto Combustion control in the 65TPH and 40 TPH 32kg/cm.sq. boilers to increase efficiency of the boilers.

3 Installation at Deoband of DC motors on another three 'A' Centrifugal machines, and the addition of one DC motor driven 1750kg/charge fully automatic centrifugal machine, to reduce power consumption.

4 Installation at Deoband of an auto condensing and cooling system at the Pan floor, and planetary-gear boxes on various crystaliser, for reducing power consumption.

5 Installation of Triveni/SRI Continuous Vacuum Pans for 'B' and 'C' massecuite at Deoband to reduce steam consumption.

6 A new DCS mill control system replacing the old PCS system was installed at Khatuali, and this has streamlined the load on different equipment like cutters, mills etc. resulting in saving of energy.

(b) Additional Investment And Proposals For Reducing Energy Consumption

1 A 23 MW high pressure fuel efficient Co-generation project is being implemented at Khatauli by September 2005 which will also be operated with a 120 TPH 87ata 515° C boiler and a high efficiency Skoda double extraction condensing Turbo Alternator.

2 Installation of a Triveni/SRI design continuous vacuum pan for boiling of 'C' massecuite, and two DC Motor Driven 1750Kg/charge fully automatic centrifugal machines for 'A' massecuite at Khatauli, to reduce power consumption.

3 Installation of AC Variable Frequency Drives and planetary gear boxes at Deoband to reduce power consumption.

(c) Impact Of Above Measures

With the above measures, there will be a substantial conservation of energy, steam, and water, which in turn will improve the efficiency of sugar operations and save more bagasse.

FORM A

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

		2004-05	2003-04
I Power And Fuel Consumption			
1. Electricity			
a) Purchased			
Units	000KWH	3566	3660
Total Amount	Rs. mn	21.08	18.86
Rate/Unit	Rs./KWH	5.90	5.15
b) Own Generation			
I) Through Diesel Generators			
Units	000 KWH	3130	2081
Units Per Liter Of Diesel Oil	KWH/LTR	2.88	3.07
II) Through Steam Turbines			
Steam Produced	000KWH	84166	100711
Bagasse Bought	MT	–	–
2. Furnace Oil			
Quantity	K LTRS	195	154
Total Amount	Rs. mn	3.47	2.38
Rate	Rs./K LTRS	17789	15429

		2004-05	2003-04
II Consumption Per Unit of Production			
Sugar			
Electricity	KWH/MT	233.42	238.22
Bagasse	MT/MT	2.39	2.58

In the case of the other business groups, no standard products are manufactured, and hence their figures have not been incorporated.

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**

a) Development of a highly efficient and reliable extraction cum condensing steam turbine upto 15MW for process Co-generation and the integrating of our newly developed twisted and tapered blades into the turbines.

b) Development and promotion of new early maturing high sugared varieties in our cane farms, and primary and secondary nurseries in the farmer's fields.

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

a) Enhancing the capacity range of our turbines with improved efficiencies and reliability.

b) Meeting specific requirements of our turbine customers.

c) Higher yield and recovery at our sugar units.

3 **Future plan of action**

a) Enhancing capacity range of turbine models up to 18-22 MW with improved efficiency and reliability.

b) Development by the scaling up principle of twisted and tapered blading up to 18-22 MW based on our first improved twisted and tapered blades we have developed.

c) Development of an improved downward stop and emergency valve for our steam turbines for improved safety.

d) To achieve cane yields and sugar recoveries which are amongst the best in our zone.

4 **Expenditure on R&D**	(Rupees in mn)
a) Capital	–
b) Recurring	34.4
c) Total	34.4
d) Total R&D expenditure as a percentage of turnover	0.34 per cent

(B) Technology absorption, adaptation and innovation

Information regarding technology imported during the last 5 years.

Technology imported	Year of import	Has Technology been fully absorbed
A) 15 MW extraction condensing turbine	2003	Yes
15 MW back pressure turbine	2005	Yes
B) Manufacture and process engineering for water & waste water treatment equipment.	2001	Yes

(C) Foreign exchange earnings end outgo	(Rupees in mn) 2004-05
1 Earnings in foreign exchange value of exports on F.O.B. basis	102.40
Others	9.50
2 Foreign exchange outgo (Includes raw materials, capital goods, components, spare parts, and other expenditure in foreign currency including royalty)	332.36

STATEMENT PURSUANT TO SECTION 212 OF COMPANIES ACT, 1956

	Triveni SRI Ltd.	Triveni Power Generation Ltd. *1
1. Financial Year ended	31st March 2005	31st March 2005
2. Extent of holding company's interest at the end of financial year of the subsidiary	100 per cent	100 per cent
3. The net aggregate amount of the subsidiaries Profit/(Loss), so far as it, concerns the members of the holding company and is not dealt with in the company's accounts (Rs. in lacs)		
a) For the financial year ended 31.3.2005 of the subsidiary company.	0.09	0.11
b) For the previous financial years of the subsidiary since it became the holding company's subsidiary	(0.83)	(0.20)
4. a) The net aggregate amount of the subsidiary's Profit/(Loss), for the financial year or years of the subsidiary so far as those Profit/(Loss) are dealt within the holding company's accounts	NIL	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 within the holding company's accounts	NIL	NIL
5. Changes in the holding company's interest in the subsidiary between the end of the financial year of the subsidiary and holding company	NA*	NA*
6. Material changes which have occur red 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	NA*	NA*
ii) Its investments	NA*	NA*
iii) The money lent by it	NA*	NA*
iv The money borrowed by it for any purpose	NA*	NA*

- Accounting year of the two subsidiary Companies and the holding company ends on March 31, 2005.

*1 Name changed to Abohar Power Generation Ltd effective 29th April, 2005.

Corporate governance

As per the requirement for providing a Report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, your Directors present the Company's Report on Corporate Governance as under :-

1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes in and has consistently practiced good corporate governance. The Company creates an environment for the efficient, just and ethical conduct of the business and to enable the Management to meet its obligations in a fair, transparent and equitable manner to all stakeholders viz. its customers, shareholders, farmers, and other suppliers, employees and the community in which the Company operates. The Board of Directors believe in managing the Company's affairs efficiently and in a responsible manner. The Company envisages the attainment of a high level of transparency and accountability in the functioning of the Company and the conduct of its business internally and externally.

2) BOARD OF DIRECTORS

The business of the Company is managed by the Board of Directors. The Board formulates the strategy and regularly reviews the performance of the Company against previously agreed objectives. The Chairman and Managing Director along with the senior executives manages the day-to-day operations of the Company.

The present strength of the Board of Directors is six. Excepting the Chairman & Managing Director, all are Independent Non-Executive Directors. The Non-Executive Directors are eminent industrialists and professionals with valuable experience in management, administration, finance and bring with them a wide range of skills and experience to the Board. The Company did not have any pecuniary relationship or transaction with the Non-Executive Directors during the year under review except for the payment of meeting fees.

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

ANNEXURE - C

Name of Director	Category	No. of Directorships in other companies (*)	No. of Committee positions held in other companies (*)	
			Chairman	Member
Shri Dhruv M. Sawhney Chairman & Managing Director	Promoter & Executive Director	2	NIL	1
Shri F.C.Kohli	Non-Promoter Independent Non-Executive Director	7	3	1
Lt. Gen. K.K. Hazari (Retd.)	Non-Promoter Independent Non-Executive Director	2	NIL	NIL
Shri M.K. Daga	Non-Promoter Independent Non-Executive Director	4	NIL	2
Shri R.C. Sharma	Non-Promoter Independent Non-Executive Director	NIL	NIL	NIL
Shri V. Venkateswarlu (IDBI Nominee)	Non-Promoter Independent Non-Executive Director	NIL	NIL	NIL

(*) Excludes Directorships in Indian Private Limited Companies, Section 25 Companies, Alternate Directorships and membership of various Chambers and other non-corporate organizations.

Directors who relinquished office during the year ended 31st March 2005

Name of Director	Category	Date of relinquishment
Shri M.V. Subbiah	Independent Non-Executive Director	14.07.2004
Shri S.K. Seth	Independent Non-Executive Director	Ceased to be a Director on account of death on 3rd August 2004.

Details of Directors seeking reappointment at the ensuing Annual General Meeting

In respect of Directors seeking appointment or reappointment, the Notice for the AGM contains the relevant information, like, brief resume of the Directors, nature of their expertise in specific functional areas and names of the companies in which they hold Directorship and membership of any Committee of the Board.

Board Procedures

The Board and its Committees meet at regular intervals for discussion on agenda items circulated well in advance. The senior management of the Company is invited to attend Board meetings, make presentations and provide clarifications as and when necessary. The Directors help bring an independent judgement on the Board's deliberations. They have complete and unfettered access to any information and to all employees of the Company. The agenda items include information as required under Annexure-1 to Clause 49 - Corporate Governance of Listing Agreement, such as strategy and business plans, annual operating & capital expenditure budgets, investment and exposure limits, adoption of quarterly and annual results of the Company and its operating divisions, review of major legal issues, compliance with statutory/regulatory requirements, HR related issues, purchase and disposal of equipment or property and major provisions and write offs.

Attendance Record of the Directors

The Board of Directors met seven times during the financial year 2004-2005. The interval between any two successive meetings did not exceed four months. Board Meetings were held on 30th June '04, 21st July '04, 27th October '04, 30th December '04, 20th January '05, 9th March '05 and 28th March '05. The attendance record of all Directors at Board meetings and the last Annual General Meeting (AGM) and Extra-Ordinary General Meeting (EGM) is as under:–

Name of Director	No. of Board Meetings Attended	Attendance at last AGM held on 18.08.2004	Attendance at the last EGM held on 27.01.2005
Shri Dhruv M. Sawhney Chairman & Managing Director	6	Yes	No
Shri F.C.Kohli	3	No	No
Lt.Gen. K.K. Hazari(Retd.)	7	Yes	Yes
Shri M.K. Daga	5	No	No
Shri M.V. Subbiah (Resigned w.e.f. 14.7.2004)	Nil	No	No
Shri R.C. Sharma	5	Yes	Yes
Shri S.K. Seth (Expired on 3.8.2004)	2	No	No
Shri V. Venkateswarlu (IDBI Nominee)	6	No	No

Executive Sub-Committee

During the year, Mr S.K. Seth, who was one of the members and Chairman of the Executive Sub-Committee left for his heavenly abode on 3rd August 2004. Presently, the Executive Sub-Committee of the Board comprises of two Non-Executive Independent Directors viz. Lt. Gen. K.K. Hazari (Retd.) and Mr. R.C. Sharma. Lt. Gen. Hazari is acting as Chairman of the Executive Sub-Committee. The Chairman & Managing Director is not on the Executive Sub-Committee but he and other senior executives are called to the meetings as & when required. The Board has delegated powers to the Executive Sub-Committee in accordance with the provisions of the Companies Act, 1956 to facilitate the working of the Board. The Executive Committee met eight times during the year 2004-2005.

3) AUDIT COMMITTEE

At the beginning of the Financial Year 2004-05, the Audit Committee consisted of Mr S.K. Seth, Lt. Gen. K.K. Hazari (Retd.) and Mr V. Venkateswarlu (IDBI Nominee Director). Mr S.K. Seth was the Chairman. On the death of Mr S.K. Seth on 3rd August 2004, the Audit Committee was reconstituted on 3rd September 2004 by the induction of Mr R.C. Sharma, Director.

The Committee now consists of three Non-Executive Independent Directors viz. Lt. Gen. K.K. Hazari (Retd.), Mr R.C. Sharma and Mr. V. Venkateswarlu (IDBI Nominee Director). The Chairman of the Committee is Lt. Gen. K.K. Hazari (Retd.). These members have the requisite financial, accounting, administrative and management expertise. Vice President (Corporate Finance), Senior Manager (Internal Audit) along with the Internal Auditors, Statutory Auditors and the respective unit heads and the unit finance chiefs are invitees at the meetings of the Committee. The meetings are generally held in Delhi but some are held at the units so as to provide for closer interaction. The Company Secretary acts as the Secretary to the Audit Committee meetings and the Vice President (Corporate Finance) acts as the coordinator.

The powers and role of the Audit Committee are as specified in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. However, the broad terms of reference of the Committee including: -

- To review the Company's financial reporting process and its financial statements.
- To review the accounting and financial policies and practices and compliance with applicable accounting standards.
- To review the efficacy of the internal control mechanism, monitor risk management policies adopted by the Company and its units, and ensure compliance with regulatory guidelines.
- To review reports furnished by the internal and statutory auditors, and ensure that suitable action is taken.
- To examine the accounting and disclosure aspects of all significant transactions.
- To review with management the annual, quarterly & half yearly financial statements including review of qualifications, if any, in the audit report before submission to the Board.
- To recommend appointment of external and internal auditors and fixation of audit fees.
- To seek legal or professional advice, if required.

Meetings & Attendance

The Audit Committee met seven times during the financial year 2004-2005 on 24th May'04, 23rd June'04, 21st July'04, 26th October'04, 5th November'04, 6th November'04 and 20th January'05. The attendance of each Audit Committee Member is as under:–

Name of the Member	No. of Meetings Attended
Lt. Gen, K.K. Hazari (Retd.) Chairman	7
Mr. R.C. Sharma (Inducted on 3.9.2004)	4
Mr. V. Venkateswarlu (IDBI Nominee)	7
Mr. S.K. Seth (Expired on 3.8.2004)	3

4) SHARE TRANSFER / TRANSMISSION COMMITTEE

Presently the Committee consists of two Non-Executive Independent Directors viz. Lt.Gen. K.K. Hazari (Retd.) and Mr R.C. Sharma. Lt. Gen. Hazari is acting as Chairman of the Committee. Mr S.K. Seth, who was also a Member and Chairman of the Committee left for his heavenly abode on 3rd August 2004. Mr V.P. Ghuliani, Vice President (Legal) & Company Secretary has been designated as the Compliance Officer. The Committee is responsible for approval of share transfers/transmissions, approval of requests for dematerialization/ rematerialisation of shares and other related activities.

Meetings and Attendance

The Share Transfer/Transmission Committee met 16 times during the financial year 2004-2005 on 16th April'04, 7th May'04, 31st May'04, 23rd June'04, 21st July'04, 18th August'04, 6th September'04, 1st October'04, 27th October'04, 22nd November'04, 20th December'04, 17th January'05, 9th February'05, 14th February'05, 9th March'05 and 15th March'05. The attendance of each Committee Member is as under:–

Name of the Member	No. of Meetings Attended
Lt.Gen. K.K. Hazari (Retd.), Chairman	16
Mr R.C. Sharma	15
Mr S.K. Seth (Expired on 3/8/2004)	5

5) INVESTORS' GRIEVANCE COMMITTEE

Presently the Committee consists of two Non-Executive Independent Directors viz. Lt.Gen. K.K. Hazari (Retd.) and Mr R.C. Sharma. Lt. Gen. Hazari is acting as Chairman of the Committee. Mr S.K. Seth, who was also a Member and Chairman of the Committee left for his heavenly abode on 3rd August 2004. Mr. V.P. Ghuliani, Vice President (Legal) & Company Secretary has been designated as the Compliance Officer. The Committee is responsible for redressal of shareholders and investor's grievances such as non-receipt of transferred/transmitted share certificates/balance sheet/dividend warrants etc.

During the year ended 31st March 2005, 213 complaints relating to investor grievances were received from shareholders directly and/or through the Stock Exchanges/SEBI, and all of them were resolved/replied suitably by furnishing the requisite information/documents. There were no investor grievances pending as on 31st March 2005. Further there were no share transfers and requests for dematerialisation pending as on 31st March 2005.

Meetings and Attendance

The Investors' Grievance Committee met 3 times during the financial year 2004-2005 on 21st July'04, 20th December'04 and 28th March'05. The attendance of each Committee Member is as under:–

Name of the Member	No. of Meetings Attended
Lt.Gen. K.K. Hazari (Retd.), Chairman	3
Mr R.C. Sharma	3
Mr S.K. Seth (Expired on 3/8/2004)	1

6) REMUNERATION COMMITTEE

The existing Remuneration Committee was reconstituted on 20th January 2005 by the induction of Mr R.C. Sharma, Director in place of Mr S.K. Seth.

The Committee now consists of three Non-Executive independent Directors viz. Mr F.C. Kohli, Lt.Gen. K.K. Hazari (Retd.) and Mr R.C. Sharma. The Chairman of the Committee is Mr F.C. Kohli. The broad terms of reference of the Committee remain unchanged.

The Company has only one Executive Director viz. Mr Dhruv M. Sawhney, CMD on the Board. During the year 2004-2005, the Committee met once on 28th March 2005 to decide the remuneration package of Mr Dhruv M. Sawhney on his re-appointment as Managing Director of the Company for a period of five years w.e.f. 31st March 2005 as also to review the increase in his remuneration for the period 1st April 2004 to 30th March 2005. The recommendations of the Remuneration Committee were approved by the Board at its meeting held on 28th March 2005 subject to sanction of the shareholders at a general meeting and in the case of increase in remuneration, with the approval of the Central Government, if required. Consent of the shareholders is being sought at the Extra-Ordinary General Meeting convened for 19th May 2005. An application to the Central Government seeking their approval to the increase in remuneration of Mr.Sawhney for the period 1st April 2004 to 30th March 2005 will be made, if required.

ANNEXURE - C

The remuneration policy is directed towards rewarding performance, based on review of achievements. The remuneration policy is in consonance with the existing industry practice.

Details of remuneration paid to Directors

Presently the Company is not paying any remuneration to its Non-Executive Independent Directors except sitting fees for attending meetings of the Board and its Committees. Remuneration paid to all the Directors of the Company during the financial year ended 31st March'2005 is as under:–

Name of the Executive Director	
Mr. Dhruv M. Sawhney Chairman & Managing Director	
Service Period	31.03.2000 to 30.03.2005
Remuneration paid (01.04.2004 to 30.03.2005)	**In Rupees**
Salary	29,91,935
Contribution to PF & Other Funds	8,07,822
Gratuity	1,43,613
Other Perquisites	14,58,803
Total	**54,02,173**

As mentioned hereinabove, the Board of Directors of the Company had, on the recommendations of the Remuneration Committee, at their meeting held on 28th March 2005 subject to approval of the shareholders at a general meeting, re-appointed Mr Dhruv M. Sawhney as Managing Director of the Company for a period of five years w.e.f. 31st March 2005 in the scale of Rs 5,00,000-50,000-7,50,000 plus other allowances and perks as contained in the Explanatory Statement to the Notice dated 21st April 2005 convening an EGM and Abstract and Memorandum of Interest under Section 302 of the Act already sent to the shareholders. The salary for one day in the current year shall be provided and paid after approval of the shareholders.

At the said meeting, the Board of Directors had also subject to approval of the shareholders at a general meeting and with the approval of the Central Govt., if required, decided that in view of the sufficiency of profits during the financial year 2004-05, Mr Dhruv M Sawhney, CMD be paid remuneration equivalent to 3% of the net profits computed as per the provisions of Sections 198 and 349 of the Act for the period commencing with effect from 1st April 2004 to 30th March 2005 as against the minimum remuneration earlier approved by the shareholders and sanctioned by the Central Government and that the differential amount i.e. amount equivalent to 3% of the net profits less the minimum remuneration already paid to CMD for the said period be now paid to him as commission. However the commission for the aforesaid period shall be provided and paid only after the receipt of requisite approvals.

(In Rupees)

Name of the Non-Executive Director	Sitting Fees
Mr. F.C. Kohli	20,000
Lt. Gen. K.K. Hazari (Retd.)	1,62,500
Mr. M.K. Daga	25,000
Mr. R.C. Sharma	1,30,000
Mr. S.K. Seth	50,000
Mr. V. Venkateswarlu	65,000

The Company has not issued any Stock Options to any of its Directors.

7) GENERAL BODY MEETINGS

Location & time where last three AGMs were held:-

Date	Location	Time
18th August'2004	Company's Guest House at Deoband Sugar Unit Complex, Deoband, District Saharanpur, U.P.	3.00 P.M.
14th August'2003	Company's Guest House at Deoband Sugar Unit Complex, Deoband, District Saharanpur, U.P.	2.00 P.M.
7th August'2002	Company's Guest House at Deoband Sugar Unit Complex, Deoband, District Saharanpur, U.P.	2.30 P.M.

Location & time where last EGM was held :-

Date	Location	Time
27th January'2005	Company's Guest House at Deoband Sugar Unit Complex, Deoband, District Saharanpur, U.P.	2.30 P.M.

The shareholders unanimously passed all the resolutions including special resolutions, set out in the respective notices.

During the year 2004-05 the following two special resolutions were put through postal ballot in compliance with the provisions of Section 192 A of the Companies Act, 1956 read with Companies (Passing of Resolutions for Postal Ballot) Rule 2001:-

(i) Special Resolution under Section 17 of the Companies Act, 1956 to alter the Objects Clause of the Memorandum of Association of the Company by the addition of sub-clauses (21u) (i) to (21u)(xii) immediately after the existing sub-clause (21u) in the Objects Clause of the Memorandum of Association of the Company as specified in Notice dated 10th July 2004 sent to all the equity shareholders; and

(ii) Special Resolution under Section 149(2A) of the Companies Act, 1956 for commencement of all or any of the businesses specified in newly added sub-clauses (21u)(i) to (21u)(xii) to the Objects Clause of the Memorandum of Association of the Company as specified in Notice dated 10th July 2004 sent to all the equity shareholders.

Mr Sanjeev Anand, Advocate was appointed as Scrutinizer to conduct the postal ballot process. The results of postal ballot was declared at the last Annual General Meeting held on 18th August 2004 and both the resolutions were declared as passed through the postal ballot. The details of postal ballot result was as under:–

	No. of Votes Cast 'In Favour'	No. of votes cast 'Against'
Resolution No. (i)	7960776	246
Resolution No.(ii)	7960347	246

No special resolutions on matters required postal ballot are placed for shareholders' approval at the forthcoming Annual General Meeting.

8) OTHER DISCLOSURES

Disclosures on materially significant related party transactions

There is no significant or material related party transactions that have taken place during the year which have any potential conflict with the interest of the company at large. The detailed related party information and transactions have been provided in Note 12 of Schedule-28 - Notes to Accounts.

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 listing agreement with the Stock Exchanges and the regulations and guidelines of SEBI. SEBI, Stock Exchanges or any statutory authorities have imposed no penalties or strictures on matters relating to capital markets during the last three years.

9) MEANS OF COMMUNICATION

The quarterly and half yearly-unaudited financial results, and the annual audited financial results of the Company were sent to all the Stock Exchanges where its equity shares are listed, and the same were published in The Pioneer (English) and Veer Arjun (Hindi) newspapers. Besides the annual audited financial results were published in The Economic Times (English), Business Standard (English) and Navbharat Times (Hindi). The results are also displayed on Company's website www.trivenigroup.com

Detailed information on the Company's business and products is also displayed on the website. The Management Discussion & Analysis Report is separately provided.

10) GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Day, Date & Time	Monday, 27th June, 2005 at 2.30 p.m.
Venue	Company's Guest House at Deoband Sugar Unit Complex, Deoband, Distt. Saharanpur, U.P. - 247 554.
Financial Calendar	2005 – 2006
• Financial Year	April to March
• First Quarterly Results	By 31st July, 2005
• Half Yearly Results	By 31st October, 2005
• Third Quarterly Results	By 31st January, 2006
• Audited Annual Results	By 30th June, 2006
Dated of Book Closure	6th July, 2005.
Dividend Payment Date	Within 30 days of declaration.

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
01.	The Delhi Stock Exchange Association Ltd., DSE House, 3/1, Asaf Ali Road, New Delhi - 110 002.	07042
02.	The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai 400 023.	532356
03.	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra (E), Mumbai - 400 051.	TEIL
04.	The Calcutta Stock Exchange Association Ltd. 7, Lyons, Range, Kolkata - 700 001.	Physical 30037 Demat 100-30037

The Company has paid listing fees for the Financial Year 2005-2006 to all the Stock Exchanges where its equity shares are listed except Calcutta Stock Exchange to which an application has been made for de-listing of equity shares.

Stock Price Data/Stock Performance: Year 2004-2005

For giving effect to a Scheme of Arrangement which was approved by 99.98% of the Equity shareholders at a General Meeting convened by the Hon'ble Allahabad High Court and held on 22.02.2003 and duly sanctioned by the Hon'ble High Court of Judicature at Allahabad, the trading in the Equity Shares of the Company was suspended with effect from 28th April' 2003 on BSE and NSE. NSE intimated about the suspension of trading in Company's shares for

ANNEXURE - C

implementation of the Scheme vide their letter dated 28.04.2003. The shareholders had at their last Annual General Meeting held on 18.08.2004 passed a special resolution for listing of 8315206 equity shares of Rs.10/- each on BSE and NSE. Pursuant to the authorization of the shareholders, applications were submitted to BSE and NSE vide letter-dated 3.11.2004 for restoration of trading/listing of 8315206 equity shares of Rs.10/- each. Pending consideration with the Stock Exchanges, the shareholders of the Company had at their Extra-Ordinary General Meeting held on 27.1.2005 by a special resolution decided to sub-divide each and every equity share of Rs.10/- each into 10(ten) equity shares of Re.1/- each pursuant to Section 94 of the Companies Act, 1956. BSE and NSE were therefore requested to treat our applications of 3.11.2004 for restoration of trading/listing of 8,31,52,060 equity shares of Re.1/- each. BSE vide its letter dated 16.3.2005 intimated that the Company should come out with an offer for sale and/or public offer so as to increase the non-promoter holding to 25% within 6 months and the shares issued pursuant to the Scheme shall be listed only after the Company complies with the same. Though officially NSE has not communicated but they also held the same view. Accordingly the Board of Directors considered the matter at their meeting held on 16.04.2005 and convened an Extra-ordinary General Meeting of the shareholders seeking their approval for issue of further equity shares upto 5,00,00,000 (five crores) of Re.1/- each by public offerings which may include Offer for Sale by the Promoters with or without persons acting in concert.

Since during the year under report, there was no trading in Company's equity shares, comparison of the share price with Stock Market sensex does not arise.

Registered Office

Deoband, Distt. Saharanpur,. Uttar Pradesh - 247 554
Tel.: - 01336-222185, 222497, Fax: - 01336-222220

Registrar and Share Transfer Agents

(For Equity Shares Held In Both Physical & Electronic Mode)
M/S. Alankit Assignments Ltd.
2e/21, First Floor, Jhandewalan Extension
New Delhi - 110 055.
Tel. 91-11-51540060-63, Fax 91-11-51540064
Email: - Alankit@Alankit.Com

Share Department

Triveni Engineering & Industries Ltd.
8th Floor, Express Trade Towers,
15-16, Sector-16a, Noida-201 301.
Tel.: - 0120 - 5308000; Fax: - 0120-5311010-11
Email: - shares@trivenigroup.com

Share Transfer System

The share transfer/transmission committee of the board does the approval of transfer of shares in the physical mode. The Committee meets frequently for approving share transfers and other related activities. The shares for transfers received in physical mode, are transferred expeditiously. The share certificates duly endorsed are returned immediately to the shareholders. Confirmation in respect of the requests for dematerialization of shares is sent to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days.

M/s Alankit Assignments Ltd. continue to be the Registrar & Share Transfer Agent (RTA) for equity shares held in both physical and electronic mode. Since 12% Redeemable Cumulative Preference Shares of Rs.10/- each have been fully redeemed, Alankit have stopped functioning as RTA of preference shares.

Distribution of Equity Shareholding as on 31st March 2005

Group of Shares	Number of Shareholders	Per cent to Total Shareholders	Number of Shares held	Per cent to Total Shares
1-500	96	26.45	13,030	.06
501-1000	59	16.25	44,260	.04
1001-2000	36	9.92	55,650	.07
2001-3000	20	5.51	50,020	.06
3001-4000	8	2.20	27,900	.03
4001-5000	12	3.31	56,690	.05
5001-10000	23	6.34	1,66,140	.19
10001 & higher	109	30.02	8,27,38,370	99.50
Total	**363**	**100.00**	**8,31,52,060**	**100.00**

Shareholding Pattern of Equity Shares as on 31st March 2005

Category	Number of Shares held	Per cent of Shareholding
Promoters Indian Promoters	7,54,43,830	90.73
Directors & their relatives	12,00,730	1.45
Financial Institutions and Insurance Cos.	41,39,070	4.98
Non-Resident Individuals	3330	–
Resident Individuals	23,25,600	2.79
Bodies Corporate	39,500	0.05
Total	**8,31,52,060**	**100.00**

Dematerialisation of Shares & Liquidity

The Company's equity shares are compulsorily traded in the demat form with effect from 26th December'2000. The Company entered into an Agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of shares. As on 31.03.2005, 55.03% of total equity share capital of the Company had been dematerialized. Consequent to the sub-division of equity shares the Company was allotted new ISIN by NSDL/CDSL, which is INE256C01024.

Unclaimed Dividends

Pursuant to Section 205C of the Companies Act, 1956, all unclaimed dividends upto the financial years 1996-97 have been transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government. The dividends for the succeeding years remaining unclaimed for 7 years will be transferred by the Company to the said Investor Education and Protection Fund on the due dates as given on the next page.

Financial Year / Period	Whether Interim / Final	Date of payment of Dividend	Due date for transfer to IEPF
1997-1999	Interim	23.1.1999	22.1.2006
1997-1999	Final	14.9.1999	13.9.2006
1999-2000	Interim (approved as Final at AGM)	27.5.2000	26.5.2007
2000-2001	Final	8.8.2001	7.8.2008
2001-2002	Final	7.8.2002	6.8.2009
2002-2003	Final	14.8.2003	13.8.2010
2003-2004	1st Instalment Redemption Cum Interim Dividend (Preference Shares)	1-4-2004	31-3-2011
2003-2004	Final	18-8-2004	17-8-2011
2004-2005	Interim	21-7-2004	20-7-2011

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

Outstanding GDR/ADR or Warrants

As on date there are no Global Depository Receipts (GDR), American Depository Receipt (ADR) or any convertible instruments pending conversion or any other instrument likely to impact the equity share capital of the Company.

Plant/Business Group Locations

Sugar Business Group	Khatauli, Distt. Muzaffarnagar, U.P. - 251201 Deoband, Distt. Saharanpur, U.P. - 247 554 Ramkola, Distt. Kushinagar, U.P. - 274 305
Turbine Business Group	12-A, Peenya Industrial Area, Peenya, Bangalore - 560 058
Gears Division	1,2,3, Belagola Industrial Area, Metagalli K.R.S. Road Mysore - 570 016
Water Business Group	8th Floor, Express Trade Towers, 15-16, Sector 16A, Noida-201 301.

Address for Correspondence

Please contact the compliance officer of the company at the following address regarding any questions or concerns:
Mr. V.P. Ghuliani, Vice President (Legal) & Company Secretary Triveni Engineering & Industries Ltd.,
8th Floor, Express Trade Towers, 15-16, Sector 16A, Noida-201 301. Tel.:- 0120-5308000, Fax :- 0120-5311011

Auditors' certificate on corporate governance

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

To the members of Triveni Engineering and Industries Limited

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the financial year ended 31st March, 2005.

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.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreements.

We state that there were no investor grievances pending at the year end as per the records maintained by the Company.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor as to 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

Place : Noida(U.P.)
Date : 2nd May 2005

(Sudhir Mallick)
Partner
Membership No.80051

Triveni financial section

Auditors Report

To the members of
Triveni Engineering and Industries Limited

We have audited the attached Balance Sheet of Triveni Engineering & Industries Limited as at 31st March, 2005 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting, the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. As required by Companies (Auditors Report) Order, 2003 issued by the Company Law Board in terms of Section 227 (4A) of Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate after considering the reports of the other auditors of the Company s Engineering Units, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

2. Further to our comments in the Annexure referred to in paragraph 1 above: -

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from the examination of the books and according to the reports of the Engineering Units auditors where such audit has not been conducted by us.

   c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of accounts.

   d) The reports of the Engineering Units auditors have been forwarded to us and have been considered in preparing our report.

   e) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

   f) On the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors of the company is disqualified as on 31st March 2005 from being appointed as a Director in terms of Clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, 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 31st March, 2005;

b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and

c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
J C Bhalla & Company
Chartered Accountants

(Sudhir Mallick)
Partner
Membership No. 80051

Place : Noida (UP)
Date : May 2, 2005

Annexure to Auditors Report

Referred to in Paragraph 1 of our report of even date on the accounts for the year ended on 31st March 2005 of Triveni Engineering & Industries Limited.

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

   (b) Fixed assets have been physically verified by the management during the year as per information given to us. As explained to us, no material discrepancies were noticed on such verification as compared to the available book records.

   (c) In our opinion, the company has not disposed of 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 or at the year-end at all locations of the company.

   (b) According to information given to us, the procedures for physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

   (c) The company is maintaining proper records of inventory. The discrepancies noticed on such verification as compared to the book records were not material having regard to the size and nature of the operations of the company and have been properly adjusted in the books of account.

3. The company has neither taken nor granted any loan secured or unsecured from/to Companies, firms, and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, Clauses 4 (iii) (b) to 4 (iii) (g) of the Companies (Auditors Report) Order, 2003 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) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

   (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of Rupees Five Lacs or more in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 58A, 58AA or any other relevant provisions of Act, and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. As per the information and explanations given to us, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal on the Company in respect of deposits accepted.

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 accounts maintained by the company pursuant to the order made by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, in respect of Sugar Units at Khatauli, Deoband, Ramkola and Co-Gen Plant at Deoband and are of the opinion that prima facie the prescribed accounts and records have been maintained. However, we are not required to carry out and have not carried out a detailed examination of the records with a view to determine whether they are accurate or complete. The company is not required to maintain any cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of activities carried out at other units of the company.

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 31st March 2005 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, service tax and cess, which have not been deposited on account of any dispute. Disputed income tax, sales tax and excise duty which have not been deposited on account of matters pending before appropriate authorities are as under:

Sl. No.	Name of the Statue	Nature of Dues	Forum where Dispute is Pending	Amount * (Rs. Million)	Year
1	Income Tax Act, 1961	Income Tax	Commissioner of Income-Tax Appeal	0.48	1995-96
2	Central Sales Tax Act & Sales Tax Acts of various states	Sales Tax	Assessing Officer	0.03	1990-91 & 1991-92
			Deputy Commissioner/ Commissioner Appeals	15.08	1977-78, 1988-89 1991-92, 1993-94 to 2002-03
			Appellate Tribunal	20.88	1987-88, 1992-93 to 2003-04
			High Court	9.84	1975-76, 1976-77, 1979-80, 1980-81, 1983-84, 1984-85, 1986-87, 1989-90, 1991-92, 1994-95, 1996-97, 2003-04
3	Central Excise Act 1944	Excise Duty	Assessing Officer	0.01	1981-82
			Deputy Commissioner/ Commissioner Appeals	9.65	1995-96 to 2003-04
			Appellate Tribunal	36.41	1995-96 to 2003-04
			High Court	1.86	1996-97
			Supreme Court	1.70	2000-01 to 2003-04

*Net of amounts paid under protest or otherwise.

10. The company has no accumulated losses as on 31st March 2005 and has not incurred any cash losses during the financial year covered by our audit or in the 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 financial institutions, banks or debenture holders during the year.

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. The company has not given any guarantee for loans taken by others from banks or financial institutions.

16. In our opinion, the term loans raised during the year 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 any debentures.

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 practice and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year nor have been informed of such case by the management that causes the financial statements to be materially mis-stated.

For and on behalf of
J C Bhalla & Company
Chartered Accountants

(Sudhir Mallick)
Partner
Membership No. 80051

Place : Noida (UP)
Date : May 2, 2005

Balance Sheet

(Rs. Million)

As at 31st March	Schedules	2005	2004
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	103.02	122.89
Reserves & Surplus	2	1,838.27	1,375.41
		1,941.29	1,498.30
Loan Funds			
Secured Loans	3	4,299.64	3,864.44
Unsecured Loans	4	201.29	238.70
		4,500.93	4,103.14
Deferred Tax Liability (Net) (Refer Note - 11 of Schedule 28)		344.14	333.59
Total Funds Employed		**6,786.36**	**5,935.03**
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		3,634.33	2,467.76
Less : Depreciation		1,169.18	1,065.82
Net Block		2,465.15	1,401.94
Capital Work-in-Progress		300.40	182.54
Intangible Assets	5A	26.46	29.30
Discarded Fixed Assets Pending Disposal/Sale		2.22	2.03
Plant & Machinery acquired under Lease		216.02	234.91
		3,010.25	1,850.72
Investments	6	229.75	229.65
Current Assets, Loans and Advances			
Inventories	7	4,352.78	4,431.86
Sundry Debtors	8	666.49	583.71
Cash and Bank Balances	9	227.87	159.87
Other Current Assets	10	8.98	10.59
Loans and Advances	11	676.43	596.65
		5,932.55	5,782.68
Less - Current Liabilities and Provisions			
Current Liabilities	12	1,877.91	1,531.30
Provisions	13	537.06	443.24
		2,414.97	1,974.54
Net Current Assets		3,517.58	3,808.14
Miscellaneous Expenditure	14	28.78	46.52
Total Assets (Net)		**6,786.36**	**5,935.03**
Notes to Accounts	28		

This is the Balance Sheet referred to in our report of even date.

For and on behalf of
J.C. Bhalla & Company
Chartered Accountants

Sudhir Mallick	**Dhruv M. Sawhney**	**Lt. Gen. K K Hazari (Retd.)**	**V P Ghuliani**	**Suresh Taneja**
Partner	*Chairman & Managing Director*	*Director & Chairman Audit Committee*	*Vice President (Legal) & Company Secretary*	*Vice President (Corporate Finance)*

Place : Noida (UP)
Date : May 2, 2005

Profit and Loss Account

(Rs. Million)

For the year ended 31st March	Schedules	2005	2004
INCOME			
Income from Operations (Gross)	15	10,210.18	6,379.17
Less : Excise Duty		602.42	468.19
Income from Operations (Net)		9,607.76	5,910.98
Other Income	16	38.24	34.02
Increase/Decrease in Work-in-Progress/Finished Goods	17	(454.03)	1,223.89
		9,191.97	**7,168.89**
EXPENDITURE			
Materials	18	6,007.82	5,021.66
Manufacturing/Operating	19	523.90	546.18
Personnel	20	530.79	502.84
Administration	21	299.49	281.00
Financing	22	297.82	223.73
Selling	23	107.96	98.36
Depreciation *1		123.46	103.03
Amortisation	24	55.27	64.54
Off-season Expenses charged (Net)	25	4.40	72.37
		7,950.91	**6,913.71**
Profit before Extra-Ordinary Charge & Taxation		1,241.06	255.18
Extra -Ordinary Charge	26	—	—
Profit before Taxation		1,241.06	255.18
Provision for Taxation	27	245.86	77.60
Profit after Taxation		995.20	177.58
Surplus Brought Forward *2		44.55	104.87
AVAILABLE FOR APPROPRIATION		**1,039.75**	**282.45**
APPROPRIATIONS			
Dividend Adjustment of Previous Year		—	0.06
Tax on Distributed Profits (Earlier Years) - (Rs. 1,524/-)		—	—
Dividend Paid - Preference Shares		2.39	4.76
Tax on Distributed Profits of Preference Shares		0.31	0.61
Interim Dividend Paid - Equity Shares		29.10	—
Tax on Distributed Profits of Equity Shares		3.73	—
Final Dividend Proposed on Equity shares		54.05	24.95
Provision for Tax on Dividend on Equity Shares		7.07	3.20
Transfer to Molasses Storage Fund Reserve		0.83	1.64
Transfer to Capital Redemption Reserve		19.87	—
Transfer to General Reserve		840.00	170.00
Surplus Carried Forward		82.40	77.23
		1,039.75	**282.45**
Earning per equity share of Rs.1/- each (Note - 13 of Schedule - 28) - Basic/Diluted		11.94	2.07
Notes to Accounts	28		

*1 Net of Rs. 3.54 million (Rs.3.54 million) additional depreciation on revalued assets transferred from Revaluation Reserve.
*2 Net of Rs. 32.68 million adjusted against Extra-Ordinary Charge

This is the Profit & Loss Account referred to in our report of even date.

For and on behalf of
J.C. Bhalla & Company
Chartered Accountants

Sudhir Mallick	**Dhruv M. Sawhney**	**Lt. Gen. K K Hazari (Retd.)**	**V P Ghuliani**	**Suresh Taneja**
Partner	*Chairman & Managing Director*	*Director & Chairman Audit Committee*	*Vice President (Legal) & Company Secretary*	*Vice President (Corporate Finance)*

Place : Noida (UP)
Date : May 2, 2005

Schedules to Accounts

(Rs Million)

As at 31st March	2005	2004
1 SHARE CAPITAL		
Authorised		
20,00,00,000 Equity Shares of Rs.1/- (Rs.10/-) each *1	200.00	200.00
2,00,00,000 Preference Shares of Rs.10/- each	200.00	200.00
	400.00	**400.00**
Issued		
8,31,60,060 (83,16,006) Equity Shares of Rs.1/- (Rs.10/-) each *1 & *2	83.16	83.16
39,73,995 (39,73,995) Redeemable Cumulative Preference Shares of Rs.10/- each *2 & *3	39.74	39.74
	122.90	**122.90**
Subscribed and Paid Up		
8,31,52,060 (83,15,206) Equity Shares of Rs.1/- (Rs.10/-) each *1 & *2	83.15	83.15
39,73,995 (39,73,995) Redeemable Cumulative Preference Shares of Rs.5/- (Rs.10/-) each *2 & *3	19.87	39.74
	103.02	122.89
Add :Paid up value of 8,000 (800) Equity Shares of Rs.1/- (Rs.10/-) each forfeited *1 - Rs. 1600/- (Rs. 1600/-)	—	—
	103.02	**122.89**

*1 During the year, one Equity Share of Rs.10/- each was sub-divided into 10 Equity Shares of Rs.1/- each

*2 Before the Approval of Scheme of Arrangement,Issued Share Capital includes:-

- 5,62,315 Equity Shares of Rs.10/-each allotted as fully paid up Bonus Shares by capitalisation of General Reserve and Preference Capital Redemption Reserve.
- 93,90,001 Equity Shares of Rs.10/- each fully paid issued, pursuant to amalgamation, to the Shareholders of erstwhile Triveni Engineering & Industries Ltd.

*3 Pursuant to a Scheme of Arrangement duly sanctioned by the Hon ble High Court of Judicature at Allahabad vide its order dated 27th March 2003, the paid up capital of the Company was restructured with effect from the Appointed Date i.e.1.4.2003. Preference Shares are redeemable at a premium of Rs.32/- per share in two equal instalments on 1st April 2004 and 1st April 2005

	1.4.2004	Additions	Deductions	31.3.2005
2 RESERVES & SURPLUS				
Capital Reserve	1.29	—	—	1.29
Revaluation Reserve - Fixed Assets	187.74	—	*1 3.54	184.20
Molasses Storage Fund Reserve	5.36	*1 0.83	—	6.19
Share Premium Account	675.26	—	*2 63.57	611.69
General Reserve	309.43	*1 840.00	*3 309.43	840.00
Surplus	77.23	*1 82.40	*1 &*3 77.23	82.40
Capital Redemption Reserve	—	*1 19.87	—	19.87
Amalgamation Reserve	119.10	—	*3 26.47	92.63
	1,375.41	**943.10**	**480.24**	**1,838.27**

*1 Transfer from/to Profit & Loss Account.

*2 Represents Premium towards part redemption of Cumulative Preference Shares during the year.

*3 Transfer to Extra Ordinary Charge (Refer Schedule 26 & Note - 7 of Schedule 28)

Schedules to Accounts (Contd.)

(Rs. Million)

As at 31st March	2005	2004
3 SECURED LOANS		
From Banks -		
Cash Credit/WCDL/Overdraft *1	2,984.01	3,104.84
Term Loans *2	1,065.58	647.62
From Others *3	250.05	111.98
	4,299.64	**3,864.44**

*1 Secured by pledge/hypothecation of the stock-in-trade, raw material, stores & spare parts,work-in-progress and receivable and second charge created/to be created over Ramkola properties and third charge on Deoband, Khatauli, Naini, Bangalore and Mysore properties other than raw sugar and related sugar stocks.. Additionally these are guaranteed by the Managing Director in his personal capacity. Include Rs.385.09 million (Rs.614.98 million) towards FCNR (B) account and Rs.1450.00 million (Rs.680.00 million) towards Commercial Paper issued.

*2 Includes

(a) Rs.854.39 million (Rs.586.25 million) due to banks and secured by charges created/to be created by equitable mortgage and hypothecation of all moveable both present & future and immoveable assets of the Company subject to bankers prior charges created/to be created on current assets for providing Working Capital facilities and excluding assets purchased under vehicle loan scheme. Due within one year Rs.222.50 million (Rs.109.38 million).

(b) Rs.38.10 million (Rs.53.75 million) due to a bank and secured by second pari-passu charge created/to be created over Ramkola's immoveable properties and third pari-passu charge on Deoband, Khatauli, Naini, Bangalore & Mysore's immoveable properties. Additionally these are guaranteed by the Managing Director in his personal capacity. Due within one year Rs.16.60 million (Rs.15.41 million).

(c) Rs.2.90 million (Rs.5.07 million) due to a bank and secured by first pari-passu charge created/to be created on block of assets of sugar unit Ramkola. Due within one year Rs.2.90 million (Rs.2.81 million).

(d) Rs.6.94 million (Rs.2.55 million) due to banks secured by hypothecation of vehicles acquired under Vehicle Loan Scheme. Due within one year Rs.2.88 million(Rs.1.27 million).

(e) Rs.163.25 million (Rs.Nil) secured by first pari-passu charge on the raw sugar/specific sugar stocks produced from the raw sugar. Due within one year Rs.163.25 million (Rs.Nil).

*3 Includes

(a) Rs.211.70 million (Rs.62.00 million) due to Sugar Development Fund Government of India secured by second charge created over moveable/immoveable assets of Deoband unit. Due within one year Rs.15.50 million(Rs.15.50 million).

(b) Rs.36.16 million(Rs.49.98 million) due to HDFC Ltd and secured by charges created/to be created by equitable mortgage of land measuring 5760 Sq. Mts. and 4990 Sq. Mts. located at Deoband and land measuring 13 bighas, 11 biswa located at Khatauli and construction thereon present and future. Due within one year Rs.15.22 million (Rs.13.28 million).

(c) Rs.2.19 million(Rs.Nil) secured by hypothecation of vehicles acquired under Vehicle Loan Scheme. Due within one year Rs.0.79 million (Rs.Nil).

4 UNSECURED LOANS		
Fixed Deposits	164.86	158.40
Short Term Loan :-		
a) From Banks	—	1.92
b) From Others	—	42.50
Other Loans :-		
a) From Other than Banks *1	13.60	17.49
Interest accrued and due thereon	22.83	18.39
	201.29	**238.70**

*1 Due within one year Rs. 2.19 million (Rs. 1.44 million).

Schedules to Accounts (Contd.)

(Rs. Million)

5 FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 1.4.2004	Additions	Deductions/ Adjustments	Total as at 31.3.2005	Upto 31.3.2004	During the Year*1	Adjustment/ Sale	Todate as at 31.3.2005	As at 31.3.2005	As at 31.3.2004
Land										
-Free Hold *2	82.62	106.01	0.28	188.35	—	—	—	—	188.35	82.62
-Lease Hold	—	0.10	—	0.10	—	—	—	—	0.10	—
Buildings & Roads	558.00	117.54	1.02	674.52	95.21	12.38	0.54	107.05	567.47	462.80
Railway Siding	0.02	—	—	0.02	0.02	—	—	0.02	—	0.01
Plant & Machinery	1,689.96	931.10	7.89	2,613.17	895.31	99.69	6.17	988.83	1,624.34	794.64
Furniture & Fixtures	51.24	22.49	8.24	65.49	28.96	5.05	5.90	28.11	37.38	22.27
Computers	58.33	8.00	10.39	55.94	35.83	7.28	9.78	33.33	22.61	22.50
Vehicles	27.59	10.67	1.52	36.74	10.49	2.66	1.31	11.84	24.90	17.10
This Year	**2,467.76**	**1,195.91**	**29.34**	**3,634.33**	**1,065.82**	**127.06**	**23.70**	**1,169.18**	**2,465.15**	**1,401.94**
Previous year	2,387.32	97.26	16.82	2,467.76	972.39	106.57	13.14	1,065.82	1,401.94	—
Capital work in progress *3									300.40	182.54

*1 Includes Rs.3.54 million (Rs.3.54 million) transferred to Revaluation Reserve & Rs.0.06 million (Rs.Nil) capitalised during the year.

*2 Includes land valuing Rs.89.07 million (Rs.12.00 million) pending transfer in the name of the Company.

*3 Inclusive of pre-operative expenditure pending allocation Rs.12.46 million (Rs.57.10 million) and advance against capital expenditure Rs.144.98 million (Rs.57.85 million).

5A INTANGIBLE ASSETS (OTHER THAN INTERNALLY GENERATED)

	GROSS BLOCK				AMORTISATION				NET BLOCK	
	Cost as at 1.4.2004	Additions	Retirement & Disposal/ Adjustments	Total as at 31.3.2005	Upto 31.3.2004	During the Year	Retirement & Disposal/ Adjustments	Todate as at 31.3.2005	As at 31.3.2005	As at 31.3.2004
Computer Software	63.76	11.37	0.06	75.07	38.14	16.03	0.06	54.11	20.96	25.61
Design & Drawing	8.97	3.68	—	12.65	5.29	1.86	—	7.15	5.50	3.69
This year	**72.73**	**15.05**	**0.06**	**87.72**	**43.43**	**17.89**	**0.06**	**61.26**	**26.46**	**29.30**
Previous year	63.03	9.71	—	72.74	21.74	21.70	—	43.44	29.30	—

Note: Intangible assets have not incurred any impairment during the year.

6 INVESTMENTS - (Long Term)

As at 31st March	2005	2004
OTHER THAN TRADE		
Government Securities		
Unquoted		
National Saving Certificates *1	0.13	0.12
Other Securities		
Quoted		
Shares - Fully paid-up		
2,700 Equity shares of Rs.10/- each of Housing Development Finance Corporation Ltd.	0.02	0.02
500 Equity shares of Rs.10/- each of HDFC Bank Ltd.	0.01	0.01
4,835 (4,600) Equity shares of Rs.10/- each of Punjab National Bank	0.23	0.14
Unquoted		
1,821 Ordinary shares in NBI Industrial Finance Co. Ltd. of Rs.10/- each	0.01	0.01
TRADE		
Other Securities		
Unquoted		
Equity Shares - Fully paid-up		
4,34,730 Equity shares of Rs.10/- each of Triveni Entertainment Ltd.	4.35	4.35
99,993 Equity shares of Rs.10/- each of The Engineering & Technical Services Ltd.	1.00	1.00
4,00,060 Equity shares of Rs.10/- each of TOFSL Trading & Investments Ltd.	4.00	4.00
5,00,000 Equity shares of Rs.10/-each of Carvanserai Ltd.	5.00	5.00

Schedules to Accounts (Contd.)

(Rs. Million)

6 INVESTMENTS - (Long Term) (Contd.)

As at 31st March	2005	2004
Preference Shares - Fully paid-up		
8,65,828 6% Non Cumulative Redeemable Preference Shares of Rs.100/- each of TOFSL Trading & Investments Ltd.	86.58	86.58
12,49,129 6% Non Cumulative Redeemable Preference Shares of Rs.100/- each of The Engineering & Technical Services Ltd	124.91	124.91
Subsidiary Companies (Wholly owned) - Unquoted - Fully paid-up		
2,99,840 Equity shares of Rs.10/- each of Triveni SRI Ltd.	3.01	3.01
50,000 Equity shares of Rs.10/- each of Triveni Power Generation Ltd.	0.50	0.50
	229.75	**229.65**
Book Value		
Aggregate amount of quoted investments	0.26	0.16
Aggregate amount of unquoted investments	229.49	229.49
	229.75	**229.65**
Market value of quoted investments	4.14	3.46

*1 Includes Rs. 0.01 million (Rs. 0.01 million) kept as security.

7 INVENTORIES

	2005	2004
Patterns *1	3.81	2.78
Loose Tools, Jigs & Fixtures *1	7.44	8.77
Stocks *2		
- Stores & Spares	132.95	101.37
- Finished Goods	3,624.79	4,049.88
- Raw Materials & Components *3	256.04	122.09
Less : Provision for obsolescence/slow moving stock	(1.45)	—
- Work-in-Progress *4	326.20	144.38
- Scrap *1	3.00	2.59
	4,352.78	**4,431.86**

*1 At estimated realisable value.

*2 As per inventory taken (including material at site) and certified by the officials of the company and valued at lower of cost and net realisable value.

*3 Includes Stock in Transit Rs. 3.17 million (Rs.2.17 million) and lying at port Rs. 0.95 million (Rs. 0.78 million).

*4 Net of cost of completion of Rs.11.31 million (Rs.17.39 million).

8 SUNDRY DEBTORS - (Unsecured)

	2005	2004
Over Six Months		
- Considered Good	151.44	161.29
- Considered Doubtful	7.37	0.56
	158.81	161.85
Less : Provision for doubtful debts	7.37	0.56
	151.44	161.29
Other Debts - Considered Good	515.05	422.42
	666.49	**583.71**

Schedules to Accounts (Contd.)

(Rs. Million)

As at 31st March	2005	2004
9 CASH AND BANK BALANCES		
Cash, Stamps & Cheques in hand *1	50.28	57.22
Balance with Post Office in		
- Saving Account *2	0.87	0.82
Balance with Scheduled Banks in		
- Current Accounts	122.29	53.87
- Savings Accounts	0.19	0.19
- Fixed and Margin Deposits *3	54.24	47.77
	227.87	159.87

*1 Includes Cheques in hand of Rs. 46.85 million (Rs. 50.79 million) and Stamps in hand Rs. 0.01 million (Rs. 0.01 million).
*2 Includes Rs. 0.87 million (Rs. 0.81 million) lying with Government Department as security.
*3 Includes deposits of Rs. 35.37 million (Rs. 30.58 million) kept as security with banks/Government against advances and guarantees.

10 OTHER CURRENT ASSETS		
Interest accrued on deposits and investments	8.98	10.59

11 LOANS AND ADVANCES		
(Unsecured, Considered Good unless otherwise stated)		
Due from Subsidiary Companies (Wholly Owned)	0.05	6.94
Advances, pre-payments and other recoverable in cash or in kind or for value to be received		
- Considered Good	601.20	544.69
- Considered Doubtful	7.52	7.90
	608.72	552.59
Less : Provision for doubtful advances	7.52	7.90
	601.20	544.69
Deposit - Excise Duty	75.18	18.81
Advance payment of Tax *1	—	26.21
	676.43	596.65

*1 Net after adjustment of provision for taxation of Rs. Nil (Rs. 56.59 million).

12 CURRENT LIABILITIES		
Trade & Other Creditors *1 & *2	1,292.28	1,179.74
Advance from customers	511.43	267.51
Investors Education & Protection Fund shall be credited by the following amounts (not due as at the year end)		
- Unclaimed Dividend	8.56	11.08
- Unclaimed Matured Deposits	5.93	3.87
- Unclaimed Debenture Redemption	1.04	1.07
- Interest Accrued on above	2.07	1.95
- Unclaimed Preference Share Redemption	5.27	—
Interest Accrued but Not Due	51.33	66.08
	1,877.91	1,531.30

*1 Includes due to Directors Rs. 0.02 million (Rs. 0.13 million) & Subsidiary Company Rs. 2.09 million (Rs. 9.56 million)

*2 Includes due to Small Scale Industrial Undertakings Rs. 24.30 million (Rs. 36.97 million).

Schedules to Accounts (Contd.)

(Rs. Million)

As at 31st March	2005	2004
13 PROVISIONS		
Proposed Dividend	54.05	24.95
Income Tax on Distributed Profits	7.06	3.20
Gratuity	127.60	115.38
Leave Encashment	21.11	16.77
Provision for Income Tax (Net) *1	63.80	—
Excise Duty on Closing Stock	263.44	282.94
	537.06	443.24

*1 Net after adjustment of Advance payment of Tax of Rs.230.71 million (Rs.Nil)

14 MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Cost of feasibility studies for new projects	0.55	2.50
Voluntary Retirement Scheme & Closure Compensation	27.87	43.39
Training Expenses	0.36	0.63
	28.78	46.52

Year ended 31st March	2005	2004
15 INCOME FROM OPERATIONS (Gross)		
Gross Sales *1		
- Domestic	10,077.88	6,158.74
- Exports *2	132.30	220.43
	10,210.18	6,379.17

*1 Inclusive of service charges and contract receipts Rs.94.75 million (Rs.63.67 million).
*2 Inclusive of export incentives.

16 OTHER INCOME		
Dividend (Gross)		
- Long Term Investments -Other than Trade	0.06	0.06
Rent	0.28	0.20
Profit on Sale of Fixed Assets *1	—	4.87
Credit Balances/Amount written back *2	2.26	—
Exchange Rate Fluctuation	2.83	—
Buffer Stock Subsidy	2.71	3.38
Miscellaneous *3	30.10	25.51
	38.24	34.02

*1 Net off Loss on sale of Fixed Assets/Written off of Rs. Nil (Rs. 1.74 million)
*2 Includes Rs. 0.06 million (Rs. Nil) Bad Debts Recovered and Net off Bad Debts & Amount Written Off of Rs. 5.60 million (Rs.Nil)
*3 Income tax deducted at source Rs. 0.02 million (Rs. 0.02 million).

Schedules to Accounts (Contd.)

(Rs. Million)

Year ended 31st March	2005	2004
17 INCREASE/DECREASE IN WORK-IN-PROGRESS/FINISHED GOODS		
Stock At Commencement		
- Work-In-Progress	161.76	183.31
- Finished Goods	4,049.88	2,713.34
	4,211.64	2,896.65
Add: Adjustment to Stock due to Differential Cane Price (Refer Note - 7 of Schedule 28)	219.04	–
	4,430.68	2,896.65
Less : Stock of Bagasse Consumed	–	3.79
	4,430.68	2,892.86
Stock At Close		
- Work-In-Progress	337.51	161.77
- Finished Goods	3,618.25	4,049.88
	3,955.76	4,211.65
Add/(Less) :Impact of Excise Duty on Finished Goods	20.89	(94.90)
Net Increase/(Decrease)	**(454.03)**	**1,223.89**

Year ended 31st March	2005	2004
18 MATERIALS		
Raw Material & Components		
- Stock at Commencement *	166.31	97.91
Purchases	6,088.66	5,090.06
	6,254.97	5,187.97
Less : Amount Capitalised	3.07	44.21
: Stock at Close	256.05	122.10
	5,995.85	**5,021.66**
Cost of Trading Goods Sold		
- Stock at Commencement	–	–
Purchases	18.52	–
	18.52	–
Less : Stock at Close	6.55	–
	11.97	–
	6,007.82	**5,021.66**

* Net off provision for obsolescence/slow moving stock written back Rs.Nil (Rs.1.00 million).

Year ended 31st March	2005	2004
19 MANUFACTURING / OPERATING		
Stores, Spares & Tools	130.86	114.79
Power & Fuel	47.20	36.00
Machining/Erection Charges	1.53	14.89
Designing & Consultancy	0.33	0.64
Machinery Lease Rent	0.50	2.70
Cane Development Charges	27.24	22.11
Provision for Cost of Completion of Jobs	–	7.24
Repairs & Maintenance:		
- Plant & Machinery	133.85	148.06
- Building *1	16.24	11.10
- General	13.55	9.47
Factory/Operational Expenses	9.64	9.38
Packing & Forwarding	160.48	171.42
	541.42	547.80
Less : Amount Capitalised	12.49	0.62
Less : Cost of Completion for earlier years adjusted	5.03	1.00
	523.90	**546.18**

*1 Includes repairs to rented premises.

Schedules to Accounts (Contd.)

(Rs. Million)

Year ended 31st March	2005	2004
20 PERSONNEL		
Salaries, Wages & Bonus	433.74	396.84
Gratuity	21.84	29.06
Contribution to Provident & Other Funds	46.75	42.31
Welfare	38.23	36.00
	540.56	504.21
Less : Amount Capitalised	9.77	1.37
	530.79	**502.84**

Year ended 31st March	2005	2004
21 ADMINISTRATION		
Travelling & Conveyance *1	78.26	71.80
Rent *2	30.70	20.59
Insurance	23.08	17.46
Rates & Taxes	11.17	8.92
Directors' Fee	0.45	0.59
Bad Debts & Amount Written Off *3	–	24.54
Loss on Sale/written off Fixed Assets *4	11.31	–
Loss on Sale/written off Stores & Spares *5	2.78	0.64
Provision for Bad & Doubtful Debts & Advances *6	6.34	0.33
Diminution in value of Discarded Assets	–	2.00
Prior Period Adjustments (Net)	1.05	4.01
Exchange Rate Fluctuation	–	0.61
Office & Other Administration Expenses *7	153.72	137.04
	318.86	288.53
Less : Amount Capitalised	19.37	7.53
	299.49	**281.00**

*1 Includes Directors' Travelling Rs.5.80 million (Rs.0.58 million).
*2 Includes Rs.0.39 million (Rs.0.31 million) paid to the Managing Director.
*3 Net off Credit Balances written back of Rs.Nil (Rs.4.18 million)
*4 Net off Profit on sale of Fixed Assets of Rs.0.07 million (Rs.Nil).
*5 Includes Rs.1.45 million (Rs.Nil) towards provision for non moving inventory, Net off Profit on sale of Stores & Spares of Rs.Nil (Rs.3,617/-) and Provision for obsolescence/slow moving stock written back of Rs.Nil (Rs.3.05 million)
*6 Net off Provision for Doubtful Debts & Advances Written Back of Rs.0.54 million (Rs.0.87 million).
*7 Net off Excess provision of expenses written back of Rs.1.14 million (Rs.8.07 million).

Year ended 31st March	2005	2004
22 FINANCING		
Interest on		
- Fixed Loans	140.53	107.97
- Others	188.40	198.10
Other Finance charges	1.90	3.41
	330.83	309.48
Less : Interest received on deposits and other accounts [Tax deducted at source Rs.0.54 million (Rs.0.43 million)]	14.63	25.21
Less : Interest Subsidy on Buffer Stock	17.87	25.57
Less : Exchange Rate Fluctuation on Foreign Currency Denomination Loan	(24.45)	32.51
	322.78	226.19
Less : Amount Capitalised	24.96	2.46
	297.82	**223.73**

Schedules to Accounts (Contd.)

(Rs. Million)

Year ended 31st March	2005	2004
23 SELLING		
Commission	45.98	48.76
Royalty	5.12	5.81
Packing & Forwarding	33.12	28.97
Rebate & Discount	2.84	—
After Sales Expenses & Others	20.90	14.82
	107.96	**98.36**

24 AMORTISATION		
Voluntary Retirement Scheme & Closure Compensation	21.77	24.98
Capitalised Lease Assets	13.38	13.87
Intangible Assets	17.89	21.70
Others	2.23	3.99
	55.27	**64.54**

25 OFF SEASON EXPENSES CHARGED (NET)		
Opening off - season deferred expenses	47.79	120.16
Closing off - season deferred expenses	43.39	47.79
Net off - season expenses charged	**4.40**	**72.37**

26 EXTRA-ORDINARY CHARGE		
(Refer Note - 7 of Schedule 28)		
Differential Cane Price	368.57	—
Less: Withdrawn from		
- Amalgamation Reserve	26.46	—
- General Reserve	309.43	—
- Opening Surplus	32.68	—
	—	—

27 PROVISION FOR TAXATION		
For Current Year		
- Current Tax (incl. Wealth Tax Rs.0.45 million (Previous Year Rs.0.45 million)	230.45	26.05
- Deferred Tax	10.57	47.26
	241.02	73.31
For Earlier Years (Net)		
- Tax (incl.Wealth Tax (Rs.0.25 million) (Previous Year Rs.0.05 million)	4.84	4.29
	245.86	**77.60**

Schedules to Accounts (Contd.)

28 NOTES TO ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of Financial Statements

These financial statements have been prepared on the accrual basis of accounting under the historical cost convention, except for revaluation of certain fixed assets and in accordance with the Companies Act, 1956 and the applicable accounting standards issued by the Institute of Chartered Accountants of India.

b) Fixed Assets

i. Fixed assets are stated at cost of acquisition and subsequent improvements thereto including taxes, duties (excluding excise duty for which modvat claim is available), freight and other incidental expenses relating to acquisition and installation. In the case of sugar units, administrative and personnel expenses, estimated at 3% of the cost of machinery/building are also capitalised alongwith the cost of equipments and building under installation/construction and/or put to use during the year. Plant & machinery at Deoband unit purchased prior to 1st November 1986 and a property at Head Office Noida (UP), are stated at revalued cost.

ii. Interest on borrowings relating to acquisition of fixed assets is capitalised upto the period such assets are put to use for commercial production.

iii. Pre-operative expenses for major projects are capitalised.

iv. Discarded fixed assets are stated at lower of net book value (at the time of discarding of assets) or net realisable value. Wherever, the net book value of the assets can not be reasonably determined, it is stated at net realisable value.

c) Recognition of Income/Expenditure

i. Sales of product and services are recognised on despatch of goods or when the services are rendered. Gross sales are stated at contractual realisable values inclusive of excise duty and net of sales tax and trade discounts.

ii. In respect of contracts/projects entered upto 31st March, 2003, profit is recognised on completion or on substantial completion of the contract. Provision is, however, made for foreseeable losses, if any, in respect of contracts which have been substantially completed. Escalation income is accounted for as per the terms of contract or when the same is accepted by the customer.

iii. Off-season expenses, other than interest expenses, selling expenses and non-operating expense/income earned during off-season, are deferred and are absorbed over the ensuing crushing season as estimated by the management.

iv. Income/Expenditure relating to prior period and prepaid expenses which do not exceed Rs.0.01 million in each case, are treated as Income/Expenditure of current year.

v. Deferred Revenue Expenditure

a) Front End Fee on loan is amortised over the period of loan.

b) Compensation under Voluntary Retirement Scheme is amortised over 36 months.

c) Deferred revenue expenditure, other than above not qualifying as Intangible assets, incurred after 31st March 2003, is written off in the period in which it is incurred. However, such expenditure incurred prior to 1st April 2003 is amortised as per following norms :

		Months over which amortised
1.	Restructuring fee towards cost and operation efficiency	36 months
2.	Compensation to employees on closure	60 months
3.	Technical know-how fee and training expenses of personnel with Foreign Collaborators	72 Months
4.	Cost of feasibility studies for new projects	36 Months
5.	Market Survey Expenses (before launch)	36 Months

d) Foreign Currency Transactions

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

ii. Monetary items denominated in foreign currencies at the year-end and not covered by forward exchange contracts are translated at year end rates and those covered by foreign contracts are translated at rate at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognised over the life of the contract.

Schedules to Accounts (Contd.)

28 NOTES TO ACCOUNTS (CONTD.)

iii. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit & Loss Account except in cases where they relate to the loans and liabilities incurred for acquisition of Fixed Assets in which case they are adjusted to the carrying cost of such assets.

e) Inventories

i. Inventories of raw materials & components, stores and spares are valued at lower of cost and net realisable value. Cost of raw materials, stores and spares is ascertain on weighted average basis and in the case of contracts entered upto 31st March, 2003 at Projects Division, it is ascertained on specific cost basis.

ii. Finished goods and Work-in-progress (other than of Projects Division) are valued at lower of cost and net realisable value. Excise duty is included in the value of finished goods.

iii. Work-in-progress relating to contracts entered upto 31st March, 2003 at Projects Division is valued at cost and cost for this purpose includes all direct allocable expenses (including specific selling expenses) and apportioning of all indirect expenses.

iv. By products, Patterns, Loose tools, jigs and fixture and scrap are valued at estimated net realisable value.

f) Depreciation

i) Depreciation on fixed assets is provided on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956 as amended by notification No.GSR 756E dated 16.12.1993 except for the following assets which are depreciated on the straight line basis over their estimated useful economic life of the assets as follows :

		Rates adopted
i) Plant & Machinery used in Co-Generation Unit	—	6.33%
ii) Mobile phone costing above Rs.5,000/-	—	50%

ii) Cost of Leasehold Land is amortised over the lease period

iii) Fixture and Fittings and improvement to Leasehold building not owned by the Company are amortised over the lease period or estimated life which ever is lower.

iv) The additional depreciation, as considered appropriate by the Company, on increase in cost on account of revaluation is transferred to the Profit & Loss Account from the Revaluation Reserves and is thus not charged to Profit & Loss Account for the year.

g) Investments

Investments are valued at cost inclusive of expenses incidental to their acquisition. Investments meant for long term is carried at cost and any diminution in value, though material, is not recognized if such diminution in value, in the opinion of the management, is temporary in nature.

h) Retirement Benefits

Provision is made in the accounts on account of Company s liability in respect of Gratuity and Leave Encashment benefits on the basis of actuarial valuation. Company s contribution to Superannuation scheme, recognized by the Income Tax authorities, is accounted on accrual basis.

i) Accounting of assets acquired under lease

In respect of plant & machinery acquired on lease before 1st April 2001, the principal value of the lease (including sale value on the expiry of lease), representing fair value of the assets, is amortised over technically estimated lives of such assets and unamortised value of such lease rentals are stated separately under the Fixed Assets . Portion of the lease rentals representing finance cost are charged off in the period in which these accrue. Lease rentals of other assets, acquired before 1st April 2001 are charged off in the period in which these accrue.

j) Taxes on Income

Tax liability of the Company is estimated considering the provisions of the Income Tax Act, 1961. Deferred Tax is recognized subject to the consideration of prudence, on timing differences, in respect of difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Schedules to Accounts (Contd.)

28 NOTES TO ACCOUNTS (CONTD.)

k) Intangible Assets

All expenditure, qualifying as intangible assets, incurred after 1st April, 2003 is amortised over estimated useful life, not exceeding 10 years.

The following norms are followed for the amortisation of the intangible assets.

	Period of amortisation
Computer Software	36 months
Design & Drawings	72 months

2 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

(a) Guarantees given on behalf of United Shippers & Dredgers Ltd. Rs 4.77 million (Rs.4.77 million) and on behalf of subsidiary company Triveni SRI Ltd Rs.0.1 million (Rs.0.1 million).

(b) Claims against the Company not acknowledged as debts (as certified by the Management)

(Rs. Million)

	2005	2004
i) Claims which are being contested by the company and in respect of which the company has paid amounts aggregating to Rs.36.63 million (Rs.37.56 million) under protest pending final adjudication of the cases:	161.23	149.27

Sl. No.	Particulars	Amount of Contingent Liability	Amount Paid
1	Sales Tax	55.77 (57.43)	33.64 (34.04)
2	Excise Duty	32.45 (33.15)	1.83 (2.36)
3	Cane Commission	33.92 (16.59)	— (–)
4	Others	39.09 (42.11)	1.16 (1.16)

The outflow arising from these claims is uncertain and is after adjusting likelihood reimbursement of Rs.9.08 million from customers in respect of Central Excise demands on account of denial of benefit under Notification No.6/2000.

	2005	2004
ii) The Company is contingently liable in respect of short provision against disputed income tax liabilities of Rs.9.40 million (Previous Year Rs.13.00 million). The amounts have not been provided in the accounts in view of reliefs expected in appeals. However against such unprovided disputed liabilities amount of Rs.8.92 million has been paid by the Company and included under the head Advance Payment of Tax (Previous Year Rs.13.00 million).	9.40	13.00
iii) Excise/Custom duty has been paid by the Company under protest in respect of certificates issued by the Project Implementing Authority (PIA) under Notifications 108/95 CE dated 28.8.1995 (as amended) and 84/97 Cus dated 11.11.1997 (as amended) which were later found to be invalid and based on which, the suppliers had despatched the capital goods to Cogeneration Project at Deoband without payment of duty. With a view to cure the procedural defect and to have the exemption restored, the Company has obtained certified true copies of the earlier certificates from the PIA and has obtained a direction from Hon ble Allahabad High Court against Ministry of Finance to nominate the line ministry for countersignatures of these certificates.	26.64	—

Schedules to Accounts (Contd.)

28 NOTES TO ACCOUNTS (CONTD.)

(Rs. Million)

	2005	2004
iv) In respect of levy price differential claim for 1973-74 including interest, Supreme Court has remanded the matter back to the High Court of Delhi and restored the interim order.	12.42	11.93
v) Indeterminate liability arising from claims / counter claims in arbitration cases, claims of some employees/ex-employees and in respect of service tax, if any, on certain activities of the Company which are being contested by the Company.		

(c) Encashment of Bank Guarantees and amount withheld by the customers in earlier years, against which the Company has filed recovery suits / appeals in the Courts or made representation to the customer — Rs.96.00 million (Rs. 99.00 million). Pending final decision, the amount of Rs.104.09 million (Rs.104.09 million) paid against above (including cheque for Rs.2.00 million yet to be encashed) are included under "Advance Recoverable in Cash or in Kind" and Sundry Debtors and are considered good and no account are taken for claims by or against the Company.

(d) Rs.25.63 million (Rs.25.63 million) paid to defaulting suppliers and contractors of the molasses based chemical project. The cases are subjudice and pending final outcome, such balances as appearing in Loans & Advances have been considered good and no account has been taken of claims by or against the Company.

3. Advances recoverable in cash or in kind include

a) Due from the Company Secretary-Rs.0.14 million (Rs.0.05 million). Maximum amount due at any time during the year Rs.0.25 million (Rs.0.16 million).

b) Rs.0.02 million (Rs.0.02 million) and Rs.0.29 million (Rs.0.24 million) on account of Security Deposit paid to the Managing Director and Company Secretary respectively against leased property.

4. Outstanding commitments for capital expenditure (net of advances) Rs.898.48 million (Rs.360.98 million).

5. Name of the Small Scale Industrial Undertakings where the amount is outstanding for more than 30 days as at the year end are as per details given below:-

Arya Machine Tools, U.P. Engineering Co. & Uttam Fabricators.

6. (i) The Company has taken assets under lease of the value of Rs.46.02 million (Rs.46.02 million) before 31.3.2002. The future rental obligation as per the contracts is Rs.1.36 million (Rs.2.96 million).

(ii) (a) The Company has taken various residential, office and godown premises under operating lease. These are generally not non-cancelable and range between 11 months to 6 years and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits under certain agreements.

(b) Lease payments under operating lease are recognized in the Profit & Loss Account under Rent in Schedule 21

(c) The future minimum lease payments under non-cancelable operating lease :

— Not later than one year Rs.13.08 million (Rs.0.05 million).

— Later than one year and not later than five years Rs.22.88 million (Rs.Nil).

7. In May 2004, the Hon ble Supreme Court delivered a judgement upholding the powers of the State Government to fix the sugar cane price. The company, without prejudice to its legal rights on certain issues, has provided for the entire differential cane price relating to sugar seasons 1996-97, 2002-03 and 2003-04 aggregating to Rs.604.62 million. The differential cane price of Rs.368.57 million pertaining to the sugar sold in the earlier years is considered as Extraordinary Charge and an equivalent amount is therefore withdrawn from Amalgamation Reserve (in respect of price for 1996-97 pertaining to Khatauli sugar unit of erstwhile Triveni Engineering & Industries Limited prior to its merger with this Company)/General Reserve/Surplus to meet the charge.

Schedules to Accounts (Contd.)

28 NOTES TO ACCOUNTS (CONTD.)

8. (a) The Exchange rate difference (gain) amounting to Rs.1.22 million (Net) in connection with acquiring fixed assets has been adjusted in the carrying amount of relevant fixed assets.

(b) The Exchange rate difference in respect of forward exchange contracts to be recognised in the Profit & Loss Account of subsequent periods Income Rs.Nil (Rs.0.43 million) [Expense — Rs.Nil (Rs.2.13 million)].

9. Details of Prior Period Adjustments (Net) in Schedule 21 is as under :

(Rs. Million)

Sl. No.	Particulars	2005	2004
A.	**Expenditure**		
1.	Purchases (Raw Material)	0.09	0.69
2.	Stores, Spares & Tools	0.06	—
3.	Machinery Lease Rent	—	(0.01)
4.	Repairs & Maintenance — Plant & Machinery	0.02	—
5.	Salaries, Wages & Bonus	0.01	(0.07)
6.	Rates & Taxes	1.02	0.44
7.	Office & Other Administration Expenses	(0.15)	0.01
8.	Royalty	0.02	0.63
9.	Packing & Forwarding	0.11	(0.02)
10.	Other Selling Expenses	(0.02)	—
11.	Interest on Cash Credit	(0.13)	—
12.	Interest on Others	0.37	2.34
13.	Depreciation	(0.44)	—
	Total Expenditure (A)	**0.96**	**4.01**
B.	**Income**		
1.	Sales	(0.15)	—
2.	Interest Received	0.06	—
	Total Income (B)	**(0.09)**	—
	Prior Period Adjustment (Net) (A-B)	**1.05**	**4.01**

10. Pursuant to compliance of clause 32 of the Listing Agreement, on disclosure of Loans/Advances in the nature of loans, the relevant information is provided hereunder:

Sl. No.	Particulars	As on 31.3.2005	Maximum Amount due during the year
1.	Loans & Advances to Subsidiaries (Note1)		
	— Triveni SRI Ltd	Nil	9.81
		(6.77)	(6.77)
	— Triveni Power Generation Ltd	0.05	0.17
		(0.17)	(0.17)
2.	Loans & Advances to Associates (Note1)		
	— TOFSL Trading & Investments Ltd	0.00	0.14
		(0.14)	(3.15)
	— The Engineering & Technical Services Ltd	Nil	Nil
		(Nil)	(1.70)
	— Carvanserai Ltd (Note 2)	39.34	65.73
		(65.73)	(66.03)

Schedules to Accounts (Contd.)

28 NOTES TO ACCOUNTS (CONTD.)

(Rs. Million)

Sl. No.	Particulars	Rs. million		No. of Shares	
		As on 31.3.2005	Maximum During the Year	As on 31.3.2005	Maximum During the Year
3	Investments by the loanee in the shares of Triveni Engineering & Industries Ltd			Rs.1/- each (Rs.10/- each)	Rs.10/- each (Rs.10/- each)
	— TOFSL Trading & Investments Ltd	24.13	94.79	40,97,000	16,09,700
		(94.79)	(94.79)	(16,09,700)	(16,09,700)
	— The Engineering & Technical Services Ltd	33.05	126.24	31,91,500	12,19,150
		(126.24)	(126.24)	(12,19,150)	(12,19,150)
	— Carvanserai Ltd	14.63	57.46	18,79,100	7,37,910
		(57.46)	(57.46)	(7,37,910)	(7,37,910)

Note : 1. There are no repayment schedule for the above loans and advances as these are in the nature of current account and repayable on demand.

2. No interest has been charged based on contractual commercial reasons.

3. Loans to employees as per Company s policy are not considered.

11. In compliance with the Accounting Standard on Taxation on Income (AS-22) issued by Institute of Chartered Accountants of India the breakup of net deferred tax liability is provided below :

Particulars	Deferred tax liability (deferred tax asset) 2005	2004
Difference in Net Book values of Fixed Assets as per accounts & tax	391.60	390.20
Expenses deferred in books but claimed in tax	16.21	18.27
Gratuity	(42.22)	(41.39)
Other Provisions disallowable u/s 43-B	(26.19)	(39.11)
Others (net)	4.74	5.62
Net deferred tax liability	**344.14**	**333.59**

12. Pursuant to compliance of AS-18 on Related Party disclosures, the relevant information is provided here below :

a) The details of related parties where transactions have taken place during the Year :

i) Subsidiaries (Group A)
Triveni SRI Limited — wholly owned subsidiary
Triveni Power Generation Ltd — wholly owned subsidiary

ii) Associates (Group B)
TOFSL Trading & Investments Limited
The Engineering & Technical Services Limited
Triveni Entertainment Limited
Carvanserai Limited

iii) Key Management Person (Group C)
Mr D M Sawhney, Chairman & Managing Director

iv) Key Management person relatives (Group D)
Mrs Rati Sawhney
Mr Tarun Sawhney
Mr Nikhil Sawhney

v) Companies in which key management person or his relatives have substantial interest/significant influence (Group E)
Kameni Upaskar Limited

Schedules to Accounts (Contd.)

28 NOTES TO ACCOUNTS (CONTD.)

b) Details of transactions with the related parties :

(Rs. Million)

Nature of Transaction	GROUP A	B	C	D	E	TOTAL
1. Sales and rendering of Services	0.83	318.80	—	—	—	319.63
	(1.26)	(0.39)	(-)	(-)	(-)	(1.65)
2. Purchases and receiving Services	0.07	—	—	—	—	0.07
	(-)	(-)	(-)	(-)	(-)	(-)
3. Purchase of Fixed Assets	43.38	0.20	—	—	—	43.58
	(19.72)	(0.20)	(-)	(-)	(-)	(19.92)
4. Rent Paid	—	—	0.40	—	1.99	2.39
	(-)	(-)	(0.31)	(-)	(0.90)	(1.21)
5. Rent & Other Charges Received	—	0.24	—	—	—	0.24
	(-)	(-)	(-)	(-)	(-)	(-)
6. Amount Advanced / Refunded on Expense incurred (Net)	1.05	-24.92	—	—	—	-23.87
	(2.30)	(-5.08)	(-)	(-)	(-)	(-2.78)
7. Interest Received	0.45	2.04	—	—	—	2.49
	(0.27)	(0.12)	(-)	(-)	(-)	(0.39)
8. Interest Paid	—	0.16	—	0.02	0.01	0.19
	(-)	(0.18)	(-)	(0.03)	(0.02)	(0.23)
9. Remuneration	—	—	5.40	5.48	—	10.88
	(-)	(-)	(4.99)	(2.96)	(-)	(7.95)
10. Outstanding balances as on 31.3.2005						
A) Receivable	0.05	241.09	0.02	—	0.90	242.06
	(6.94)	(65.87)	(0.02)	(-)	(0.36)	(73.19)
B) Payable	2.09	2.59	0.02	0.15	—	4.85
	(9.56)	(2.70)	(0.12)	(0.19)	(0.35)	(12.92)
- Guarantees Outstanding	0.10	—	—	—	—	0.10
	(0.10)	(-)	(-)	(-)	(-)	(0.10)

1. Figures for previous year are regrouped and rearranged wherever necessary to make them comparable.
2. Figures given in brackets relate to previous year.

13. Pursuant to compliance of AS-20 on Earning per Share, the relevant information is provided here below:

	2004-2005	2003-2004
1. Net profit after tax as per Profit & Loss Account	995.20	177.58
2. Preference Dividend (including Income Tax thereon)	2.70	5.37
3. Net Profit after tax and Preference Dividend (1) — (2)	992.50	172.21
4. No. of Equity Shares of Rs.1/- during the year (weighted average)	8,31,52,060	8,31,52,060
Earning per equity share of Rs.1/- each Basic/Diluted (3)/(4)	**11.94**	**2.07**

Note : Earning per share for the year 2003-04 is restated consequent to sub-division of equity share.

Schedules to Accounts (Contd.)

28 NOTES TO ACCOUNTS (CONTD.)

14. Office and other administration expenses in Schedule 21 include the following amounts paid/payable to the Auditors on account of :

(Rs. Million)

	Statutory Auditors		Branch Auditors		Cost Auditors	
	2005	2004	2005	2004	2005	2004
Audit Fees	1.17	0.95	0.30*	0.30	0.05	0.05
Fees for tax matters including tax audit	0.41	0.32	0.11*	0.11	—	—
Management & Other Services	0.54	0.51	0.17*	0.17	—	—
Reimbursement of Expenses	0.09	0.08	0.75	0.68	—	—
Total	**2.21**	**1.86**	**1.33**	**1.26**	**0.05**	**0.05**

* Includes Rs.0.02 million adjusted against Cenvat

15 (a) Managing Director s Remuneration :

	2004-2005	2003-2004
Salary	2.99	3.00
Commission	—	—
Contribution to PF & Other Funds	0.81	0.81
Gratuity	0.14	0.14
Other Perquisites	1.46	1.04
Total	**5.40**	**4.99**

(b) Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956.

	2004-2005	2003-2004
Profit before Tax as per Profit & Loss Account	1241.06	—
Add		
Remuneration paid/payable to Managing Director	5.40	—
Director s Fees	0.45	—
Loss on sale/write off fixed assets	11.31	—
	1,258.22	**—**
Less		
Excess of expenses over income in earlier years	241.20	—
Differential Cane price adjusted from reserves	368.57	—
	609.77	**—**
Net Profit for the purpose of calculation of Managing Director s Remuneration	**648.45**	**—**
Remuneration @ 3% on Net Profits	19.45	—
Less : Already Paid	5.40	—
Balance payable as Commission	14.05	—
Restricted to	**13.50**	**—**

Note: The aforesaid commission shall be provided and paid after the Approval of the shareholders. Further, the tenure of the Managing Director has expired on 30.3.2005 and the Board has approved further term of five years commencing 31.3.2005 at the terms to be approved by the shareholders. The salary for one day in the current year shall also be provided and paid after approval of the terms by the shareholders.

Schedules to Accounts (Contd.)

28 NOTES TO ACCOUNTS (CONTD.)

16. Statement of additional information

(Rs. Million)

	2004-2005	2003-2004
a) Value of imports on CIF basis :		
Raw Materials	125.59	66.03
Components & spare parts	1.91	0.01
Capital Goods (includes advance against		
Capital Goods Rs.Nil (Rs.11.11 million)	178.75	11.65
b) Expenditure in foreign currency		
i) Travelling	10.67	10.23
ii) Royalty	5.12	4.15
iii) Technical know-how	2.88	2.77
iv) Others	7.38	6.84
v) Dividend to NRIs		
Final Dividend on Equity Shares		
Amount remitted	—	—
No. of shareholders	—	20
No. of shares held	—	1588
Year for Dividend Paid	—	2002-2003
Preference Dividend on Preference Shares		
Amount remitted	—	—
No. of shareholders	39	—
No. of shares held	2652	—
Year for Dividend Paid	2004-2005	—
vi) Redemption of Preference Shares to NRI		
Amount remitted	0.06	—
No. of shareholders	39	—
No. of shares held	2652	—
Year for Redemption	2004-2005	—
c) Earnings in foreign exchange :		
Exports of goods on F.O.B. basis	102.41	213.67
Service Charges	9.50	3.40
Miscellaneous Income		
— Commission Received	—	0.41

d) Consumption of raw material, spare parts, components and stores :

Class of Goods	2004-2005		2003-2004	
	Rs. Million	%	Rs. Million	%
i) Raw Material				
— Directly imported	123.71	2.06%	67.84	1.35%
— Indigenous	5872.14	97.94%	4953.82	98.65%
ii) Spare Parts				
— Directly imported	2.72	2.08%	0.16	0.14%
— Indigenous	128.14	97.92%	114.63	99.86%

Schedules to Accounts (Contd.)

28 NOTES TO ACCOUNTS (CONTD.)

e) Licensed and Installed Capacities & Actual Production:

(Rs. Million)

Class of Goods	Units	Licensed Capacity 2004-05	Licensed Capacity 2003-04	Installed Capacity *1 2004-05	Installed Capacity *1 2003-04	Actual Production *2 2004-05	Actual Production *2 2003-04
Sugar	MT	NA	NA	25,250 TCD	25,250 TCD	384,292.10	444,415.40
Molasses	MT	NA	NA	—	—	182,262.05	226,908.55
Project & Engg Activities *3 (Sugar, Water & Hydel)	Rs. million	NA	NA	NA	NA	90.26	121.00
Steam & Gas Turbines	Nos.	NA	NA	96	96	40	38
High Speed Reduction Gears	Nos.	NA	NA	450	450	267	249
Power (Cogeneration Plant)	KWH	NA	NA	22 MW	—	50,711,000	—

*1 As certified by officials of the company.

*2 Includes capital/captive production.

*3 In view of varying range of products, it is not possible to express in a common unit.

N.A. - Not Applicable

TCD - Metric Tons of cane crushed per day.

MT - Metric Tons

KWH - Kilo Watt per hour

MW - Mega Watt

f) Opening Stock, Closing Stock & Sales

i) Manufactured Goods

(Rs. Million)

Class of Goods	Units	Opening Stock Qty	Opening Stock Rs Million	Closing Stock Qty	Closing Stock Rs Million	Sales (Gross) Qty	Sales (Gross) Rs Million
Sugar *1	MT	343,274.50	4,014.94	252,934.50	3,394.20	474,576.10	7,461.79
		(229,417.00)	(2,684.97)	(343,274.50)	(4,014.94)	(330,192.40)	(4,394.30)
Molasses *2	MT	10,182.39	14.59	52,206.44	209.10	139,739.41	526.93
		(13,919.67)	(22.98)	(10,182.39)	(14.59)	(232,028.94)	(337.45)
Steam Turbines	Nos	1	15.93	—	—	41	787.10
and related equipments		(–)	(–)	(1)	(15.93)	(37)	(701.40)
High Speed Reduction	Nos	—	—	—	—	267	173.90
Gears *3		(–)	(–)	(–)	(–)	(249)	(192.30)
Project & Engg Activities	Rs.	—	—	—	—	—	90.26
(Sugar, Water & Hydel)	Million	(–)	(–)	(–)	(–)	(–)	(121.00)
Power *3	KWH	—	—	—	—	50,711,000	114.83
(Cogeneration Plant)		(–)	(–)	(–)	(–)	(–)	(–)
Others	Rs.	—	4.42	—	14.94	—	1,042.98
	Million	(–)	(5.39)	(–)	(4.42)	(–)	(632.72)

*1 Closing stock of sugar is after adjusting 56MT(365.50 MT) on account of reprocessing loss.

*2 Closing stock of molasses is after adjusting 498.59 (1383.11 MT excess).

*3 Includes 58 High Speed Reduction Gears & 97,97,000 KW Power for captive consumption.

Schedules to Accounts (Contd.)

28 NOTES TO ACCOUNTS (CONTD.)

ii) Trading Goods

(Rs. Million)

Class of Goods	Units	Opening Stock Qty	Opening Stock Rs Million	Purchases Qty	Purchases Rs Million	Closing Stock Qty	Closing Stock Rs Million	Sales (Gross) Qty	Sales (Gross) Rs Million
Fertilizers	MT	(–)	(–)	43,010.00	11.81	11,628.00	3.34	31,382.00	8.93
		(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
Pesticides	MT	(–)	(–)	28,581.00	3.23	23,697.00	2.18	4,884.00	1.07
		(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)
Others	Nos	(–)	(–)	460	3.47	58	1.03	405.81	2.39
		(–)	(–)	(–)	(–)	(–)	(–)	(–)	(–)

MT - Metric Tonnes

KWH - Kilo Watt per hour

g) Break up of Raw Material and Components Consumed

Class of Goods	Unit	2005 Qty.	2005 Rs. Million	2004 Qty.	2004 Rs. Million
Sugar Cane	MT	3,696,252	4339.00	4,330,153	4,118.33
Raw Sugar	MT	755,003	173.57	—	—
Bought outs *1			1,043.51		676.94
Others *1			439.77		226.39
			5,995.85		**5,021.66**

*1 Quantitative data has not been furnished as purchases are made in different Units i.e. weight, number etc.

17. Figures for the previous year are regrouped and rearranged wherever necessary. Figures given in brackets relate to previous year.

18. Schedule '1' to '28' form an integral part of the Balance Sheet and Profit & Loss Account

Place : Noida (UP) Date : May 2, 2005	**Dhruv M. Sawhney** *Chairman & Managing Director*	**Lt. Gen. K K Hazari (Retd.)** *Director & Chairman Audit Committee*	**V P Ghuliani** *Vice President (Legal) & Company Secretary*	**Suresh Taneja** *Vice President (Corporate Finance)*

Cash Flow Statement

(Rs. Million)

For the year ended 31st March	2005	2004
A. Cash Flow from Operating Activities		
Profit Before Tax	**1,241.06**	**255.18**
Add : Extra-ordinary charge in respect of earlier years adjusted with reserves	(368.57)	—
Add : Depreciation	123.02	103.03
Amortisation		
— Machinery Lease Rentals	13.38	14.25
— Intangible Assets	17.89	21.70
— Miscellaneous Expenditure	23.99	28.97
Less : Incomes/Expenses treated separately		
Dividend Income	0.06	0.06
Profit/(Loss) on sale of Fixed Assets	(11.31)	4.87
Diminution in value of discarded assets	—	(2.00)
Interest Expenses	(330.31)	(274.52)
Interest Income	32.50	50.78
Deferred Revenue Expenditure Incurred	6.25	52.21
Operating Profit before Working Capital changes	**1,353.58**	**591.73**
Changes in Working Capital		
Changes in Inventories	79.09	(1,344.41)
Changes in Receivables	(82.79)	(211.83)
Changes in Other Trade Receivables	(145.92)	2.82
Changes in Current Liabilities	355.74	420.72
Direct Taxes Paid (Net) including wealth tax	(145.28)	(12.69)
Net Changes in Working Capital	**60.84**	**(1,145.39)**
Cash Flow from operating activities	**1,414.42**	**(553.66)**
B. Cash Flow from Investment Activities		
Purchase of Fixed/Intangible Assets	(1,328.95)	(272.91)
Sale of Fixed/Intangible Assets	1.64	8.69
Purchase of Investments - Others	(0.10)	—
Changes in Loans & Advances	24.05	4.77
Interest Income	44.95	39.06
Dividend Income	0.06	0.06
Net Cash Flow in Investment Activities	**(1,258.35)**	**(220.33)**

Cash Flow Statement (Contd.)

(Rs. Million)

For the year ended 31st March	2005	2004
C. Cash Flow from Financing Activities		
Decrease/Increase in Short Term Borrowings (Net)	(41.86)	50.22
Increase in Long Term Borrowings (Net)	556.03	110.45
Decrease/Increase in Cash Credit	(120.83)	933.45
Interest Paid	(340.50)	(269.65)
Machinery Lease Rentals	(1.37)	(7.29)
Redemption of Preference Shares (including premium)	(78.19)	—
Dividend Paid (Including Tax on Distributed Profit)	(66.20)	(21.54)
Net Cash Flow used in Financing Activities	**(92.92)**	**795.64**
Net Increase/Decrease in Cash & Cash Equivalents	**63.15**	**21.65**
Opening Cash & Cash Equivalents	**128.48**	**106.83**
Closing Cash & Cash Equivalents	**191.63**	**128.48**

Notes to Accounts Schedule 28.

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of
J.C. Bhalla & Company
Chartered Accountants

Sudhir Mallick	**Dhruv M. Sawhney**	**Lt. Gen. K K Hazari (Retd.)**	**V P Ghuliani**	**Suresh Taneja**
Partner	*Chairman & Managing Director*	*Director & Chairman Audit Committee*	*Vice President (Legal) & Company Secretary*	*Vice President (Corporate Finance)*

Place : Noida (UP)
Date : May 2, 2005

Balance Sheet Abstract

Balance Sheet Abstract and Company s General Business Profiles

I. Registration Details

Registration No.	0 2 2 1 7 4
State Code	2 0
Balance Sheet Date	3 1 (Date) 0 3 (Month) 2 0 0 5 (Year)

II. Capital Raised during the year (Rs. Million)

Public issue	NIL
Right Issue	NIL
Bonus issue	NIL
Private placement	NIL

III. Position of Mobilisation and Deployment of Funds (Rs. Million)

Total Liabilities	6786.36
Total Assets	6786.36

Sources of funds

Paid-up Capital	103.02
Reserves & Surplus	1838.27
Secured loans	4299.64
Unsecured loans	201.29
Deferred Tax Liability (Net)	344.14

Application of funds

Net fixed assets*	3010.25
Investments	229.75
Net current assets	3517.58
Miscellaneous expenditure	28.78

* include Plant & Machinery acquired under lease.

IV. Performance of Company (Rs. Million)

GrossTurnover (including other income)	10248.42
Total Expenditure	9007.36
Profit Before Tax	1241.06
Profit After Tax	995.20
Earning Per Share in Rs.	11.94
Dividend Rate %	100

V. Generic Names of Three Principal Products/Services of Company

Item Code No.	1 7 0 1 1 1 0 0
Product Description	MANUFACTURE OF SUGAR
Item Code No.	0 0 0 0 8 4 0 6
Product Description	MANUFACTURE OF STEAM TURBINE
Item Code No.	N. A.
Product Description	CO-GENERATION

Auditors Report

To the Board of Directors of
Triveni Engineering and Industries Limited

We have examined the attached Consolidated Balance Sheet of Triveni Engineering & Industries Limited and its Subsidiaries Triveni SRI Limited and Triveni Power Generation Ltd (subsequently name changed to Abohar Power Generation Ltd) as at 31st March 2005 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting, the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of Triveni Power Generation Ltd (subsequently name changed to Abohar Power Generation Ltd) which have been audited by the other auditor and whose report has been forwarded to us and considered by us in preparing our report.

The investments in Associates are accounted in these consolidated financial statements in accordance with the requirements of Accounting Standard (AS) — 23 — Accounting for Investments in Associates in Consolidated Financial Statements , issued by the Institute of Chartered Accountants of India.

We did not audit the financial statements of Indian Associates TOFSL Trading & Investments Ltd and Carvanserai Limited which have been audited by other auditors and whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these associates is based solely on the reports of the other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company, its subsidiaries and its associates included in the consolidated financial statement.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company, its subsidiaries and its associates, we are of the opinion that the said 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 consolidated state of affairs of the Company, its subsidiaries and its interest in associates as at 31st March, 2005;

(b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company, its subsidiaries and its interest in associates for the year then ended and

(c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Company, its subsidiaries and its interest in associates for the year then ended.

For and on behalf of
J C Bhalla & Company
Chartered Accountants

(Sudhir Mallick)
Partner
Membership No. 80051

Place : Noida (UP)
Date : May 2, 2005

Consolidated Financial Statements of Triveni Engineering & Industries Limited and its Subsidiary Companies

Consolidated Balance Sheet

(Rs. Million)

As at 31st March		2005	2004
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital		103.02	122.89
Reserves & Surplus		1,825.98	1,363.75
		1,929.00	1,486.64
Loan Funds			
Secured Loans		4,299.64	3,864.44
Unsecured Loans		201.29	238.70
		4,500.93	4,103.14
Deferred Tax Liability (Net)		343.60	333.00
Total Funds Employed		**6,773.53**	**5,922.78**
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block		3,634.41	2,467.83
Less : Depreciation		1,169.24	1,065.87
Net Block		2,465.17	1,401.96
Capital Work-in-Progress		300.40	182.54
Intangible Assets		27.81	31.35
Discarded Fixed Assets Pending Disposal/Sale		2.22	2.03
Plant & Machinery acquired under Lease		216.02	234.91
Goodwill		0.01	0.01
		3,011.63	**1,852.80**
Long Term Investments			
In Associates			
— Equity Shares at original cost (including Rs.5.20 million	14.35		
of Goodwill (Net of Capital Reserve) arising on			
acquisition of associates as per equity method)	—		
Add/(Less) : Accumulated Income/(Loss) from Associates	(10.73)	3.62	4.44
— Preference Shares		211.50	211.50
Others		0.43	0.33
		215.55	**216.27**
Current Assets, Loans and Advances			
Inventories		4,354.53	4,435.49
Sundry Debtors		671.54	588.87
Cash and Bank Balances		228.41	162.25
Other Current Assets		8.98	10.59
Loans and Advances		676.80	589.99
		5,940.26	5,787.19
Less : Current Liabilities and Provisions			
Current Liabilities		1,885.63	1,533.18
Provisions		537.06	446.82
		2,422.69	1,980.00
Net Current Assets		3,517.57	3,807.19
Miscellaneous Expenditure		28.78	46.52
Total Assets (Net)		**6,773.53**	**5,922.78**

Notes attached thereto form an integral part of the Consolidated Balance Sheet.

This is the Consolidated Balance Sheet referred to in our report of even date.

For and on behalf of
J.C. Bhalla & Company
Chartered Accountants

Sudhir Mallick	**Dhruv M. Sawhney**	**Lt. Gen. K K Hazari (Retd.)**	**V P Ghuliani**	**Suresh Taneja**
Partner	*Chairman & Managing Director*	*Director & Chairman Audit Committee*	*Vice President (Legal) & Company Secretary*	*Vice President (Corporate Finance)*

Place : Noida (UP)
Date : May 2, 2005

Consolidated Financial Statements of Triveni Engineering & Industries Limited and its Subsidiary Companies

Consolidated Profit and Loss Account

(Rs. Million)

For the year ended 31st March		2005	2004
INCOME			
Income from Operations (Gross)		10,248.77	6,412.68
Less : Excise Duty		602.42	468.19
Income from Operations (Net)		9,646.35	5,944.49
Other Income		38.24	34.04
Increase/Decrease in Work-in-Progress/Finished Goods		(452.30)	1,223.27
		9,232.29	**7,201.80**
EXPENDITURE			
Materials		6,037.56	5,047.08
Manufacturing/Operating		529.12	546.97
Personnel		533.11	505.77
Administration		300.27	283.02
Financing		298.26	224.17
Selling		108.85	99.83
Depreciation		123.46	103.03
Amortisation		55.98	65.32
Off-season Expenses charged (Net)		4.40	72.37
Loss from Associates		0.82	8.47
		7,991.83	**6,956.03**
Profit before Extra- Ordinary Charge & Taxation		1,240.46	245.77
Extra -Ordinary Charge		—	—
Differential Cane Price	368.57		
Less:Withdrawn from Reserves & Surplus (Refer Note -3)	368.57	—	—
Profit before Taxation		1,240.46	245.77
Provision for Taxation		245.89	77.31
Profit after Taxation		994.57	168.46
Surplus Brought Forward *1		34.58	104.02
Available for Appropriation		**1,029.15**	**272.48**
Appropriations			
Dividend Adjustment of Previous Year		—	0.06
Tax on Distributed Profits (Earlier Years) - (Rs. 1,524/-)		—	—
Dividend Paid - Preference Shares		2.39	4.76
Tax on Distributed Profits of Preference Shares		0.31	0.61
Interim Dividend Paid - Equity Shares		29.10	—
Tax on Distributed Profits of Equity Shares		3.73	—
Final Dividend Proposed on Equity Shares		54.05	24.95
Provision for Tax on Dividend on Equity Shares		7.06	3.20
Transfer to Molasses Storage Fund Reserve		0.84	1.64
Transfer to Capital Redemption Reserve		19.87	—
Transfer to General Reserve		840.00	170.00
Surplus Carried Forward		71.80	67.26
		1,029.15	**272.48**
Earning per equity share of Rs.1/- each - Basic/Diluted		11.93	1.96

*1 Net of Rs. 32.68 million (Rs.Nil) adjusted against Extra - Ordinary Charge

Notes attached thereto form an integral part of the Consolidated Profit & Loss Account.

This is the Consolidated Profit & Loss Account referred to in our report of even date.

For and on behalf of
J.C. Bhalla & Company
Chartered Accountants

Sudhir Mallick	**Dhruv M. Sawhney**	**Lt. Gen. K K Hazari (Retd.)**	**V P Ghuliani**	**Suresh Taneja**
Partner	*Chairman & Managing Director*	*Director & Chairman Audit Committee*	*Vice President (Legal) & Company Secretary*	*Vice President (Corporate Finance)*

Place : Noida (UP)
Date : May 2, 2005

Consolidated Cash Flow Statement

(Rs. Million)

For the year ended 31st March	2005	2004
A. Cash Flow from Operating Activities		
Profit before Tax	**1,240.46**	**245.77**
Add : Extra-ordinary charge in respect of earlier years adjusted with reserves	(368.57)	—
Add : Depreciation	123.02	103.03
: Amortisation		
— Machinery Lease Rentals	13.38	14.25
— Intangible Assets	18.60	22.48
— Miscellaneous Expenditure	24.00	28.97
Less : Incomes/(Losses) from Associates	(0.82)	(8.47)
Less : Incomes/Expenses treated separately		
Dividend Income	0.06	0.06
Profit/(Loss) on sale of assets	(11.31)	4.87
Diminution in value of discarded assets	—	(2.00)
Interest Expenses	(330.32)	(274.56)
Interest Income	32.06	50.51
Deferred Revenue Expenditure Incurred	6.25	52.21
Operating Profit before Working Capital changes	**1,354.97**	**591.88**
Changes in Working Capital		
Changes in Inventories	80.82	(1,347.26)
Changes in Receivables	(73.21)	(212.96)
Changes in Other Trade Receivables	(146.06)	7.21
Changes in Current Liabilities	341.83	421.89
Direct Taxes Paid (Net) including wealth tax	(145.28)	(12.58)
Net Changes in Working Capital	**58.10**	**(1,143.70)**
Cash Flow from operating activities	**1,413.07**	**(551.82)**
B. Cash Flow from Investment Activities		
Purchase of Fixed/Intangible Assets	(1,328.95)	(272.91)
Sale of Fixed/Intangible Assets	1.64	8.69
Purchase of Investments - Others	(0.10)	—
Changes in Loans & Advances	23.99	4.77
Interest Income	44.51	38.80
Dividend Income	0.06	0.06
Net Cash Flow in Investment Activities	**(1,258.85)**	**(220.59)**

Consolidated Cash Flow Statement (Contd.)

(Rs. Million)

For the year ended 31st March	2005	2004
C. Cash Flow from Financing Activities		
Increase/Decrease in Short Term Borrowings (Net)	(41.86)	50.22
Increase/Decrease in Long Term Borrowings (Net)	556.02	110.46
Increase/Decrease in Cash Credit	(120.83)	933.45
Interest Paid	(340.50)	(269.70)
Machinery Lease Rentals	(1.37)	(7.29)
Redemption of Preference Shares (including premium)	(78.18)	—
Dividend Paid (Including Tax on Distributed Profit)	(66.20)	(21.55)
Net Cash Flow used in Financing Activities	**(92.92)**	**795.59**
Net Increase in Cash & Cash Equivalents	**61.30**	**23.18**
Opening Cash & Cash Equivalents	**130.86**	**107.68**
Closing Cash & Cash Equivalents	**192.16**	**130.86**

Notes attached thereto form an integral part of the Consolidated Cash Flow Statement.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For and on behalf of
J.C. Bhalla & Company
Chartered Accountants

Sudhir Mallick	**Dhruv M. Sawhney**	**Lt. Gen. K K Hazari (Retd.)**	**V P Ghuliani**	**Suresh Taneja**
Partner	*Chairman & Managing Director*	*Director & Chairman Audit Committee*	*Vice President (Legal) & Company Secretary*	*Vice President (Corporate Finance)*

Place : Noida (UP)
Date : May 2, 2005

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies

(a) The consolidated financial statements have been prepared to comply with the requirements of Clause 32 of the Listing Agreement and has been prepared in accordance with Accounting Standard — 21 on Consolidated Financial Statements, Accounting Standard — 23 on Accounting for Investments in Associates and Accounting Standard — 3 on Cash Flow Statements issued by Institute of Chartered Accountants of India.

(b) The consolidated financial statements comprise the financial statements of Triveni Engineering & Industries Ltd (Holding Company) incorporated in India, its 100% subsidiaries Triveni SRI Limited and Triveni Power Generation Limited (subsequently name changed to Abohar Power Generation Ltd) incorporated in India and proportionate accumulated income/(expenses) of Associates TOFSL Trading & Investments Ltd, The Engineering & Technical Services Ltd, Triveni Entertainment Ltd and Carvanserai Ltd.

(c) 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.

(d) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statement as Goodwill or Capital Reserve as the case may be.

(e) Investments other than in associates have been accounted as per Accounting Standard 13 on Accounting for Investments.

(f) Other significant accounting policies
These are set out under Significant Accounting Policies as given in the respective Financial Statements of Triveni Engineering & Industries Limited and its subsidiaries.

2. The contingent liabilities of the group are predominantly that of the parent Company. Besides, there is a contingent liability of Rs.0.21 million (Rs.0.20 million) in the subsidiaries. Further, the group is contingently liable for Rs.0.56 million (Rs.0.93 million) in respect of Associates, being pro-rata to the investments in associates, excluding the cases where the amount is not quantifiable.

3. In May 2004, the Hon ble Supreme Court delivered a judgement upholding the powers of the State Government to fix the sugar cane price. The company, without prejudice to its legal rights on certain issues, has provided for the entire differential cane price relating to sugar seasons 1996-97, 2002-03 and 2003-04 aggregating to Rs.604.62 million. The differential cane price of Rs.368.57 million pertaining to the sugar sold in the earlier years is considered as Extraordinary Charge and an equivalent amount is therefore withdrawn from Amalgamation Reserve (in respect of price for 1996-97 pertaining to Khatauli sugar unit of erstwhile Triveni Engineering & Industries Limited prior to its merger with this Company)/General Reserve/Surplus to meet the charge.

4. Income from operations includes sale of Rs.37.89 million (Rs.16.36 million) by subsidiary Company to parent Company which is capitalized by parent Company. Net profit arising therefrom was not material and has not been eliminated.

5. The name of the Subsidiary Company Triveni Power Generation Ltd has been changed to Abohar Power Generation Limited w.e.f. 29th April, 2005.

6. Pursuant to compliance of AS-18 on Related Party disclosures, the relevant information is provided here below :

a) The details of related parties where transactions have taken place during the year :

i) **Associates (Group A) :**
TOFSL Trading & Investments Limited
The Engineering & Technical Services Limited
Triveni Entertainment Limited
Carvanserai Limited

Notes to the Consolidated Financial Statements

ii) **Key Management Person (Group B)**
Mr D M Sawhney, Chairman & Managing Director

iii) **Key Management person relatives (Group C)**
Mrs Rati Sawhney
Mr Tarun Sawhney
Mr Nikhil Sawhney

iv) **Companies in which key management person or his relatives have substantial interest/significant influence (Group D)**
Kameni Upaskar Limited

b) Details of transactions with the related parties :

(Rs. Million)

Name of Transaction	GROUP				TOTAL
	A	B	C	D	
1. Sales and rendering of Services	318.80	—	—	—	318.80
	(0.38)	(–)	(–)	(–)	(0.38)
2. Purchase of Fixed Assets	0.20	—	—	—	0.20
	(0.20)	(–)	(–)	(–)	(0.20)
3. Rent Paid	—	0.40	—	1.99	2.39
	(–)	(0.31)	(–)	(0.90)	(1.21)
4. Rent & Other Charges Received	0.24	—	—	—	0.24
	(–)	(–)	(–)	(–)	(–)
5. Amount Advanced / Refunded on Expense incurred (Net)	-24.92	—	—	—	-24.92
	(-5.08)	(–)	(–)	(–)	(-5.08)
6. Interest Received	2.04	—	—	—	2.04
	(0.12)	(–)	(–)	(–)	(0.12)
7. Interest Paid	0.16	—	0.02	0.01	0.19
	(0.18)	(–)	(0.03)	(0.02)	(0.23)
8. Remuneration	—	5.40	5.48	—	10.88
	(–)	(4.99)	(2.96)	(–)	(7.95)
9. Outstanding balances as on 31.3.2005					
A) Receivable	241.09	0.02	—	0.90	242.01
	(65.87)	(0.02)	(–)	(0.36)	(66.25)
B) Payable	2.60	0.01	0.15	—	2.76
	(2.70)	(0.12)	(0.19)	(0.35)	(3.36)

1. Figures for previous year are regrouped and rearranged wherever necessary to make them comparable.
2. Figures given in brackets relate to previous year.

Notes to the Consolidated Financial Statements

7. Pursuant to compliance of AS-23 on Accounting for "Investments in Associates in Consolidated Financial Statements" the Company has accounted investment in Associates under the equity method. The relevant information of the investment in Associates is provided here below :-

(Rs. Million)

Name of the Associate Companies	Country of Incorporation	Ownership interest and voting power	Original cost of Investments	Amount of Goodwill/ (Capital Reserve) included in original cost	Accumulated Income/(Loss) at the year end
1	2	3	4	5	6
TOFSL Trading & Investments Ltd	India	49.38%	4.00	*1 0.18	*3 (4.00)
The Engineering & Technical Services Ltd	India	47.60%	1.00	*1 (0.43)	*3 (1.00)
Triveni Entertainment Ltd	India	49.97%	4.35	*1 0.44	(0.73)
Carvanserai Ltd	India	49.48%	5.00	*2 5.00	*3 (5.00)
Total			**14.35**	**5.19**	**(10.73)**

*1 As on the date on which these Companies became Associates on the merger of erstwhile Triveni Engineering & Industries Limited with this Company.

*2 As on the date on which it ceased to be the subsidiary of the Company.

*3 Share of loss is restricted to the original cost of the investments as per the equity method of accounting for Associates under AS-23 'Accounting for Investments in Associates in consolidated financial statements' issued by the Institute of Chartered Accountants of India.

8. Pursuant to compliance of Accounting Standard - 20 on Earning per Share, the relevant information is provided here below:

	Year Ended March 31.2005	Year Ended March 31.2004
1. Net profit after tax as per Profit & Loss Account	994.57	168.46
2. Preference Dividend (including Income Tax thereon)	2.70	5.37
3. Net profit after tax and Preference Dividend (1) - (2)	991.87	163.09
4. No. of Equity Shares during the year (weighted average)	83,152,060	83,152,060
Earning per Share of Rs.1/- each - Basic/Diluted (3)/(4)	11.93	1.96

Note: Earning per share for the year 2003-04 is restated consequent to sub division of equity shares.

9. Pursuant to compliance of Accounting Standard-17 regarding Segment Reporting the relevant information is provided in the attached schedule.

10. Figures for the previous year are regrouped and rearranged wherever necessary. Figures given in brackets relate to previous year.

For and on behalf of
J.C. Bhalla & Company
Chartered Accountants

Sudhir Mallick
Partner
Place : Noida (UP)
Date : May 2, 2005

Dhruv M. Sawhney
Chairman & Managing Director

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

V P Ghuliani
Vice President (Legal) & Company Secretary

Suresh Taneja
Vice President (Corporate Finance)

Schedule

Information on Segment Reporting of the Group for the year ended 31.3.2005

(Rs. Million)

	Sugar		Steam Turbines		Power (Co-generation)		Other Operations		Eliminations		Consolidated Total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
REVENUE												
External Sales	8,063.54	4,806.81	1,741.31	1,315.84	114.84		329.08	290.03			10,248.77	6,412.68
Less : Excise Duty	455.52	375.93	123.66	75.77			36.71	27.77	(13.47)	(11.28)	602.42	468.19
External Sales (Net)	7,608.02	4,430.88	1,617.65	1,240.07	114.84		292.37	262.26			9,646.35	5,944.49
Inter-segment Sales	68.05	39.28	6.04	1.72	73.19		87.72	80.93	(235.00)	(121.93)		
Income/ (Loss) from Associates											(0.82)	(8.47)
Other Income	20.98	22.45	15.48	5.43			0.94	0.77			37.40	28.65
Total Revenue	**7,697.05**	**4,492.61**	**1,639.17**	**1,247.22**	**188.03**		**381.03**	**343.96**			**9,682.93**	**5,964.67**
RESULT												
Segment result	1,398.21	436.55	153.25	162.79	44.20		20.23	(32.93)	0.55	(1.67)	1,616.44	564.74
Unallocated expenses (Net)											77.78	94.87
Operating profit											**1,538.66**	**469.87**
Interest expense											(330.76)	(274.68)
Interest/Dividend Income											32.56	50.57
Income taxes (including deferred tax)											(245.89)	(77.30)
Profit from ordinary activities											**994.57**	**168.46**
Extraordinary charge :												
Differential Cane Price (Refer Note - 3 of Notes to the Consolidated Financial Statements)	—										—	—
Net profit											**994.57**	**168.46**
OTHER INFORMATION												
Segment assets	5,918.96	5,946.16	863.42	674.17	885.34		775.85	631.09			8,443.57	7,251.42
Unallocated assets											752.65	651.37
Total assets											**9,196.22**	**7,902.79**
Segment liabilities	1,233.22	1,200.41	712.15	535.06	47.88		227.40	126.83			2,220.65	1,862.30
Unallocated liabilities											5,046.57	4,553.85
Total liabilities											**7,267.22**	**6,416.15**
Capital expenditure	341.18	72.57	17.16	7.11	580.44		292.35	192.81				
Depreciation	92.53	88.18	7.65	7.82	13.37		5.08	4.58				
Amortisation	30.16	29.46	18.85	18.95			4.44	6.23				

Notes:

1) The Group's operations have been categorised into three major business segments in accordance with the Accounting Standard (AS-17) "Segment Reporting" - these constitute 96.02% (94.32%) of the total turnover of the group. These segments

Schedule

are briefly described hereunder:

a) Sugar: The Group is a manufacturer of white crystal sugar, having an aggregate manufacturing Capacity of 25250 TCD (Tonnes crushed per day) spread over three manufacturing plants situated in Western UP. and Eastern UP. Along with sale of bulk & branded sugar, the company also sells molasses and bagasse which are produced as by products.

b) Steam Turbines : The Group is engaged in the manufacture of Steam turbines at manufacturing facilities located at Bangalore, Karnataka. The range of turbines manufactured are up to 15 MW. Apart from own R&D set up and indigenous technology, the company sources some technology from Peter Brotherhood, UK for limited range of turbines.

c) Co-generation : During the year, the group has commissioned a bagasse based 22 MW co-generation plant at Deoband, which apart from meeting sugar unit requirement of power and steam, expands surplus power to Uttar Pradesh Power Corporation Ltd. (UPPCL).

2) The other operation of the Group include Water/Waste Water Treatment and manufacture of High Speed Gear pursued by the parent company Triveni Engineering & Industries Ltd. whereas Triveni SRI Ltd and Triveni Power Generation Ltd. are wholly owned subsidiary companies. The Triveni SRI Ltd. is engaged in providing specialised technological products and services (including audit and certification) in relation to the Sugar Industry from the technology sourced from Sugar Research Institute, Australia. Triveni Power Generation Ltd., as per its initial business plans, would be undertaking mini Hydel Projects on BOO basis.

3) There are no geographical segments as the volume of exports is minimal and the major turnover of the group takes place indigenously. There is further no major reliance on few customers or suppliers.

4) Inter segment transfers have been priced based on competitive market prices charged to external customers for similar goods. These are then eliminated on consolidation.

5) Segment result is segment revenue less segment expense. Segment expense include all expenses directly attributable to the segments and some portion of enterprise expenses that can be allocated on a reasonable basis to the segments. Interest expense, even on working capital facilities, is not included in segment expenses and accordingly, segment liabilities do not include any corresponding borrowings.

Directors Report

Your Directors have pleasure in presenting the Tenth Annual Report and Audited Accounts of the Company for the year ended 31st March, 2005.

Financial Results

During the year under review the Company earned an income of Rs.411.08 lacs and earned profit of Rs.1.21 lacs. After providing for deferred tax charge of Rs. 0.32 lacs the balance profit of Rs. 0.88 lacs has been adjusted against the brought forward losses of the earlier years. The total accumulated losses in the Balance Sheet after the adjustment stands at Rs.10.52 lacs.

In view of the brought forward losses no dividend is being, recommended by the Board.

Operations

During the year under review, the Company has commissioned a Continuous Vacuum Pan (CVP) for 'C' maassecuite boiling of capacity 35 MT/hr at Khatauli and another Continuous Vacuum pan for 'B' massecuite boiling 56 MT/hr at Deoband sugar unit, of the holding company. Besides above work, the commissioning of CVP at M/s Andhra Sugars, Tanku and Taduvai projects as well as at EID Parry, Nellikuppam were also completed.

Further, at present the following jobs are under design development and execution stages:

1. CVP for C massecuite Boiling at Khatauli sugar unit of the holding company
2. Addition of module for enhancing the capacity of CVP for B massecuite Boiling at Khatauli sugar unit.
3. SRI Clarifier at Khatauli sugar unit.
4. CVP for B massecuite Boiling at the proposed sugar unit at Sabitgarh of the holding company.
5. CVP for C massecuite Boiling at Sabitgarh sugar unit.
6. SRI clarifier for Sabitgarh sugar unit.

The operation of various equipment and machinery commissioned during the year were to the entire satisfaction of the clients and resulted in several enquiries for new equipments. .

Directors

Mr. Deven Khanna resigned from the office of the director with effect from 1-9-2004, the Director their places appreciation for the valuable guidance rendered by him during his tenure. Mr. A K Tanwar was appointed as director in the vacancy caused by resignation of Mr. Deven Khanna, who will hold this office up to the date to which Mr. Khanna would have held the same had he not resigned. Mr. Sameer Sinha and Mr. Dhruv M Sawhney, Directors Retire by rotation and being eligible, offer themselves for re-appointment.

Auditors

M/s. J.C. Bhalla & Co., Chartered Accountants, New Delhi Auditors of the Company retire at the ensuing Annual General Meeting, and being eligible offer themselves for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

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

i) that in the preparation of the Annual Accounts the applicable accounting standards have been followed;

ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the company for that period;

iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv) that the directors have prepared the Annual Accounts on a going concern basis.

Deposits

During the year under review, the Company has not accepted any public deposits. As on 31st March, 2005 there were no overdue or unclaimed deposits in the company.

Particulars of employees and other additional information

Statement giving information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 is attached hereto.

The Company has no employees in the category as set out in Section 217 (2A) of the Companies Act, 1956.

Acknowledgement

Your Directors gratefully acknowledge the support given by SRI International Mackay, Australia.

For & on behalf of the Board

Vikram Raina
Sameer Sinha
Directors

Place : Noida (UP)
Date : April 29, 2005

Annexure to the Directors Report

Statement pursuant to Section 217(1) (e) of the Companies Act, 1956.

A. Conservation of energy:

(a) energy conservation measures taken ;
Energy consumption is minimal in our operations as we outsource our work or carry out work at client s site.

(b) additional investments and proposals, if any, being implemented for reduction of consumption of energy;
None

(c) impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
-Not applicable-

(d) total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto.
-Not applicable-

FORM B
(See rule 2)

Forms for disclosure of particulars with respect to absorption Research and development (R&D)

1.	Specific areas in which R & D carried out by the Company.	: The Company has a licence agreement with Sugar Research Limited for transfer of technology.
2.	Benefits derived as a result of the above R & D	: Significant improvement in process efficiencies and quality of final product.
3.	Future plan of action	: The company wishes to pursue improvements as an on-going process.
4.	Expenditure on R & D	
	(a) Capital	: Nil
	(b) Recurring	Nil
	(c) Total	Nil
	(d) Total R & D expenditure as a percentage of total turnover	Nil

Technology absorption, adaptation and innovation

i)	Efforts, in brief, made towards technology absorption, adaptation and innovation.	: As specified in (1) above
ii)	Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.	: As specified in (2) above
iii)	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	:
	(a) Technology imported.	: Syrup Clarification system.
	(b) Year of import.	: 2000
	(c) Has Technology been fully absorbed?	: Yes
	(d) If not fully absorbed, areas where this has not taken place, reason therefore and future plans of action.	: Not applicable-

C. Foreign exchange earnings and outgo :

(f) activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans : None

(g) Total foreign exchange used :		Current Year (Rs.)	Previous Year (Rs)
	Technical know-how	Nil	Nil
	Professional charges	43,96,097	4,27,230
	Travelling	Nil	Nil
	Royalty	8,90,359	12,46,703
Total foreign exchange earned;		**Nil**	**Nil**

Auditors Report

To the Members of Triveni SRI Limited

We have audited the attached Balance Sheet of **Triveni SRI Limited** as on 31st March 2005 and the Profit & Loss Account for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting, the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said Order .
2. Further to our comments in the Annexure referred to above, 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 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 the books.
   c) The Balance Sheet and Profit and Loss Account dealt with by the report comply with the requirements of sub-section 3(C) of Section 211 of the Companies Act, 1956 in respect of Accounting Standards issued by the Institute of Chartered Accountants of India.
   d) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
   e) On the basis of the written representations received from the Directors of the company and taken on record by the Board of Directors, we report that none of the Directors of the company is disqualified as on 31st March 2005 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
   f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
      i) in the case of Balance Sheet of the state of affairs of the Company as at 31st March 2005
      ii) in the case of the Profit and Loss Account of the profit for the period ended on that date.

For **J C Bhalla & Co.**
Chartered Accountants

(Sudhir Mallick)
Partner
Membership No. 80051

Place : Noida (UP)
Date : April 29, 2005

Annexure to the Auditors Report

With reference to the Annexure referred to in paragraph 1 of the Auditor's Report to the members of Triveni SRI Ltd. ('the Company') on the financial statements for the year ended 31 March 2005, we report that :

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

   (b) The fixed assets of the company have been physically verified by the management during the year and no discrepancies between the book records and the physical inventory have been noticed on such verification.

   (c) No Fixed Asset was disposed off during the year.

2. (a) The Inventory has been physically verified by the Management at reasonable intervals during the year or at the year end at all locations of the Company. In our opinion the frequency of physical verification is reasonable.

   (b) According to information and explanation 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 has maintained proper records of inventories. The discrepancies noticed on physical verification as compared to the book records were not material and have been properly dealt with 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 Companies Act ,1956 therefore clause 4 (iii)(b) 4 (iii)(c) 4 (iii)(d) of the companies auditor's report order are not applicable to the company.

   (b) The Company has taken unsecured loan from the holding company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.98.11 lacs. However there was no amount outstanding at the end of the year.

   (c) In our opinion the rate of interest and other terms and conditions on which loan has been taken by the company, covered in the register maintained under section 301 of the Companies Act, 1956, are not prima facie, prejudicial to the interest of the company.

   (d) As informed to us loan taken by the company and interest there on is repayable on demand. However there was no loan outstanding at the end of the year, therefore, the question of regularity of the payment of principal amount and interest does not arise.

4. According to the information and explanations given to us, having regard to the explanation that some of the items sold and services rendered are of special nature and suitable alternative sources for the same technology do not exist for obtaining comparable prices, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.

5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of the contracts and arrangements referred to in section 301 of the Companies Act, 1956 have been entered into the register required to be maintained under that section.

   (b) In our opinion and having regard to our comments in paragraph (4) above, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements referred to in (a) above and exceeding the value of Rupees five lacs in respect of such parties during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.

6. The Company has not accepted any deposits from the public under the provisions of Section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and the Rules framed thereunder.

7. Since the paid up capital and reserve of the company are not exceeding Rs. 50 lacs as at the commencement of the financial year and also average annual turnover of the Company is not exceeding Rupees five crores for a period of three consecutive financial year immediately preceding the current financial year the provisions of clause 4(vii) of the Companies (Auditor's Report) Order 2003 relating to Internal Audit System are not applicable.

8. The Company is not required to maintain cost records under Section 209(I) (d) of the Companies Act, 1956.

9. (a) According to the information and explanations given to us, the provisions of the Provident Fund, Employees State Insurance, Excise Duty, Investor Education & Protection Fund, Wealth Tax & Cess are not applicable. The Company is generally regular in depositing other undisputed Statutory dues including Sales Tax, Income Tax & Service Tax with the relevant authorities. There are no undisputed amounts outstanding and payable as at 31st March'05 for a period of more than six months from the date they become payable.

   (b) According to the information and explanations given to us, there are no disputed demand relating to Service Tax, Income Tax, Wealth Tax, Custom Duty, Excise Duty, sales tax and cess which have not been deposited on account of any dispute except Sales Tax demand of Rs. 12.84 lacs under the Central Sales Tax Act for the year 2003-04 on account of the matter pending before the Sales Tax Officer.

10. The Company does not have accumulated losses at the end of the financial year exceeding fifty percent of its net worth. The Company has not incurred cash losses in current financial year but has incurred cash losses in the financial year immediately preceding current financial year.

11. The Company has not taken any loan from financial institutions or Banks, therefore, the question of default in repayment of dues does not arise.

12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by 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 (xiii) of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.

14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.

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. The Company has not obtained any term loans, therefore clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

17. According to the information given to us no funds raised on short term basis by the company have been used for long term investment.

18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act, during the year.

19. No debentures have been issued by the Company during the year.

20. The Company has not raised money by public issues during the year.

21. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **J C Bhalla & Co.**
Chartered Accountants

(Sudhir Mallick)
Partner
Membership No. 80051

Place : Noida (UP)
Date : April 29, 2005

Balance Sheet

(Amount in Rupees)

As at 31st March	Schedules	2005	2004
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	I	29,98,400	29,98,400
		29,98,400	29,98,400
Unsecured Loans			
From Holding Company			66,69,942
		29,98,400	**96,68,342**
APPLICATION OF FUNDS			
Fixed Assets	2		
a) Gross Block		76,543	76,543
b) Less : Depreciation		54,385	52,213
c) Net Block		22,158	24,330
Intangible Assets	2A		
Technical Knowhow		13,50,865	20,59,029
Deferred Tax Assets (Net)		5,47,052	5,79,686
Current Assets, Loans & Advances			
a) Inventories	3	18,96,833	36,30,106
b) Sundry Debtors	4	71,40,203	1,46,29,884
c) Cash & Bank Balance	5	5,17,689	23,56,948
d) Loans & Advances	6	4,12,735	2,69,498
		99,67,460	2,08,86,436
Less : Current Liabilities & Provisions			
Current Liabilities	7	98,04,129	1,47,64,303
Provisions		1,40,000	2,63,000
Net Current Assets		23,331	58,59,133
Miscellaneous Expenditure	8	2,632	5,264
Profit & Loss Account		10,52,362	11,40,900
		29,98,400	**96,68,342**
Notes to Accounts	18		

This is the Balance Sheet referred to in our report of even date.

For and on behalf of
J. C. Bhalla & Company
Chartered Accountants

Sudhir Mallick
Partner

Vikram Raina
Sameer Sinha
Directors

Place: Noida (UP)
Dated: April 29, 2005

Profit and Loss Account

(Amount in Rupees)

For the year ended 31st March	Schedules	2005	2004
INCOME			
Income from Operations	9	3,93,45,295	3,47,68,778
Other Income	10	27,902	1,16,616
Increase / Decrease in Contract Work in Progress	11	17,35,368	(6,28,373)
		4,11,08,565	**3,42,57,021**
EXPENDITURE			
Material Consumed	12	3,04,88,924	2,66,80,306
Operating	13	53,33,803	7,78,930
Personnel	14	23,20,049	29,23,525
Administration	15	9,25,774	21,33,095
Financing Charges	16	4,41,148	3,16,121
Selling	17	8,90,359	14,66,709
Depreciation	2	2,172	2,172
Amortization	2 A	7,08,164	7,79,407
		4,11,10,393	**3,50,80,265**
Add : Provisions of Cost to Completion			70,000
Less : Provisions of Cost to Completion adjusted		1,23,000	82,000
Total Expenditure		**4,09,87,393**	**3,50,68,265**
Profit Before Taxation		1,21,172	(8,11,244)
Income Tax			
Normal Tax liability		—	—
Adjustment of Earlier Years		—	(5,528)
Net Deferred Tax Charge		32,634	(2,91,034)
Net Profit after Tax		88,538	(5,14,682)
Net Profit / (Loss) Brought Forward		(11,40,900)	(6,26,218)
Net Profit / (Loss) carried over to Balance Sheet		**(10,52,362)**	**(11,40,900)**
Notes to Accounts	18		

This is the Profit & Loss Account referred to in our report of even date.

For and on behalf of
J. C. Bhalla & Company
Chartered Accountants

Sudhir Mallick
Partner

Vikram Raina
Sameer Sinha
Directors

Place: Noida (UP)
Dated: April 29, 2005

Schedules to Accounts

(Amount in Rupees)

As at 31st March	2005	2004
1 SHARE CAPITAL		
Authorised		
3,00,000 Equity Shares of Rs. 10/- each	30,00,000	30,00,000
	30,00,000	30,00,000
Issued Subscribed and Paid up		
2,99,840 Equity Shares of Rs. 10/- each fully paid up	29,98,400	29,98,400
(All the Shares are held by Triveni Engg. & Industries Limited, Holding Company)		
	29,98,400	29,98,400

2 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 1-Apr-04	Addition during the year	Disposal during the year	As at 31-Mar-05	Upto 1-Apr-04	For the year	Upto 31-Mar-05	As on 31-Mar-05	As on 31-Mar-04
Furniture & Fixture	76,543	—	—	76,543	52,213	2,172	54,385	22,158	24,330
This year	76,543	—	—	76,543	52,213	2,172	54,385	22,158	24,330
Previous year	76,543	—	—	76,543	50,041	2,172	52,213	24,330	26,502

2A INTANGIBLE ASSETS (Other than Internally Generated)

PARTICULARS	GROSS BLOCK				AMORTIZATION				NET BLOCK	
	As at 1-Apr-04	Addition during the year	Retirement/ Disposal	As at 31-Mar-05	Upto 1-Apr-04	For the year	Retirement/ Disposal	Upto 31-Mar-05	As on 31-Mar-05	As on 31-Mar-04
Technical Knowhow	48,69,580	—	—	48,69,580	28,10,551	7,08,164	—	35,18,715	13,50,865	20,59,029
This Year	48,69,580	—	—	48,69,580	28,10,551	7,08,164	—	35,18,715	13,50,865	20,59,029
Previous year	48,69,580	—	—	48,69,580	20,31,144	7,79,407	—	28,10,551	20,59,029	28,38,436

Note : 1. Intangible Assets have not incurred any impairment loss during the year.

As at 31st March	2005	2004
3 INVENTORIES *1		
Raw Material	1,61,464	36,28,529
Scrap	51,000	51,000
Provision for Slow Moving Inventories	(51,000)	(51,000)
Patterns	—	1,577
Work in Progress	17,35,369	—
	18,96,833	36,30,106

*1 As per inventory taken & Certified by the officials of the company.

4 SUNDRY DEBTORS *2 (Unsecured, Considered Good)		
— More than Six Months	38,03,128	25,38,060
— Others Debts	33,37,075	1,20,91,824
	71,40,203	1,46,29,884

*2 Includes dues from holding company Rs. 2,089,075

5 CASH AND BANK BALANCES		
Cash in Hand	29,485	2,196
Cheque in hand	32,908	—
Balance with Scheduled Banks in Current Accounts	4,55,296	23,54,752
	5,17,689	23,56,948

Schedules to Accounts (Contd.)

(Amount in Rupees)

As at 31st March	2005	2004
6 LOANS AND ADVANCES (Unsecured, Considered goods)		
Tax deducted at source	2,77,942	1,05,121
Advance Recoverable in Cash or in Kind	1,34,793	1,64,377
	4,12,735	2,69,498
7 CURRENT LIABILITIES AND PROVISIONS		
A) Current Liabilities		
Trade & Other Creditors		
- Due to small scale undertakings	1,28,175	3,38,868
- Others	91,24,214	40,58,077
Bills Discounted	—	95,61,306
Advances from Customers	5,51,740	8,06,052
	98,04,129	1,47,64,303
B) Provisions		
Provision for Cost to Completion	1,40,000	2,63,000
	1,40,000	2,63,000
8 MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
- Preliminary Expenses	2,632	5,264
	2,632	5,264

For the year ended 31st March	2005	2004
9 INCOME FROM OPERATIONS		
Sales & Services	3,93,45,295	3,47,68,778
	3,93,45,295	3,47,68,778
10 OTHER INCOME		
Interest others [TDS Rs Nil (Rs. 329/-)]	—	9,194
Exchange Fluctuation	—	25,809
Excess Provision Written Back	27,902	—
Excess Cess Provision Written Back	—	2,095
Excess Warranty Provision Written Back	—	79,518
	27,902	1,16,616
11 INCREASE/ DECREASE IN CONTRACT WORK IN PROGRESS		
Contract Work in Progress at commencement	—	6,28,373
Contract Work in Progress at close	17,35,369	—
Increase / (Decrease)	17,35,369	(6,28,373)
12 MATERIAL CONSUMED		
Material Cost	3,04,88,924	2,66,73,419
Packing Charges	—	6,886
	3,04,88,924	2,66,80,305

Schedules to Accounts (Contd.)

(Amount in Rupees)

For the year ended 31st March	2005	2004
13 OPERATING		
Consultancy & Other Expenses	44,75,555	5,91,838
Fabrication & Erection Expenses	8,58,248	1,23,825
Store, Spares & Tools Consumed	—	63,267
	53,33,803	**7,78,930**
14 PERSONNEL (Note No. B (6) of Schedule 18)		
Salary, Wages & Bonus	19,87,313	24,59,800
Provident & Other Funds	3,28,427	3,74,397
Welfare Expenses	4,309	89,328
	23,20,049	**29,23,525**
15 ADMINISTRATION (Note No. B (6) of Schedule 18)		
Travelling & Conveyance Expenses	5,64,251	6,22,871
Auditors Remuneration		
- Audit Fees	17,632	17,280
- Tax Audit Fees	9,554	9,180
- Certification Charges	5,218	2,160
- Out of Pocket Expenses	2,815	630
Amount written off	—	1,31,482
Hospitality	500	22,468
Exchange Fluctuation	3,064	—
Fee & Registration	4,442	1,500
Motor Car Hire / Running Charges	37,760	64,247
Office & Other Administration Expenses	1,76,855	3,76,754
Postage & Telegram	6,421	16,678
Power & Water Charges	4,401	1,20,288
Preliminary Expenses Written off	2,632	2,632
Provision for Slow Moving Inventory	—	51,000
Pattern Written off	1,577	1,577
Rent & Insurance	46,020	4,31,273
Repair Others	1,662	29,229
Sales Tax Paid	16,558	—
Service Tax Paid	—	16,235
Service Charges	24,412	2,15,611
Tender Fees	—	—
	9,25,774	**21,33,095**
16 FINANCING CHARGES		
Interest (Other than fixed loan)	4,41,147	2,68,394
Discounting Charges	—	47,727
	4,41,147	**3,16,121**
17 SELLING EXPENSES		
Royalty	8,90,359	14,66,709
	8,90,359	**14,66,709**

Schedules to Accounts (Contd.)

18 NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

a) **Basis of preparation of Financial statements**

These financial statements have been prepared on the accrual basis of accounting, under the historical cost convention and in accordance with the Companies Act, 1956 and the applicable accounting standards issued by the Institute of Chartered Accountants of India.

b) **Fixed Assets**

Fixed Assets are stated at cost of acquisition. Cost of acquisition is inclusive of freight and taxes.

c) **Recognition of Income / Expenditure**

i) A) For contracts entered into before 1.4.2003

Profit on contracts is recognized when the job is completed or substantially completed. Provision, however, is made for foreseeable losses if any, in respect of jobs which have been substantially completed.

B) For contracts entered into after 1.4.2003

(a) Revenue from fixed price construction contracts entered into after 1.4.2003, is recognized on the percentage of completion method, measured by reference to the contract cost incurred upto the reporting date to estimated total contract cost for each contract.

(b) Contract cost includes material cost, operating cost and expenses directly attributable to the contract.

ii) Sales are exclusive of Sales Tax.

iii) Preliminary Expenses are written off over a period of ten years.

iv) Patterns are written off over a period of three years.

d) **Depreciation**

Depreciation is charged on prorata basis at Straight Line Method rates prescribed in Schedule XIV to the Companies Act, 1956.

e) **Inventories**

i) All inventories of stores and spares, raw material & components have been valued at lower of cost and net realisable value. Cost is determined on specific cost basis.

ii) Scrap is stated at estimated realisable value.

f) **Foreign Currency Transactions**

i) Transaction denominated in foreign currencies are normally recorded at exchange rate prevailing at the date of transaction.

ii) Monetary items denominated in foreign currencies at the year end and not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at rate at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognised over the life of the contract.

iii) Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the Profit & Loss Account except in cases where they relate to the loans and liabilities incurred for acquisition of Fixed Assets in which case they are adjusted to the carrying cost of such assets.

g) **Taxes on Income**

Tax liability of the company is estimated considering the provisions of the Income Tax Act, 1961. Deferred Tax is recognised subject to the consideration of prudence, on timing differences, in respect of difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

h) **Intangible Assets**

Intangible Assets are stated at cost of acquisition less accumulated amortization. Technical know how is amortized over a period of six years on straight line basis.

Schedules to Accounts (Contd.)

18 NOTES TO ACCOUNTS (Contd.)

B. NOTES TO ACCOUNTS

1. **Contingent Liability**
   Disputed Sales Tax demand of Rs. 2.11 lacs (Rs. 2.04 lacs) the demand is mainly on account of non production of required declaration forms which the company is in the process of collecting from its customers.
2. Wherever confirmations have not been received from the parties, the book balances have been considered.
3. Name of Small Scale Industrial Undertaking where the amount is outstanding for more than 30 days as at the year end are Durex Rubber Industries, Rajendra Electrical Inds Ltd., Shenco Valve P. Ltd., Sintech Precision Products Ltd, Spray Engineering Devices & Uttam Fabricators.
4. In respect of contracts entered into after 1.4.2003, the company has followed Revised AS-7 on Construction contracts as follows.The amounts to be disclosed as per the standard are as follows:

(Rs. In lacs)

	31-03-05	31-03-04
Contract revenue recognized as revenue in the year	381.45	286.41
Contract costs incurred and recognized profits(less recognized losses)	381.45	286.41
Advances received	Nil	Nil
Retentions	12.60	12.60
Gross Amounts due from customers for contract work as an asset	Nil	Nil
Gross Amounts due to customers for contract work as a liability	5.50	8.05
Contingencies	—	—

5. The breakup of net deferred tax asset (net) as on 31-03-2005 is provided below. -

Particulars	Deferred tax liability (deferred tax assets) (Rs. In lacs)
Difference in Net Book values of Fixed Assets as per accounts & tax	(5.57)
Expenses deferred in books but Claimed in tax	4.94
Unabsorbed losses & depreciation	(3.99)
Others (net)	(0.86)
Net Deferred Tax Liability / (Asset)	(5.47)

6. Personnel cost and part of administration expenses amounting to Rs. 23,20,049/- and Rs.3,67,011/-respectively are reimbursed to holding company for availing services of their employees and other facilities.
7. Consultancy and other expenses in Schedule 13 (Operating) includes Rs.24,01,010/- for earlier years.
8. Figures have been rounded off to the nearest rupees.
9. Additional information required under Paragraph 3 and 4D Part II of Schedule VI to the Companies Act, 1956:

(Amount in Rs.)

a) Expenditure in Foreign Currency		
- Travelling Expenses	Nil	(Nil)
- Technical Know how fees	Nil	(Nil)
- Professional Charges	43,96,097/-	(4,27,230/-)
- Royalty (On accrual basis)	8,90,359/-	(12,46,703/-)
b) Earning in Foreign Currency	Nil	(Nil)

Schedules to Accounts (Contd.)

18 NOTES TO ACCOUNTS (Contd.)

c) Quantitative Information

	Sales *		Purchase	
	No.	Amount (Rs)	No.	Amount (Rs)
i) Various parts comprising	2	3,81,45,295/-	2	3,02,53,850/-
C.V. Pan	(3)	(1,84,05,657/-)	(3)	(1,42,20,523/-)
ii) Heated Prove	1	12,00,000/-	1	1,48,738/-
	(Nil)	(Nil)	(Nil)	(Nil)
iii) Syrup clarification system	Nil	Nil	3	86,336
	(2)	(1,63,63,121)	(2)	(1,24,52,726)
iv) Sensors	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(1)	(7,057)
Total		**3,93,45,295/-**		**3,04,88,924/-**
		(3,47,68,778/-)		**(2,66,80,306/-)**

* On the basis of Contract revenue recognised as per AS-7

10. **Pursuant to compliance of AS-18 on Related Party Disclosures, the relevant information is provided here below :**
    a) **The details of related parties where transactions have taken place during the year :**
    - Holding Company (Group A)
      Triveni Engineering & Industries Limited
    - Associates (Group B)
      The Engineering & Technical Services Limited

    b) **Details of transactions with related parties.** (Amount in Rupees)

	31-03-2005
1. Sales and rendering of Services	
Holding Company	4,33,82,444.85
2. Purchase and rendering of Services	
Holding Company	8,99,204.20
3. Amount Advanced/Refunded or Expense Incurred (Net)	
Holding Company	11,67,592.89
4. Interest Paid	
Holding Company	4,40,895.49
5. Outstanding Balances	
Loans & Advances	
Holding Company	Nil
Sundry Debtors	
Holding Company	20,89,075.15

11. Previous year figures have been re-grouped/re-arranged wherever necessary. Figures in brackets relates to previous year.
12. Schedule "1" to "18" form an integral part of the Balance Sheet and Profit & Loss Account.

For and on behalf of
J. C. Bhalla & Company
Chartered Accountants

Sudhir Mallick
Partner

Vikram Raina
Sameer Sinha
Directors

Place: Noida (UP)
Dated: April 29, 2005

Balance Sheet Abstract

Balance Sheet Abstract and Company s General Business Profiles

I. Registration Details

Registration No.	0 7 0 2 2 9	State Code	5 5
Balance Sheet Date	3 1 (Date) / 0 3 (Month) / 2 0 0 5 (Year)		

II. Capital Raised during the year (Amount in Rs. Thousand)

Public issue	Right Issue
N I L	N I L
Bonus issue	Private placement
N I L	N I L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	Total Assets
0 0 0 2 9 9 8	0 0 0 2 9 9 8

Sources of funds

Paid-up Capital	Reserves & Surplus
0 0 0 2 9 9 8	N I L
Secured loans	Unsecured loans
N I L	N I L

Application of funds

Net fixed assets* (intangible Assets)	Investments
0 0 0 1 3 7 3	N I L
Net current assets	Miscellaneous expenditure
0 0 0 0 0 2 3	0 0 0 0 0 0 3
Accumulated Losses	Deferred Tax Assets (Net)
0 0 0 1 0 5 2	5 4 7

IV. Performance of Company (Amount in Rs. Thousand)

Gross Turnover (including other income)	Total Expenditure
0 0 4 1 1 0 8	0 0 4 0 9 8 7
Profit Before Tax	Profit After Tax
0 0 0 0 1 2 1	0 0 0 0 0 8 9
Earning Per Share in Rs.	Dividend Rate %
0 . 3 0	N I L

V. Generic Names of Three Principal Products/Services of Company

Item Code No.	8 4 3 8 . 3 0
Product Description	MACHINERY FOR SUGAR MANUFACTURE

Report of the Directors

Your Directors present to you the 12th Annual Report and Audited Accounts for the year ended 31st March, 2005.

Financial Highlights

During the year under review, the Company has earned a profit of Rs.1,09,661/- . The profit for the year has been adjusted against the brought forward losses of earlier years which after the adjustment stands reduce to Rs. 5,04,995/-. The same has been carried over to the Balance Sheet.

In view of the brought forward losses no dividend is being recommended by the Board.

Operations

The Company proposes to develop 5 Mini Hydel sites on the Abohar Branch Canal on joint venture basis. The Company has applied to the Central Government for change of name from Triveni Power Generation Ltd to Abohar Power Generation Ltd.

Directors

Mr R L Sawhney and Mr. Deven Khanna resigned from the office of the director during the year under review. The Board had appointed Mr. Sameer Sinha and Mr. Nikhil Sawhney as Directors in the vacancies caused by resignation of Mr. R L Sawhney and Mr. Deven Khanna. Mr.Sameer Sinha will hold this office up to the date to which Mr. R.L Sawhney would have held the same had he not resigned.

Mr Nikhil Sawhney cease to be director at the forthcoming Annual General Meeting of the Company. The Company has received notice under Section 257 of the Companies Act 1956 from a member proposing the appointment of Mr. Nikhil Sawhney. Mr. A. K. Tanwar retires by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

Auditors

M/s. R.S. Gupta & Co., Chartered Accountants, Delhi Auditors of the Company retire at the ensuing Annual General Meeting, and being eligible offer themselves for re-appointment.

Directors Responsibility Statement

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

i) that in the preparation of the Annual Accounts the applicable accounting standards have been followed;

ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the company for that period;

iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv) that the directors have prepared the Annual Accounts on a going concern basis.

Deposits

During the year under review, the company has not accepted any public deposits. As on March 31, 2005 there are no overdue or unclaimed public deposits with the company.

Particulars of Employees and other Additional Information

As the company has not carried out any manufacturing/service activity, the information relating to conservation of energy and technology absorption as per the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 is not, required to be given by the company. There has been no foreign exchange income or outflow during the year under review.

The company has no employees in the category as set out in section 217(2A) of the Companies Act, 1956.

For & on behalf of the Board

Nikhil Sawhney
Sameer Sinha
Directors

Place: Noida (UP)
Date: April 28, 2005

Auditors Report

To the members of Triveni Power Generation Limited

1. We have audited the attached Balance Sheet of Triveni Power Generation Limited as at 31st March 2005 and the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Govt. of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, 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 purposes of 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 these books.
   (c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
   (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by the report comply with the accounting standards referred to in sub-section 3(C) of Section 211 of the Companies Act, 1956.
   (e) On the basis of the written representations received from the Directors as on 31st March 2005 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March 2005 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view 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 31st March 2005 and
   (b) in the case of the Profit and Loss Account of the Profit for the year ended on that date.

For **R S Gupta & Co.**
Chartered Accountants
(S K Gupta)
Partner
Membership No.14287

Place : Noida (UP)
Date : April 28, 2005

Annexure to Auditors Report

As required by the Companies (Auditors' Report) Order 2003 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we further report that :

(i) Since the Company does not have any assets with it, hence the provisions of clause 4(i) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(ii) Since the Company does not have any inventories of finished goods, stores, spare parts & raw materials, hence the provisions of the Clause 4(ii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(iii) The Company has neither granted nor accepted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of Clause 4(iii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(iv) In our opinion and accordingly to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company, nature of its business with regard to purchase of investments, fixed assets, sale of investments etc. During the course of our audit, we observed that there is no continuing failure to correct major weaknesses in the internal audit controls.

(v) According to the information & explanations given to us, since there are no transactions made in pursuance of contracts or arrangements to be entered in the register kept under section 301 of the Companies Act, 1956, hence provisions of clause 4(v) of the Companies (Auditors' Report) Order, 2003 are not applicable.

(vi) In our opinion and according to the information and explanations given to us, we are of the opinion that the Company has not accepted any deposits from the public under provisions of Section 58-A & 58-AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rule 1975. Accordingly, the provisions of Clause 4(vi) of the Companies Act (Auditors' Report) Order, 2003 are not applicable to the Company.

(vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

(viii) As per information & explanations given to us, the Company is not required to maintain cost record under section 209(I)(d) of the Companies Act, 1956. Accordingly, the provisions of Clause 4(viii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(ix) The provisions of Provident Fund, Employees State Insurance Fund, Wealth Tax Act, Sales Tax Act, Customs & Excise Duty Act and Investor Education & Protection Fund are not applicable to the Company, hence the question of depositing the aforesaid dues with appropriate authorities does not arise. However, it is further stated that there are no undisputed amounts payable in respect of Income Tax which were outstanding for more than six months from the date they became due/payable.

(x) In our opinion, the accumulated losses of the Company are more than 50% of it's net worth. The Company has incurred cash losses of Rs.10,339/- during the financial year covered by our audit and Rs.1,28,200/- in the immediately preceding financial year.

(xi) As per information & explanations given by the Company to us, there are no dues due to financial institutions, banks & debenture holders. Accordingly, the provisions of clause 4(xi) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(xii) As per information given by the Company, it has not granted any loans, advances on the basis of security by way of pledge of shares/debentures and other securities. Therefore, the question of maintenance of adequate records in this regard does not arise. Accordingly, the provisions of clause 4(xii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(xiii) In our opinion, the Company is not a Chit Fund or a Nidhi Mutual Fund, benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities & other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(xv) As per information given by the Company, it has not given any guarantees for loans taken by others from banks or financial institutions, as such the provisions of clause 4(xv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(xvi) Since there are no term loans raised by the Company from banks or financial institutions, accordingly the provisions of clause 4(xvi) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(xvii) According to information & explanations given to us, we report that no funds have been raised by the Company on short-term basis, which have been used for making long-term investments. It is further stated that no long-term funds have been raised for making long-term investments. It is further stated that no long-term funds have been raised for making short-term investments. Hence, provisions of Clause 4(xvii) of the Companies (Auditors' Report) Order, 2003 are not applicable.

(xviii) As per information and explanations given to us, no preferential allotment of shares has been made to parties and Companies covered in the register maintained u/s 301 of the Companies Act, 1956. As such, the provisions of clause 4(xviii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(xix) As per information and explanations given to us during the year covered by our audit report, the Company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(xx) As per information and explanations given to us, the Company did not raise any money by way of public issue as such the verification of end use of money does not arise. Accordingly, the provisions of clause 4(xx) of the Companies (Auditors' Report), Order, 2003 are not applicable to the Company.

(xxi) According to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit. Accordingly, the provisions of clause 4(xxi) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

For **R S Gupta & Co.**
Chartered Accountants
(S K Gupta)
Partner
Membership No.14287

Place : Noida (UP)
Date : April 28, 2005

Balance Sheet

(Amount in Rupees)

Particulars	Schedule	31.3.2005	31.3.2004
SOURCES OF FUNDS			
Share Capital			
Authorised			
1,00,00,000 Equity Shares of Rs.10/- each		10,00,00,000	10,00,00,000
		10,00,00,000	**10,00,00,000**
Issued, Subscribed & Paid-up			
50,000 Equity Shares of Rs.10/- each fully paid-up		5,00,000	5,00,000
Unsecured Loans			
Triveni Engineering & Industries Ltd. (Holding Company)		50,858	1,65,903
		5,50,858	**6,65,903**
APPLICATION OF FUNDS			
Investments	1	31,372	31,372
Current Assets, Loans and Advances			
Current Assets			
Cash at Bank in Current Account with			
Indian Overseas Bank		16,950	24,151
Cash in hand		696	696
		17,646	**24,847**
Less : Current Liabilities & Provisions			
Current Liabilities			
Expenses Payable (Audit fee)		2,204	4,260
TDS Payable		951	712
		3,155	**4,972**
Net Current Assets		14,491	19,875
Profit & Loss Account		5,04,995	6,14,656
		5,50,858	**6,65,903**

As per our report of even date attached

for **R S Gupta & Co.**
Chartered Accountants

(S K Gupta)
Partner
Place : Noida (UP)
Date : April 28, 2005

Nikhil Sawhney
Sameer Sinha
Directors

Profit and Loss Account

(Amount in Rupees)

Particulars	Schedule	31.3.2005	31.3.2004
INCOME			
Previous Year Excess Provision written back		1,20,000	—
		1,20,000	—
EXPENDITURE			
Loan Application fee		—	1,20,000
Interest Paid		4,545	3,476
Postage expenses		—	55
Filing Charges		3,327	2,081
Office Expenses		—	110
Auditors Remuneration		2,308	2,160
Bank Charges		159	318
		10,339	**1,28,200**
Profit/(Loss) for the year		1,09,661	(1,28,200)
Loss brought forward from last year		(6,14,656)	(4,86,456)
Loss Carried over to Balance Sheet		**(5,04,995)**	**(6,14,656)**

As per our report of even date attached

for **R S Gupta & Co.**
Chartered Accountants

(S K Gupta)
Partner
Place : Noida (UP)
Date : April 28, 2005

Nikhil Sawhney
Sameer Sinha
Directors

Schedules to Accounts

(Amount in Rupees)

Particulars	31.3.2005	31.3.2004
1 INVESTMENTS		
LONG TERM, Other Securities		
UNQUOTED, Fully paidup Shares unless stated otherwise		
12,160 Equity Shares of Rs.100/- each of Techtrade Consultants Ltd.	1,216	1,216
1,20,000 Equity Shares of Rs.10/- each of United Shippers & Dredgers Ltd.	30,156	30,156
	31,372	**31,372**

Significant Accounting Policies & Notes to Accounts

A) Significant Accounting Policies

1. The accounts of the Company are kept on accrual basis.

B) Notes to Accounts

1. Previous year figure have been re-grouped/re-arranged wherever necessary

	2004-2005	2003-2004
2. Auditors Remuneration	Rs. 2,308/-	Rs. 2,160/-

3. Following the concept of prudency, the unabsorbed business losses as per Income Tax Act, 1961 have not been recognised as deferred tax assets in accordance with Accounting Standard 22 issued by the Institute of Chartered Accountants of India. There are no deferred tax liabilities in the case of the Company.

4. Any other information required to be given as per part II Schedule VI of the Companies Act, 1956 not applicable to the Company has not been given.

for **R S Gupta & Co.**
Chartered Accountants

(S K Gupta)
Partner
Place : Noida (UP)
Date : April 28, 2005

Nikhil Sawhney
Sameer Sinha
Directors

Balance Sheet Abstract

Balance Sheet Abstract and Company s General Business Profiles

I. Registration Details

Registration No. | 0 | 2 | 5 | 5 | 9 | 2 | State Code | 1 | 6 |

Balance Sheet Date | 3 | 1 | 0 | 3 | 2 | 0 | 0 | 5 |
Date Month Year

II. Capital Raised during the year (Amount in Rs. Thousand)

Public issue	Right Issue
NIL	NIL
Bonus issue	**Private placement**
NIL	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	Total Assets
0 0 0 0 5 5 1	0 0 0 0 5 5 1

Sources of funds

Paid-up Capital	Reserves & Surplus
0 0 0 0 5 0 0	NIL
Secured loans	**Unsecured loans**
NIL	0 0 0 0 0 5 1

Application of funds

Net fixed assets	Investments
NIL	0 0 0 0 0 3 1
Net current assets	**Miscellaneous expenditure**
0 0 0 0 0 1 5	NIL
Accumulated Losses	**Deferred Tax Assets (Net)**
0 0 0 0 5 0 5	NIL

IV. Performance of Company (Amount in Rs. Thousand)

Gross Turnover (including other income)	Total Expenditure
0 0 0 0 1 2 0	0 0 0 0 0 1 0
Profit Before Tax	**Profit After Tax**
0 0 0 0 1 1 0	0 0 0 0 1 1 0
Earning Per Share in Rs.	**Dividend Rate %**
2 . 1 9	NIL

V. Generic Names of Three Principal Products/Services of Company

Item Code No. | N | . | A |

Product Description INTEND TO GENERATE AND DISTRIBUTE POWER

Information on company's business locations

Registered office
Deoband, District Saharanpur
Uttar Pradesh – 247 554 • STD Code : 01336
Phone : 222497, 222185, 222866 • Fax : 222220

Corporate office
'Express Trade Towers', 8th floor
15-16, Sector 16 A, Noida 201 301 (U.P.) • STD Code : 0120
Phone : 5308000 • Fax : 5311010-11

Share department/investors grievances
'Express Trade Towers', 8th floor
15-16, Sector 16 A, Noida 201 301 (UP) • STD Code : 0120
Phone : 5308000 • Fax : 5311010-11
Email : shares@trivenigroup.com

Registrar and share transfer agents
For Equity shares held in physical & electronic mode
M/s Alankit Assignments Ltd.
2E/21, Jhandewallan Extension, New Delhi 110 055
STD Code : 011 • Phone : 51540060-63
Fax : 51540064 • Email : rta@alankit.com

Turbine busines group
12-A, Peenya Industrial Area
Peenya, Bangalore 560 058
STD Code : 080
Phone : 28394721(4 Lines), 28394843, 28394771, 28395276
Fax : 28395211

Gears division
1,2,3 Belagola Industrial Area,
Metagalli, K.R.S. Road, Mysore – 570 016
STD Code : 0821 • Phone : 5280502, 5280501
Fax : 2582694

Fixed deposit section
Accounts Department
'Express Trade Towers', 8th floor
15-16, Sector 16 A, Noida 201 301 (UP) • STD Code : 0120
Phone : 5308000 • Fax : 5311010-11

Khatauli sugar unit
Khatauli, Distt. Muzaffarnagar,
U.P.-251 201 • STD Code : 01396
Phone : 272561 & 272562 • Fax : 272309

Deoband sugar unit
Deoband, District Saharanpur
Uttar Pradesh – 247 554 • STD Code : 01336
Phone : 222497, 222185, 222866 • Fax : 222220

Ramkola sugar unit
Ramkola, Distt. Kushinagar
U.P. – 247 305 • STD Code : 05567
Phone : 256021, 256071, 256072, 256182 • Fax : 256248

Water business group
'Express Trade Towers', 8th floor
15-16, Sector 16 A, Noida 201 301 (UP) • STD Code : 0120
Phone : 5308000 • Fax : 5311010-11

Cogeneration deoband
Deoband, District Saharanpur
Uttar Pradesh – 247 554 • STD Code : 01336
Phone : 222497, 222185, 222866 • Fax : 222220

Branded sugar business
'Express Trade Towers'
8th floor, 15-16, Sector 16 A,
Noida 201 301 (U.P.) • STD Code : 0120
Phone : 5308000 • Fax : 5311010-11

Agri business group
'Express Trade Towers'
8th floor, 15-16, Sector 16 A, Noida 201 301
STD Code : 0120 • Phone : 5308000 • Fax : 5311010-11

Subsidiary companies
Triveni Sri Limited
104, 1st floor, 99 Grand Plaza
Old Rajinder Nagar Market
New Delhi 110 010

Upper Bari Power Generation Limited
1560, H.I.G. Ground Floor
Sector 70, Mohali
Punjab 160 062

Abohar Power Generation Limited
1560, H.I.G. Ground Floor
Sector 70, Mohali
Punjab 160 062

Corporate information

Chairman and managing director
Mr. Dhruv M. Sawhney

Board of directors
Mr. F.C. Kohli
Lt. Gen. K.K. Hazari (Retd.)
Mr. M.K. Daga
Mr. R.C. Sharma
Mr. V. Venkateswarlu (IDBI Nominee)

Vice president (legal) and company secretary
Mr. V.P. Ghuliani

Bankers
Punjab National Bank
Central Bank of India
Canara Bank
Oriental Bank of Commerce
Union Bank of India
Standard Chartered Bank
State Bank of Travancore

Auditors
M/s. J.C. Bhalla & Co.

Branch auditors
M/s Virmani & Associates

TRIVENI GROUP WEBSITE : www.trivenigroup.com