



creating value

ANNUAL REPORT 2009-10

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forward looking statement

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

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized.

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

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

At Triveni, the guiding purpose of our business is to create value for all our stakeholders – customers, suppliers, employees, investors and public at large. With the interest of these stakeholders inextricably linked, we strongly believe that sustainable value cannot be created for one unless it is created for all the stakeholders.

Being a customer-centric Company, we deploy our committed human capital together with the competitive quality-conscious suppliers and leverage our technological edge to delight our customers on one hand and achieve superior

returns on capital on the other. Our distinct businesses of Sugar, Turbine, Gears and Water impact the economic and social well being of millions of people – directly or indirectly.

While most of our business operations naturally support ecological and social sustainability, we impact the developmental needs of the communities we operate in with a slew of community development initiatives.

At Triveni, we create value for all.



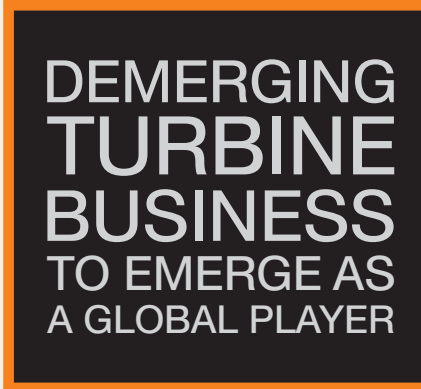


unlocking
potential:
a springboard for growth

_____ In a sustained journey of value creation, value gets accumulated over a long period of time. Unlocking the potential of accumulated value at the right time enhances shareholders' value significantly. Through the de-merger of our Turbine Business at this opportune juncture, we are imparting a definite acceleration to our aim of value creation. _____



Our Engineering and Sugar businesses both have built a position of respective market leadership. Over the years, they have grown in strength and hold promising individual potentials. The frontrunner amongst them has been our Steam Turbine Business. In order to unlock its latent potential and empower it to strongly participate in the growing power sector, we have decided to de-merge it into our wholly owned subsidiary Company Triveni Turbine Limited (TTL).



At Triveni, we are poised to pursue the next round of growth in the realm of turbines with this de-merger. Divesting the turbine business into a separate Company would bring in a focused orientation, widen its scope of strategic partnerships and provide it the flexibility to operate with an independent Balance Sheet and pursue growth and expansion.

The de-merger will allow the resources of the Turbine Business – infrastructure, human capital and intellectual capital – to stay focused on its core strength of delivering engineered-to-order rotating equipments and solutions.

The recently formed JV with GE for above 30-100 MW will also be transferred to the de-merged entity, post the completion of ensuing process of de-merger.


With our current market-share of about 58% in India and market presence in a number of countries, we aspire to take our turbine prowess global. The much desired focus will help in strengthening our leadership in India and also in the International markets.

The de-merger will open windows of strategic partnerships, help us in expanding the product portfolio and spread our geographic presence.

The shareholders of Triveni Engineering & Industries Ltd. will get one paid-up equity share each of TTL for every single paid-up equity share held by them in Triveni. By getting equity shares of TTL, the shareholders of Triveni will realise the benefit of this de-merger. It is contemplated that the equity shares of TTL will get listed on the Bombay Stock Exchange and the National Stock Exchange.

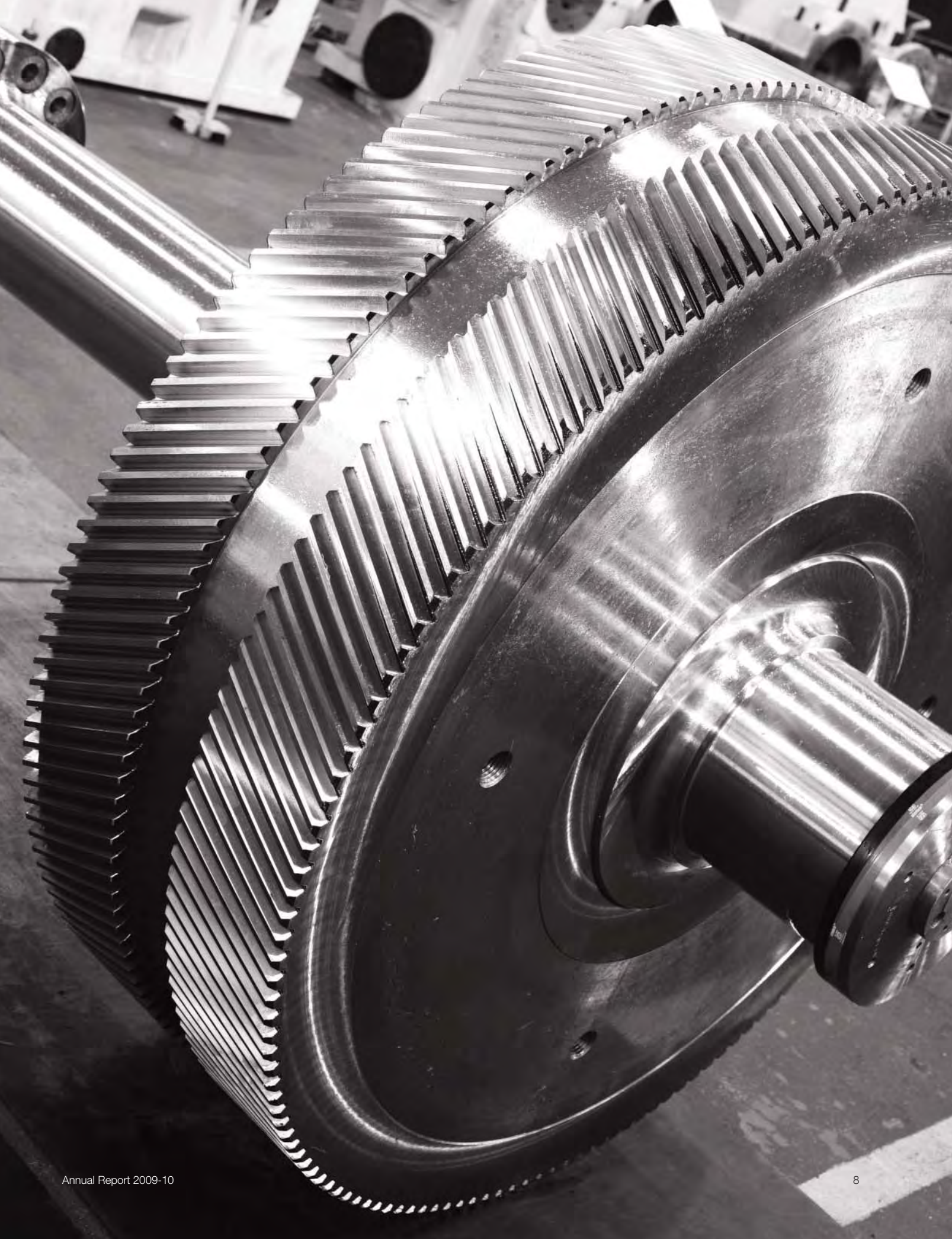


partnership:
a force multiplier



_____ Forging successful partnerships with various stakeholders is deeply ingrained in our organisational culture and our success and growth over recent years can be attributed to the same. Be it our age-old partnership with a large farming community of over 250,000 sugarcane growers or the 12-year old technological tie-up with Lufkin for gear technology or the technological alliance with Siemens Water Technologies; we have built and nurtured long-term business partnerships that yield mutual value.

Our recent Joint Venture with GE in the realm of turbine manufacturing and marketing is poised to create multiplying value for the stakeholders of both the partnering companies. _____



At Triveni, we view all our stakeholders as partners. We put relationships ahead of transactions and balance the interest of respective stakeholders with our own business objectives.

Our market leadership has been greatly aided by focused and committed supply partners. We have made some dedicated and exclusive supply-chain arrangements, which are governed by long-term agreements.

These relationships play pivotal role in optimum utilisation of our partners' capacities, reduction in lead-time for product manufacturing, faster resolution of customer complaints and continuous improvements in the products delivered.

Our responsiveness in delivering engineered-to-order products and solutions gets reflected in the majority of our customers placing repeat orders with us. We help our customers maximise their return on investment through the higher uptime and efficiency. Life-time support is provided to customers for overhauling, troubleshooting and long-term annual maintenance contracts.



During the year, we entered into another significant partnership with GE Oil & Gas in our Steam Turbine Business. Triveni Engineering & Industries Limited has formed a Joint Venture with GE Oil & Gas to design, manufacture, supply, sell and service advanced technology steam turbines in the above 30 to 100 MW range for power generation applications. GE Triveni Limited, the JV Company, will manufacture advanced technology steam turbines in India and sell them in

the domestic as well as International markets. The JV, which will benefit from a full technology transfer and on-going R&D support from GE, will use our Bengaluru facility for turbine manufacturing. With our manufacturing capabilities as a springboard and GE's world-class engineering capabilities, global market footprints and brand recognition; the JV is poised to create greater success for both our companies.


“ *Triveni is a terrific partner for GE, particularly given its cultural fit with GE Oil & Gas, excellent supply-chain and established presence in India. Our high-tech partnership will build on our combined engineering expertise; offering customers worldwide a high quality, optimum efficiency and best-value power generation solution.* **”**

*Joe Mastrangelo, Vice President-Turbomachinery,
GE Oil & Gas*



sustainability:

adding longevity to success



_____ Sustainability is the true measure of success for any business. At Triveni, every aspect of value creation is benchmarked for sustainability. The quest of sustained growth helps us balance the interest of all our stakeholders. We engineer a fine balance amongst all – ecological sustainability, input and output sustainability, talent sustainability, capital sustainability, technological sustainability and community sustainability. _____



In order to enhance our sustainable and inclusive growth, we partnered with ICRISAT and WWF to develop the techniques of the Sustainable Sugarcane Initiative (SSI) and popularise it amongst the sugarcane growing community of over 250,000 farmers around our seven sugar mills in Uttar Pradesh.

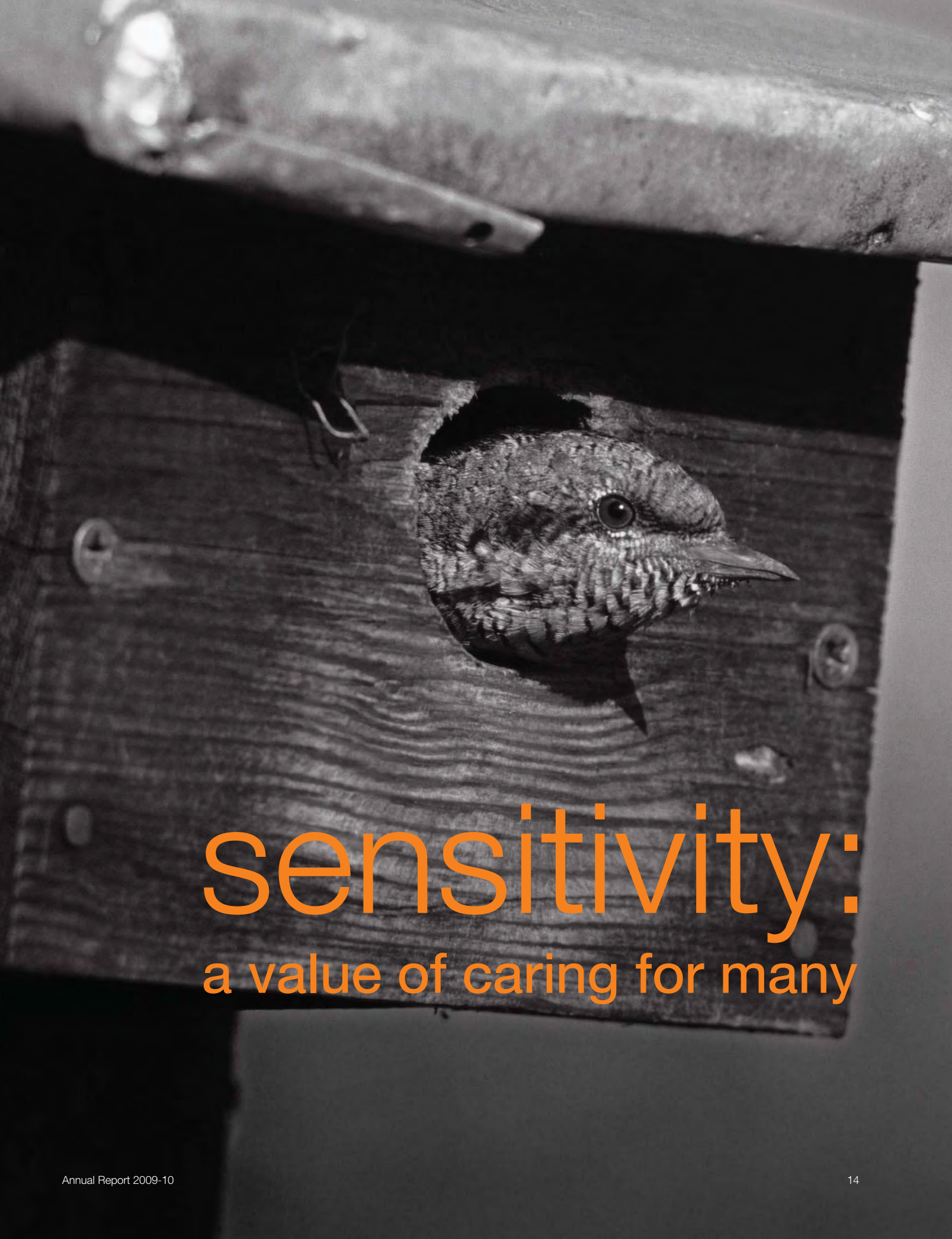
The SSI program aims to help farmers achieve significant increase in their farm income and also reduce the cost of cultivation at the same time. It reduces the quantity of core inputs like seed, water, chemical fertilizer, etc. and improves the yield of sugarcane and alternate crop from the same land at the same time.

The SSI program's success is critical to the long-term profitable survival of the sugar industry at a time when it is getting squeezed in between the divergent policies of Central and State governments, the former desiring a lower sugar price to control inflation and the later desiring a higher sugarcane price for farmers. With the realisation that the rising cost of cultivation must be arrested and farmers' aspiration of higher disposable income must be met, we initiated the SSI program.



The highly successful methods and practices of SSI will increase farmers' profitability significantly and reduce their cost of farming and crop duration. To the sugar mills, it will provide a much longer crushing season and also a better quality of cane. On the ecological front, it will reduce the pressure on water resources. It is estimated that by adopting SSI methods, a farmer will be able to produce at least 20% more sugarcane while reducing water inputs by 30% and chemical inputs by 25%, besides gaining an additional income from an inter-crop.

Aimed to take the benefits of SSI to 28,000 farmers around our sugar mills, we rolled out the awareness campaign titled 'Grow More with Less' and raised over 120 million plantlets for transplantation by our farmers. In the first year, we have implemented the program in 7000 hectares of farm land, 1000 hectares each in the catchment areas of our 7 sugar mills.



sensitivity:
a value of caring for many



_____ Businesses must voluntarily share the created value with the community they operate in. At Triveni, we deploy the combined reach of our manufacturing locations to outreach the surrounding communities with a slew of CSR initiatives in the realms of healthcare, education, vocational skill development and disaster relief. _____



Our Community Development Initiatives focus on education, healthcare and vocational skill development. The passionate participation and volunteering of the employees in these programs multiplies their impact. The employees organise and participate in several blood donation camps regularly.

For the children of economically weaker sections studying in Government run schools, we are running Leadership Adoption Program for underprivileged Schools (LEAPS). It is designed to aid a child's all-round development. We launched this program at the Government Primary School, Peenya. Our employees volunteer in various activities like The Big Buddy Club, Parent Improvement Program, Academic Program for Excellence, Development of Vocational Skills, Teachers Training etc. and spend constructive time with the children, parents and teachers.

With a view to develop the youth of underprivileged classes around our sugar factories, we tied-up with

Entrepreneurship Institute of India (EII), Lucknow to organise an Entrepreneurship Development session for them. Post the completion of the session, EII is still helping the participants to start their own businesses.



Our Khatauli, Deoband and Ramkola sugar units run schools at nominal fee and extend healthcare services through charitable dispensaries for local community. Free health check up camps are organised throughout the

year. During the year, nearby areas at two of our sugar units – Rani Nangal and Milak Narayanpur - got affected by floods. A Flood Relief Camp and distribution of food packets, medicines etc. was organised for the flood affected people of the area. All our sugar units also undertake periodic disease control and pest management initiatives. To promote greenery, tree plantation drives were also organised during the year.

The Company also provides financial and management support to one of Delhi's oldest and most reputed hospitals, 'Tirath Ram Shah Charitable Hospital'.



message from
the chairman

Dhruv M. Sawhney
Chairman and Managing Director

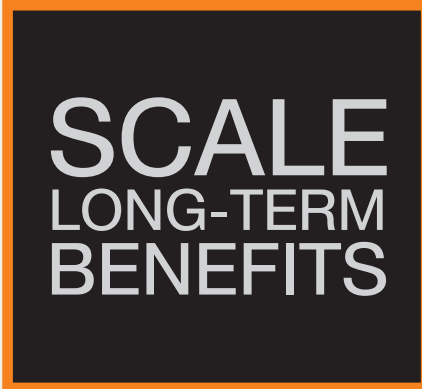
Dear Shareholders,

This year has been an extremely significant year for your company. The year witnessed our revenues crossing the ₹ 22 billion mark and our Engineering Businesses delivering exceptional results. Despite operating at a higher level of efficiency, our Sugar Business could not bring similar joy though. The mixed fortunes of our diversified businesses have highlighted the complexities and opportunities that exist for each of them and have led to two significant strategic initiatives – to de-merge our Steam Turbine Business and to form a Joint Venture with General Electric Corporation for a higher range of industrial steam turbines.

Let me share the key performance highlights of the company for the year. Our net sales grew by 19% to reach ₹ 22.6 billion. Revenue from the Engineering Businesses grew by 28% to reach ₹ 8.3 billion and that from the Sugar Businesses grew by 17% to reach ₹ 16.4 billion. On account of high volatility in sugarcane procurement,

the cost of production was significantly higher for the sugar manufactured. This coupled with the steep fall in free sale sugar realisation from January 2010 onwards caused a net loss before interest of ₹ 222 million to our Sugar Business. However, the Engineering Businesses generated a net profit before interest of ₹ 1.9 billion. For the Company, we recorded a net profit of ₹ 908 million.

Our Engineering Businesses have delivered extremely robust returns, which are in line with our expectations. Each of these three businesses – Turbine, Gears and Water – is distinct in its own way and holds tremendous potential of growth and profitability. They all command leadership positions in the markets/segments they operate in and have built significant market acceptance. A viewpoint has fast evolved in the recent past that these businesses can realise their true potential if a greater focus was assigned to each of them and they explore the possibility of strategic partnership at global level.



The Turbine Business is a low-capital high-technology business with good cash generation. Our strategy to consistently focus on technology has led to product development at par with global peers. Going forward as we look to leverage the capabilities of this business we have to look at expansion of our market size with respect to the product range, within rotating equipments, as well as in terms of our geographic markets.

The de-merger of our Turbine Business and Joint Venture with GE aims to address these opportunities, while maintaining the fundamentals and focus on capital and technology for the business. We are extremely optimistic that our Turbine Business will deliver strong growth and become a global leader in this segment. As the fellow stakeholder of 'Triveni Turbine Limited', you too shall participate in the unfolding of a great potential in coming years.

Our Gears and Water Businesses have exhibited strong returns as well. While the Gears Business is similar to the Turbines Business, the Water Business is working-capital intensive – especially with the growth that we are registering. Both these business will perform well in the

coming years as they focus on growth within their respective segments. The demand for power and water infrastructure is going to intensify through the coming decade. While we remain alert to participate in and maximise from the unfolding opportunities, we shall also focus on building capability and scale for long-term gains in these businesses.

On the other side, the sugar businesses are cyclical and have displayed high volatility in terms of operations and profitability. External factors play significant role in the shift of fortunes in this business. Courtesy the integration of our sugar operations with the addition of co-generation plants and a distillery, the returns have been better than the stand-alone business. While we strongly believe in the inherent strengths of the business – in terms of demand growth, ecological sustainability and rural economic development – the policy influence on the business and divergent policies from the Center and the States have led to a collapse in margins for the industry. We are optimistic on the future of the sector with Government talking about de-regulation and de-control of the sugar industry.

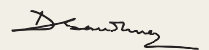
During the year we undertook a unique initiative titled Sustained Sugarcane Initiative, which will have a bearing impact on the long-term performance of our Sugar Business. The Sustained Sugarcane Initiative is a scientifically developed method of sugarcane cultivation that promises to reduce the cost of cultivation and improve the yield, both at the same time for farmers. The initiative will not only strengthen our bond with the farmers but also result in enhancing the quality of cane we procure from the enrolled farmers. Going forward, our focus on field-level technology development and deployment will help in improving both the availability and quality of cane.

We approach the coming year with no significant capital expenditure planned and a rational viewpoint of treating our individual business units as distinct entities and look forward to the de-merger of our Turbine Business into an independently listed Company.

We are committed to our core value of Creating Value for all stakeholders. For a Company of our stature, lineage and diverse businesses; striking a fine balance between the interests of all stakeholders is imperative to sustain our growth. Our businesses directly or indirectly impact the aspirations and well being of millions of Indians – either economically or socially. Then there are customers who are developing power and water infrastructure for the people at large. We must also serve the interests of our employees, shareholders, technology partners, and suppliers at the same time.

I will like to invite you all – shareholders, employees and other stakeholders – to continue participating in our mission of value creation.

With best regards,

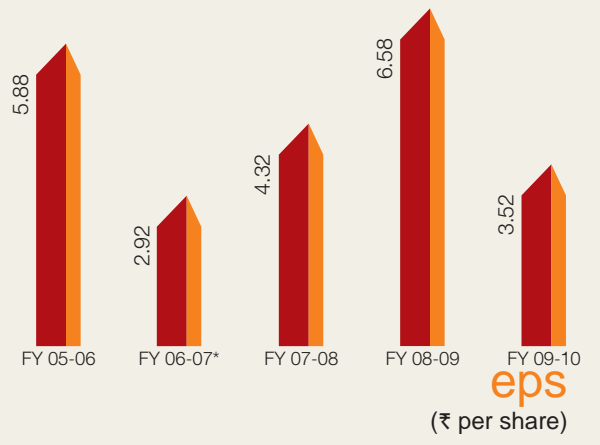
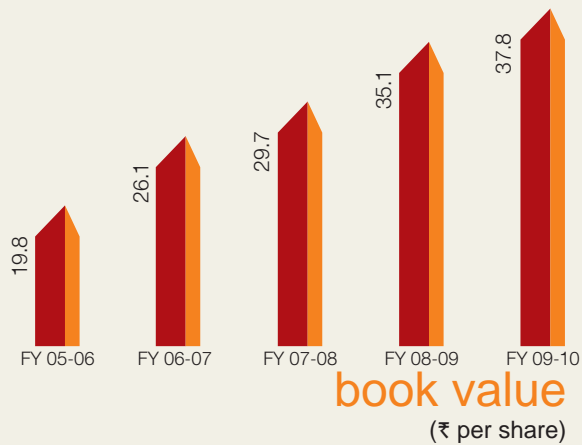
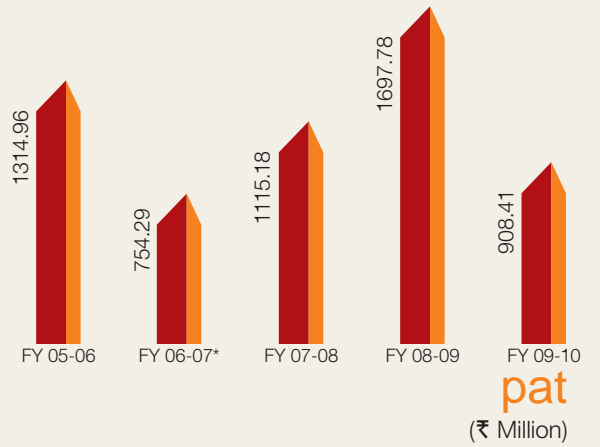
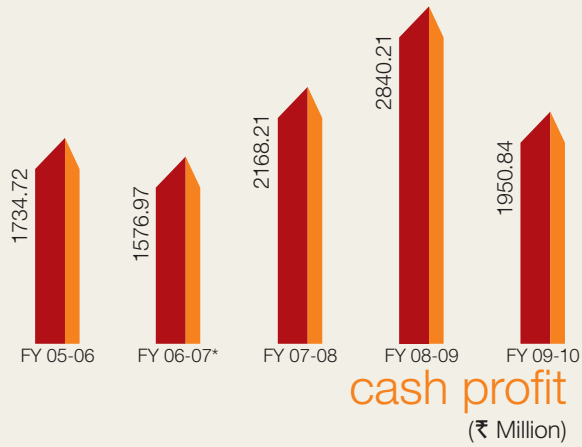
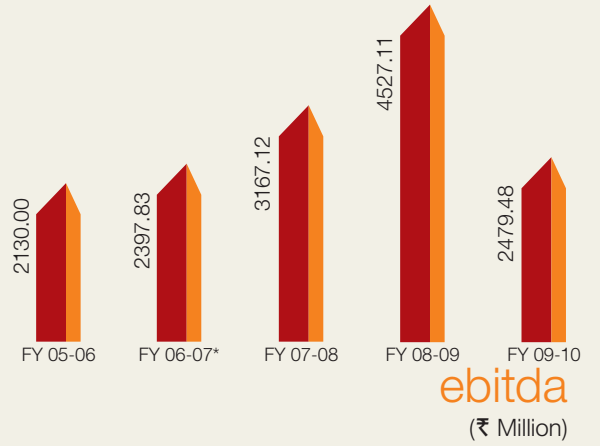
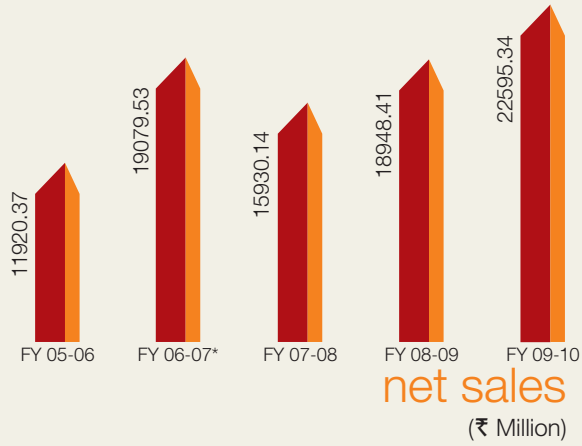


Dhruv M. Sawhney
Chairman and Managing Director

financial highlights

Particulars	Unit	FY 09-10 ending 30.9.2010	FY 08-09 ending 30.9.2009	FY 07-08 ending 30.9.2008	FY 06-07 ending 30.9.2007 (18 months)	FY 05-06 ending 31.3.2006
Net Turnover	₹ Million	22595.34	18948.41	15930.14	19079.53	11920.37
Earning before interest, taxes and depreciation and before exceptional items (EBITDA)	₹ Million	2479.48	4527.11	3167.12	2397.83	2130.00
Cash Profits	₹ Million	1950.84	2840.21	2168.21	1576.97	1734.72
Profits before Tax (PBT)	₹ Million	1173.16	2429.47	1345.61	785.20	1611.79
Profit after Tax (PAT)	₹ Million	908.41	1697.78	1115.18	754.29	1314.96
Share Capital	₹ Million	257.88	257.88	257.88	257.88	257.88
Reserves & Surplus (Less Revaluation reserve)	₹ Million	9489.51	8806.64	7410.57	6490.64	4863.66
Net worth*	₹ Million	9747.40	9051.52	7649.28	6726.11	5111.91
Loan Funds	₹ Million	9341.57	8337.95	11686.96	9993.94	4026.04
Net Fixed Assets	₹ Million	12505.32	12738.78	12972.13	13025.34	6149.71
Net Current Assets	₹ Million	7629.99	5379.49	6986.82	4128.08	3572.68
Operating Profit Margin	%	11%	24%	20%	13%	18%
Net Profit Margin	%	4%	9%	7%	4%	11%
Return on Average Net Worth	%	10%	20%	16%	13%	39%
Return on Average Capital Employed	%	8%	13%	10%	11%	19%
EPS (fully diluted)	₹	3.52	6.58	4.32	2.92	5.88
Cash EPS (fully diluted)	₹	7.56	11.01	8.41	6.12	7.76
Debt Equity Ratio	Times	0.96	0.92	1.53	1.49	0.79
Interest coverage	Times	2.92	3.91	3.19	3.29	9.26
Dividend Rate	%	75%	100%	60%	60%	50%

*After adjustment of miscellaneous expenditure not written off



*FY 06-07 - 18 months period from 01.04.2006 to 30.09.2007

Our Company

We are a ₹ 22 billion Manufacturing and Engineering solutions conglomerate with operations in Sugar, Steam Turbines, Gears and Water Treatment sectors.

With 11 manufacturing locations across India, we employ over 5000 people and serve key priority sectors of Sugar, Power and Water management. Listed on country's leading stock exchanges namely The Bombay Stock

Exchange and The National Stock Exchange, we enjoy the trust of around 40000 shareholders.

Our Operational Domains

With 7 Sugar Mills, 3 Co-generation units and 1 Distillery spread over 8 locations in Uttar Pradesh, our Sugar Business Group enjoys the installed sugar crushing capacity of 61000 TCD, Co-generation capacity of 68 MW of power and Distilling capacity of 160 KLPD.

As one of the leading sugar player of India, we progressively engage with over 250,000 farmers through our cane development program.

Our Engineering Business Group has a dedicated manufacturing cum R&D unit each for Steam Turbine, Gears and Water Treatment Applications at Bengaluru, Mysore and Noida respectively. With advanced capability to manufacture Steam Turbines upto

30 MW, we command market-share of about 58% in upto 30 MW segment. As the largest Indian manufacturer of high-speed gears and gearboxes, we command 60% market-share in the high-speed gears. As a focussed player in Water Treatment domain, we offer end-to-end services & product mix in the technology spectrum of Water and Waste-water treatment.





Our Vision

To maintain leadership position in each of our businesses and their relevant segments

To create value and delight for all stakeholders including customers

To deploy technological edge as the key differentiator in sustaining leadership and delivering growth

Our Service Capabilities

Our sales and service network of 13 locations serves our global spread of customers across 31 countries and

4 continents. Our technical services workforce provides end-to-end support to customers from the requirement mapping to solution advisory to machinery supply to installation assistance to after sales and refurbishment and maintenance.

Our Guiding Principle

Seeking sustainable growth through technological excellence aimed at delivering customer satisfaction and pursue sustainable value creation for all our stakeholders.



management
discussion and analysis

Indian Sugar Industry

India's sugar production for the 2009-10 sugar season was 18.9 million tonnes, which was higher by 30% over the previous year. The production in Maharashtra and Karnataka recorded significant increase of over 50% while Uttar Pradesh recorded an increase of 27%. Other sugar producing states including Tamil Nadu and Andhra Pradesh recorded a decline in production by almost 20%. The overall increase in production has been primarily on account of favourable climatic conditions and lower diversion of cane in Uttar Pradesh for alternate sweeteners in the second half of the crushing cycle.

The sugar prices steadily increased from September 2009 to February 2010 in anticipation of lower production for the



season. This prompted the sugar mills to procure cane at higher prices in order to secure better supplies. India imported an all time high quantity of raw and white sugar in the light of initial estimates of lower production for the season. The total import for 2009-10 was 4.3 million tonnes comprising of 3 million tonnes of raw sugar and 1.3 million tonnes of refined white sugar.

The year 2009-10 witnessed huge swings in sugar prices due to volatility in production estimates. Domestic sugar prices touched an all-time high while global sugar prices touched a three-decade high. The sugar prices started moving upwards from September 2009 and touched an all time high of ₹ 4420 per quintal in the first week of January 2010. Lower cane diversion in UP coupled with higher yields in Maharashtra and Karnataka led to the additional

COMPARATIVE SUPPLY & DEMAND POSITION OF SUGAR FROM 2005-06 TO 2009-10 AND ESTIMATES FOR 2010-11

(Figures in Million tonne)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 (Estimates)
Opening Stock as on 1st Oct.	4.0	4.3(*)	11.0	10.4	4.4	5.0 [§]
Production during the Season	19.3	28.3	26.3	14.5	18.9	25.0
Imports	-	-	-	2.5	4.0(**)	-
Total Availability	23.3	32.6	37.3	27.4	27.3	30.0
Offtake						
i) Internal Consumption	18.5	19.9	21.9	23.0	21.3 [#]	23.0
ii) Exports	1.1	1.7	5.0	0.02	0.2	2.0
Total offtake	19.6	21.6	26.9	23.0	21.5	25.0
Closing Stock as on 30th Sept.	3.7	11.0	10.4	4.4	5.8	5.0
Stock as % of Offtake	20.0%	55.3%	47.7%	19.2%	27.2%	21.7%

(*) Adjustment made as per Central Excise Certificate

(**) Total imports of Raw & White sugar amount to 4.3 million tonne which is equivalent to 4.0 million tonne of white sugar

Based on net release after adjusting unsold stock plus 0.3 million imports by bulk consumers

§ As per Government data

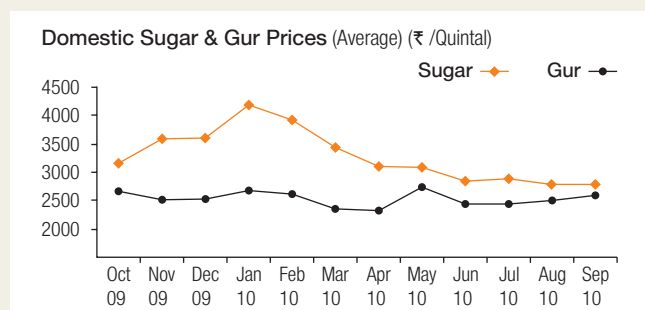
Source: ISMA upto 2009-10 and Company Estimates



sugarcane supplies to sugar factories and resulted in an increase in production of sugar by 4 to 4.5 million tonnes over the initial forecasts.

The year 2009-10 also showed high volatility in sugar prices. As the sugar prices continued its rise, the Government initiated various measures such as fixing stock limits for market intermediaries, allowing direct import by bulk consumers of sugar and allowing duty-free import of raws and whites to ease the domestic supplies. With the supply easing and in the backdrop of higher production estimates, sugar prices started declining from February 2010 and fell by about 39% from the peak in January 2010 to September 2010.

The cost of production of sugar for 2009-10 season has been high due to increased cost of cane. The average sugar prices during the year remained below the cost of production. All the mills in Uttar Pradesh ended up paying significantly higher cane price than the State Advised Price (SAP) of ₹ 1650 per tonne for normal variety of cane. Climatic conditions led to below normal



NCDEX spot prices of Sugar and Gur at Muzaffarnagar



recovery of sugar as compared with the earlier seasons. Initial estimates of lower sugar production prompted the Central Government to increase the levy quota obligation for sugar mills from 10% to 20%. These factors resulted in huge losses for sugar mills.

In respect of the forthcoming season 2010-11, the area under cane cultivation is estimated to increase by 15-18%, prompted by the record cane price realisation in the previous season. Favourable monsoon in most of the cane growing regions is expected to result in better yield and recovery. Government of India's estimates put the total cane production at about 348 million tonnes, reflecting a growth of 25% over the previous season. Initial estimate for sugar production for 2010-11 is at 25 million tonnes which is 33% higher than the previous season. The Government, sensing a comfortable position, has allowed export of sugar under Advance License Scheme (ALS), which will aggregate to a million tonne and may allow more exports under Open General License (OGL) if there is no significant change in the production estimates. With the country's rising consumption, even at the high production estimate of 25 million tonnes, accretion to inventory is expected to be minimal and therefore, the sugar prices are expected to remain stable and firm at the current level of ₹ 29 per Kg.

In view of the higher estimates of sugar production for 2010-11 season, the Central Government has already revised

the levy obligation back to 10% of production from the 20% during the previous season. This should considerably minimise losses on the sale of levy sugar during 2010-11 as the levy price is lower than its cost of production.

Global Sugar Industry

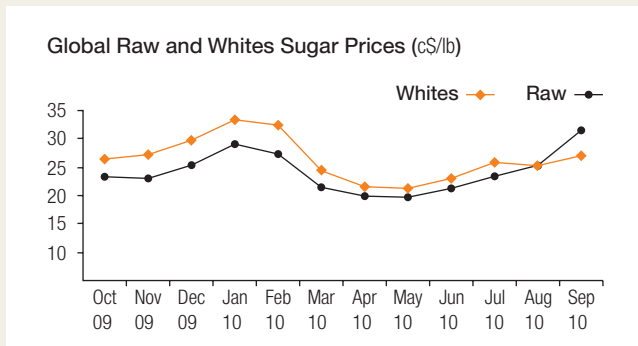
India is the largest sugar consuming country in the world. The initial estimates of lower production in India for 2009-10 and physical sugar imported by it resulted in rising global sugar prices. Globally, in view of two successive years of sugar deficit, the sugar prices were ruling high. Later, the prices steeply declined in expectations of record production in Brazil and significant bounce back of production in India. Again the prices have started rising from July 2010 as the production estimates in India are being revised downwards, which may as best lead to parity position, without any accretion to the global sugar inventories.

With one of the strongest "El Nino" phenomena felt in Brazil from the middle of 2009, when the harvesting was at its peak, Brazil experienced the wettest summer during 2009-10.

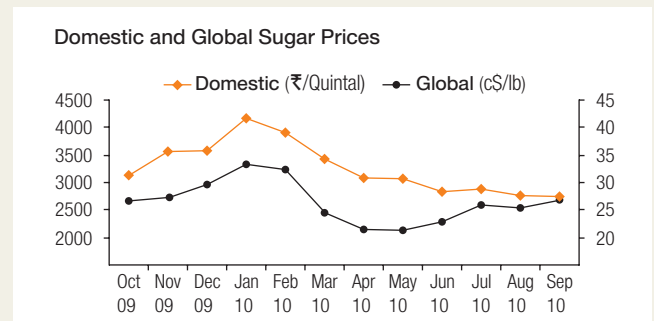
Because of the wet climatic conditions, the sweetener contained in sugarcane was lowest during 2009-10 at 130.2 kg per tonne of sugarcane crush. Due to wet summer months, about 50 million tonnes of cane remained unharvested till the end of 2009-10 season.

The sugar prices internationally, after showing a steep decline from the peak in January 2010, started going up from July 2010 onwards on account of lower estimates of global sugar production. The estimates of sugar production for Brazil was consistently brought down due to adverse climatic conditions and logistics constraints and the same applied to Australia, Thailand, Russia etc. The sugar prices in India moved in tandem with Global sugar prices till June 2010 and since then the global prices moved upwards in view of the lower estimates of production from Brazil.

On account of the above factors, sugar prices further moved up globally in October and November and in November 2010, it touched the record highs.



Source: Raw sugar - New York Board of Trade, White sugar - London International Financial Futures and Options Exchange (LIFFE)



Source: Domestic Sugar Prices - NCDEX and Global Sugar Prices - LIFFE

Triveni is one of the largest sugar players in India having 61,000 tonnes crushing capacity per day. Its seven sugar units are strategically located in cane rich areas across the western, central and eastern part of Uttar Pradesh (UP). Its sugar operations are partially de-risked from cyclicity of sugar industry through integrated operations of sugar making, co-generation and distillery functions.

Operational Highlights

Triveni's seven units put together manufactured about 419,101 tonnes of sugar from sugarcane and 86,695 tonnes of sugar from processing raw sugar. The total sugar production stood at 505,796 tonnes, recording a growth of 50% over the previous season. At 10.12%, its Ramkola unit achieved the highest recovery in the state of U.P.

Against the State Advised Price (SAP) of ₹ 1650 per tonne for normal variety cane and ₹ 1700 per tonne for early maturing variety, the price paid during the season was much higher due to lower availability of cane and competition from alternate sweeteners. Neighbouring states of Uttaranchal & Haryana announced a higher SAP of ₹ 1920-1970 per tonne and ₹ 1800-1850 per tonne respectively with Haryana announcing an additional incentive of ₹ 30 per quintal in November 2009.

In view of the differential price with those in the neighbouring states and high prices offered by alternate sweeteners, the SAP



lost its relevance and the factories procured cane at prices higher than the SAP. The higher cane costs resulted in higher cost of production of sugar. This, coupled with higher levy sugar obligation from 10% to 20%, resulted in the sugar

business incurring a net loss before interest of ₹ 573.3 million including write down of sugar inventory at the year end by ₹ 558.2 million to the Estimated Realisable Value (ERV), cost being higher than the ERV.

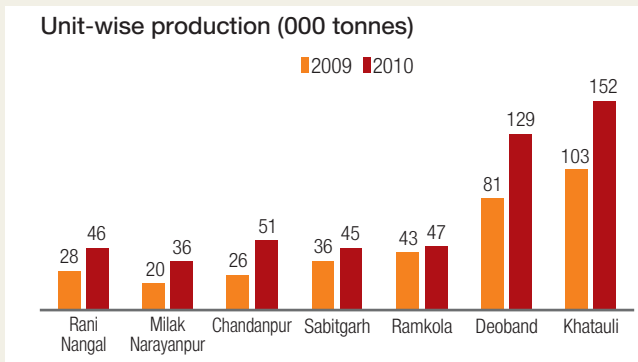
There has been an increase of nearly 10% in number of kolhus in the cane rich belt of UP in last couple of years. The gur prices remained strong compared to sugar prices

for a good period during the last season, enhancing the paying capacity of the kolhus which went as high as ₹ 250-260 per quintal. The kolhus reduced their price when the gur prices started declining resulting in reduced cane diversion to kolhus. The reduction in cane prices at that stage was not feasible to the industry as this would have impacted the spring plantation of sugarcane.

CANE DEVELOPMENT PROGRAMME

The growth and the performance of the sugar business is largely dependent on the availability of both quality and quantity key raw material, sugarcane, and cane development has a definitive role in improving both. Triveni has a dedicated team of cane development staff comprising of village level supervisors and officers who remain in direct contact with cane farmers assisting them in various aspects of cane cultivation.

Being spread across the breadth of the Uttar Pradesh, the sugar units have varying cane development priorities depending upon the local situation. Bringing new areas under cane cultivation is a priority activity in low cane intensity areas whereas in good cane intensity areas, the development team is striving for ideal varietal mix with focus on early and high



sugared varieties. The cane development wing of the sugar units provide round-the-year support to cane farmers in keeping the crop healthy and disease free. Apart from insecticidal spray campaign on cane crop, the sugar units are popularising bio control measures against certain pests of sugarcane in collaboration with companies of repute in this field.

Sustainable Sugarcane Initiative (SSI)

Apart from encouraging farmers for growing sugarcane, the Company is working on two other important aspects of cultivation of any field crop –

- bringing down the cost of cultivation, and
- yield enhancement.

The Company, as a part of its strategic move and social commitment, launched and successfully executed a campaign “Grow more with less” for promoting a new sugarcane farming technique known as Sustainable Sugarcane Initiative (SSI) to the farmers in the catchment areas of its sugar mills. The campaign “Grow more with less” has been designed to reduce the input cost for the farmer in terms of seeds & water requirement. At the same time, it promises to generate more output per hectare to the farmers than the conventional method being practiced presently. The technique has been designed by ICRISAT (International Crop Research Institute for the Semi-Arid Tropics) and supported by WWF (World Wide Fund for Nature). The project would enhance the supply of cane to the factories and support longer crushing season leading to optimal utilisation of the plant, apart from ensuring better quality sugarcane.

Outlook

The carry forward sugar stock for the season 2010-11 as per the Government is 5.0 million tonnes, equivalent to about 3 months consumption. With the farmers having fetched record prices for the cane during the 2009-10 season, the area under

cane cultivation for 2010-11 has increased. As per preliminary estimates, the same may be higher by 16% in U P and 20% in and around Triveni’s sugar units, resulting in higher sugar production. Likewise, the recovery estimates are also high due to higher sugar in cane as is evident from initial sampling.

The cane yield which was earlier expected to be better than last year has been affected by the late rains and floods. The yield is expected to be at the same level as last year. The prevailing temperature trend is expected to lead to better sucrose formation and hence better recovery, resulting in overall sugar production to be higher by 12-15% in the coming season. The current estimates for the country’s sugar production for 2010-11 season is 25 million tonnes. Demand is expected to be around 23.0 million tonnes leading to marginal surplus in production over consumption, which may be consumed by some exports and therefore, the ending stock as on 30th Sept 2011 should be more or less in line with the opening inventory. Under these circumstances, the sugar prices are expected to remain firm during 2010-11 sugar season.

The Central Government has announced Fair and Remunerative Price (FRP) for 2010-11 at ₹ 139.12 per quintal for 9.5% recovery, higher by ₹ 10 per quintal over last year. However the Government of Uttar Pradesh has announced State Advised Price (SAP) at ₹ 205 per quintal for normal variety and ₹ 210 per quintal for early maturing variety, which is ₹ 40 per quintal higher than the previous season.

In line with the higher estimated sugarcane production, Triveni also estimates to have higher sugarcane crush during the 2010-11 season. With the improvement in climatic condition during October/November 2010, the recovery is also expected to be better than last year. Coupled with higher crush and increase in recovery, Triveni estimates sugar production from cane crush to be higher by 30%.

Triveni operates three co-generation power plants, one at Deoband and two at Khatauli, with combined installed capacity of 68 MW. Surplus power from these plants is exported to the grid. The Deoband plant has a 22 MW co-generation capacity while Khatauli has two co-generation plants each with a capacity of 23 MW.

Performance highlights

Due to lower sugarcane crushed in the season 2009-10, the availability of bagasse remained low constraining the optimum operation of the co-generation plants. The

co-generation plants on bagasse based operation generated 199.9 Million Units (MU) power and exported 133.3 MU power to the grid during the year 2009-10. The profitability of the co-generation plants was constrained due to higher pricing of bagasse.

Deoband and 'Khatauli Phase-I' co-generation plants of the Company are registered as Clean Development Mechanism (CDM) projects with UNFCCC. Carbon credits for the period April 2007 to March 2008 from both these plants were issued and transacted. The Company earned revenue of ₹ 99.8 million from the sale of issued carbon credits.

Trends

In order to enhance the utilisation of the power generation capacity during off-season, provision to fire coal in one of the co-generation boilers at Khatauli has been implemented in line with UP Government's Energy Policy 2009. The complete system has been tested and trial operations have been successfully carried out. Out of 20.2 MU of power generated

during the trial operations in this off-season using coal as a fuel, 17.6 MU has been sold to UPPCL at a tariff of ₹ 5.02 per kwh.

Outlook

The sugarcane crushing in sugar factories at Deoband and

Khatauli are expected to be higher in the sugar season 2010-11 in comparison to the previous season. On account of increased bagasse availability, the operational period and capacity utilisation is expected to be higher. The power generation and export from co-generation plants is expected to

improve significantly, thereby improving the revenue and profitability of co-generation business of the Company.

In respect of the operation of the CDM projects during April 2008 to March 2010, claims would be filed with UNFCCC for issuance of the carbon credits, which are expected in the next financial year. The Company also expects to take full benefit of coal-based power generation in its unit during the next off-season, both through sale of power to UPPCL and merchant trading, to capitalise on better power tariff in peak summer months.

The Company continues to focus on its co-generation business and align its operations to maximise its utilisation and aspires to achieve operational excellence. The revenue generated from the sale of power and carbon credits generated from the UNFCCC registered CDM plants will continue to provide good returns from the co-generation business.



With an aim to integrate its sugar operations and to reduce the impact of its cyclicality, Triveni entered the distillery business in 2007 with the commissioning of its sole distillery at Muzaffarnagar. The distillery has a capacity of 160 Kilo Litres per Day (KLPD) and is one of the largest single stream molasses based distilleries in India. Strategically located in close proximity to two of its largest sugar units, the distillery procures consistent supply of captive raw material.

The distillery currently produces Extra Neutral Alcohol (ENA), Rectified Spirit (RS) and Special Denatured Spirit (SDS) and is known for the high quality of its products. Equipped to produce Ethanol as well, Triveni has been qualified in tender for supply of Ethanol to Oil Marketing Companies in UP, Uttaranchal and Delhi. The supplies are expected to commence from November 2010. The unit extracts bio-gas from the effluent and use it as main fuel in the boiler.

Performance highlights

Sharp decline in cane crushing and lower molasses availability in 2009-10 adversely affected the distillery performance. Though the distillery operated for 181 days as against 141 days in the previous year, its operational period was much below the normal period of around 270 days. The plant attained recovery at 228 litres per tonne of molasses due to higher fermentation and distillation efficiencies.

Major customers of the distillery business are United Spirits Limited, Jagatjit Industries, Indian Oil and Jubilant Life Sciences. The distillery remains a preferred supplier to these prestigious customers.

Outlook

The pricing of alcohol remained subdued throughout the year because of the surplus alcohol available in the market. We expect the position to correct on the commencement of supplies of ethanol to the oil companies.



Power is a key input for socio-economic development of India. Ensuring access to electricity for all households, availability of adequate power to fully meet the demand and increasing the per capita availability of electricity to over 1000 units by 2012 are the key objectives under the National Electricity Policy 2005. Government of India has introduced a slew of measures and policies towards achieving them.

While the power sector in India has witnessed a few success stories in the recent past, there are innumerable challenges resulting from the gaps that exist between planning & delivery. The bottlenecks facing the sector include project execution delays on account of land acquisition, environmental clearance, equipment shortage, manpower shortage etc. and operational concerns like fuel availability and schedule dependency on transmission lines. These issues, coupled with factors of climate change and grid security has led the government to recognise the importance of distributed power generation through Captive Power Plants (CPPs) as well as renewable source based Independent Power Projects (IPPs).

During the year 2009-10, the overall power generation in India increased to 771.5 Billion Units (BU) from 723.7 BU in 2008-09 recording a growth of 6.6%. The current demand-supply gap for electricity stands at around 10% with peak shortage at 12%. The Power Ministry has projected an actual power demand of 1077 BU by the end of 11th plan period. Against the capacity addition target of 78,700 MW under the 11th plan, approximately 9,585 MW of power generation capacity has

been added during 2009-10. Triveni estimates one-third of all further capacity addition to happen through CPPs and renewable resource based IPPs.

As per the recent statistics, the total installed capacity in the country is 164 GW, 7.7% of which is from renewable energy sources. Industrial sector consumes 35% of the total electricity generated in the country. Industries that generate steam for their manufacturing process would logically add power generation to their fold. Even those



industries that do not use steam for their core processes will add captive power generation in order to safeguard from grid problems and/or utilise the waste-heat productively. Most of the smaller industrial units have deployed diesel generators to counter the erratic power supply coming in way of their growing power requirements. With the cost per unit of electricity produced through diesel generators being quite high, these industries are increasingly shifting towards steam turbine based captive power generation. Industries like Textile, Distilleries, Breweries, Caustic Soda, Fertilizer, Paper and Pulp Industry, Solvent Extraction, Sugar, Rice, Petrochemical etc. have a significant power generation potential through co-generation.

Bagasse based co-generation in sugar mills and other biomass based power plants harness grid quality power. It is estimated that the surplus power generation in sugar mills alone, through bagasse co-generation, can lead to over 5000 MW of power supply to grid. While the biomass based power generation capacity has reached to about 900 MW during the year, its potential is estimated at around 21,000 MW in India.

Only 3% of the water available on the planet is fresh – and just a third of that is accessible to humans. With rising population and depleting per capita fresh water availability, Government of India is devoting about 3% of its national budget towards water investments. The water consumption in India is 1,900 billion litres per day (lpd). By 2050, it is estimated to increase to 2,463 billion lpd at a CAGR of 0.7 percent. Water as a resource is under relentless pressure. UN's medium projection estimates India's population to exceed 1.4 billion by 2025. The chronic water scarcity that already plagues many regions of the country is all but certain to intensify.

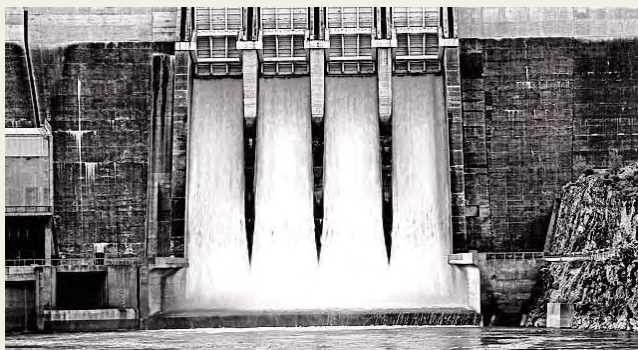
WATER INDUSTRY

Water Demand (in BCM) for various Sectors:

Sector	Standing Sub-Committee of MoWR			NCIWRD		
	2010	2025	2050	2010	2025	2050
Irrigation	688	910	1072	557	611	807
Drinking Water	56	73	102	43	62	111
Industry	12	23	63	37	67	81
Energy	5	15	130	19	33	70
Others	52	72	80	54	70	111
Total	813	1093	1447	710	843	1180

Source: GOI, 2006.

Due to steady population growth, overall socio-economic growth, rapid urbanisation, large-scale industrialisation and growing environmental concerns, water stress has emerged as a real threat. Municipal water and Waste-Water treatment, water recycle and reuse, industrial in-process and waste-water



treatment hold key to sustainable water management.

Recognising the criticality of integrated water management, the Government of India revised the National Water Policy in 2002 and introduced many new schemes and projects for

proper development and management of water resources. As per the policy, local bodies such as Municipalities, State Governments and the Private Sector should incorporate participatory approach in various aspects of planning, design, development and management of water resources scheme. Funding for projects has been enabled through programs like Jawaharlal

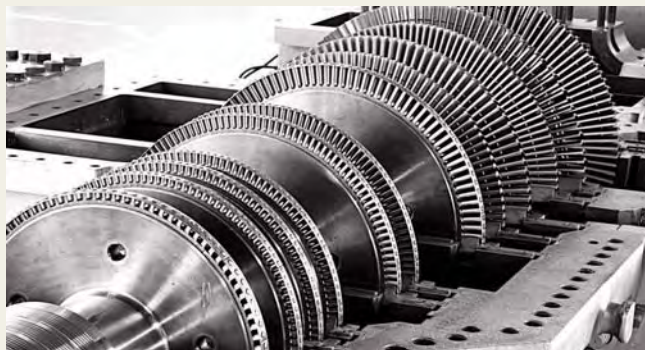
Nehru National Urban Renewal Mission (JNNURM) for urban areas and Rajiv Gandhi National Drinking Water Mission (RGNDWM) for rural India. International bodies like ADB and JICA are also increasingly funding water projects in India.

The Water and Waste-Water treatment market in India is estimated at ₹ 54 billion and poised to grow at 13% CAGR between 2010 and 2013. Industrial and Municipal sectors will be the major contributors followed by point-of-use purifiers. Power sector will boost the water market with ultra-pure water required in upcoming projects. Globally, water recycle and reuse market is expected to grow at 16% to reach \$57 billion by 2015. Membrane filtration and desalination technologies are being used across the country to meet industrial water requirements.



Triveni's Turbine Business Group (TBG) manufactures steam turbines upto 30 MW at its state-of-the-art manufacturing facility at Bengaluru, which is ISO 9001:2008 and ISO 14001:2004 certified. It has installed over 2500 turbines in more than 30 countries. Its steam turbines meet national and international benchmarks like IS, CE, API, IEC specifications etc. TBG commands about 58% market share in the below 30 MW range. It has sustained indigenous technology development programme through a strong R&D team and strategic partnerships with the best global technology research & design firms. It provides its customers a wide range of integrated solutions and round-the-clock service support through 150 trained service personnels and 13 service centres across the country. TBG provides complete customer care services to its clients – from erection till commissioning, spare parts and refurbishing.

TBG caters to a wide range of industries including bio-mass and municipal solid waste based Independent Power Plants (IPP), Captive Power Plants (CPP) and Co-generation Plants in Sugar, Distillery & Ethanol, Palm Oil, Oil & Gas, Pulp & Paper, Textiles, Chemicals, Fertilizers, Pharmaceuticals, Steel, Solvent Extraction, Carbon Black, and District Heating sectors.

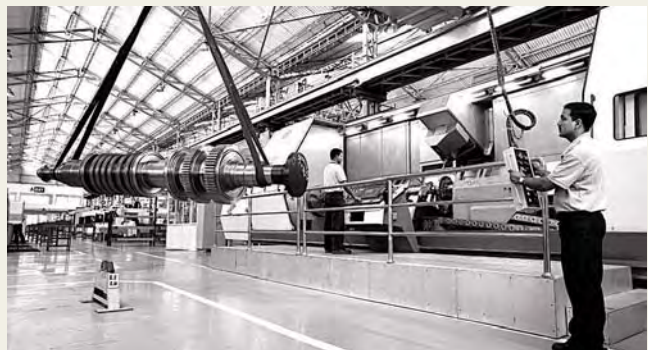


Performance Overview

TBG recorded an all round growth during 2009-10, with enhanced performance across the parameters of sales, profitability and order booking. During the year, its net sales grew by 19%, profit before interest increased by 13% and order intake grew by 43% over the previous year. The order intake during the year totalled ₹ 5.4 billion while the outstanding order book as on 30th September 2010 stood at ₹ 5.7 billion, representing 935 MW, higher by 14 % over the last year. TBG dispatched turbines aggregating to 711 MW during the year.

The improved market conditions with increased demand and ensuing Capex programmes in various industrial segments were the key drivers for sales and order booking during the year. Multiple orders were booked during the year for high temperature, high pressure turbines.

TBG continued its thrust on exports and is on course to expand its overseas market in a big way. The factors leading the growth in global market for steam turbines include the revival of industries in South East Asia, Biomass IPP growth driven by mandatory targets of EU nations for share of energy from non-renewable source, fuel shift i.e., oil to solid,



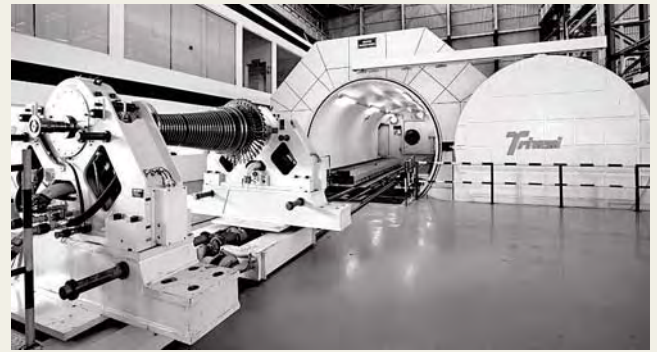


and instances of some specific segments doing well. TBG continued to increase its presence in South East Asia and Korea. During the year, the revenue contribution from domestic sales and exports were 88.5% and 11.5% respectively, which is an indication of improved global market conditions for the customers.

Service remains the main differentiator for TBG in the Industrial Turbine segment. It continued to strengthen its work force during the year. TBG forayed into refurbishing in utility range. TBG's bid for refurbishment jobs up to 300 MW has received an encouraging response. An encouraging number of refurbishment orders for drive and power turbines of different makes were also booked during the year. The share of after-sales component in the total sales has gone up to 16.3% during the year from 15.9% in the previous year. This increased share of after-sales component will enable TBG to sustain its profitability going forward.

Key Orders

- A single order totalling to 183 MW for sugar co-generation projects in Tamilnadu, having multiple turbines with high pressure / high temperature cycle.
- The unit undertook high speed balancing of 210 MW HP turbine rotor assembly and also undertook troubleshooting of 300 MW LP steam turbine system.



Research & Development

TBG continued its efforts on the technology front to further improve efficiency and reduce the cost of production. New families of blades were added to improve product efficiency. The technology and development programme is underway in terms of higher ranges and high pressure & temperature turbines. R&D team is working closely with a design house of international repute for validation of many internal R&D efforts for bringing efficiency improvement.

Quality

TBG continued its pursuit of quality in every aspect of operations. Performance guarantees were met for all the commissioned turbines available for performance test during the year. Quality improvement initiatives like Daily Work Management (DWM) and 5S continued to be deployed. Structured Kaizen scheme was introduced to promote the culture of continuous improvement. TBG continued its successful run in CII Exim Bank Award for Excellence competition in 2009 also, by improving its score in "Strong Commitment to Excel" category.

Learning Centre

Human Resource Development initiatives got a fillip with completion of the Learning Center during the year. The first 2 batches of graduate trainees and diploma trainees have

completed their structured training and are in the field. Refresher courses are being organised for existing employees. Over 3500 man-days were covered at learning centre in 6 months of its operation.

IPR Initiatives

With its continuing focus on Research and Development, TBG created a separate group during the year to focus on IPR. Multiple patent and design registrations have already been submitted to the appropriate authorities.

Growth Initiatives

The de-merger process of the turbine business into a separate entity is underway and the resulting Company, to which steam turbine business will be vested to, will get listed on NSE and BSE.

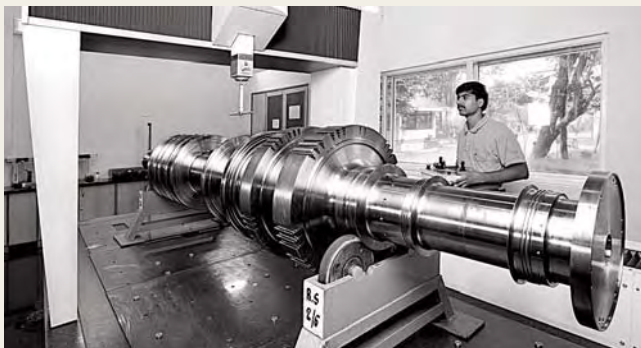
During the year, the Company entered into a Joint Venture (JV) with General Electric through one of its affiliates, for design, manufacture, supply, sell and service advanced technology steam turbines in India in the above 30 to 100 MW range for power generation applications for the Indian and worldwide markets. As per the agreement, GE Triveni Limited (GTL) has been incorporated in India and the transaction with GE Mauritius Infrastructure Holding Limited (an affiliate of GE Oil & Gas) has

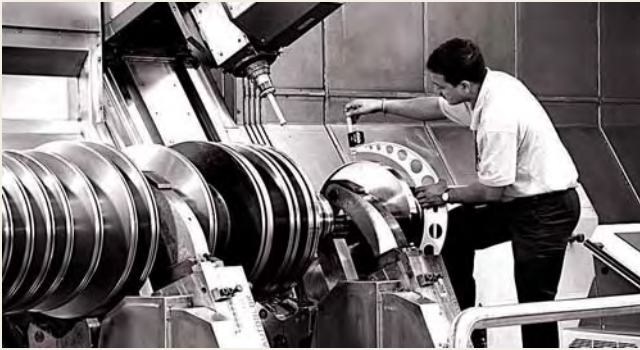
been concluded after fulfilling all the condition of the JV Agreement including signing of the ancillary agreements and subscribing to the Share Capital of GTL. Along with the de-merger of the turbine business into a separate Company, the investment in this joint venture will also be transferred into the new Company.

Outlook

With the increase in number of higher MW turbines installed, the business from spares & servicing is expected to go up considerably. The impact of the same has already started reflecting in our current performance. TBG executed refurbishment orders for drive and power turbines of different makes during the year, which paves way for getting into larger size turbines for refurbishing and troubleshooting.

TBG's foray into higher MW high-temperature high-pressure turbines will expand its market opportunities going forward. With its focus on Research & Development coupled with its ability to access new markets, the business is expected to grow significantly. With the economic growth gaining momentum, growth of power sector continues to be robust. Healthy growth in the Paper industry and Steel industry also augurs well for the TBG.





Benefits of renewable energy shall catalyse the development of low captive energy systems. Carbon Credits along with tax subsidies for biomass based power plants are added drivers for growth of renewable energy sector. The National Solar Mission will enable investment in Solar based power plants, which is an emerging opportunity.

On the back of above factors, TBG's growth outlook remains promising for 2010-11 and beyond. TBG's successful foray into



the Palm Oil segment in South East Asian countries should enable the unit to venture aggressively in this segment in the coming years, which will be a boost to the overall export strategy of the unit. This coupled with the expansion of geographic reach through exports to high growth markets in Asia and Africa will also enable TBG to perform consistently and grow.

Triveni's Gear Business Group (GBG) manufactures high-speed gears and gearboxes upto 70 MW capacity and speed of 70,000 rpm from its unit located at Mysore. It is the country's largest one-stop solution provider in these segments and commands an overall market share of about 60%. Its market share in the below 25 MW Segment stands at over 80%. GBG supplies High Speed Gearboxes to OEM like TBG- Bengaluru (captive), Siemens, BHEL, Pump OEMs, Hydro market etc. and receives direct orders from end-users for replacement markets. Steam Turbine Generator (STG) segment has the highest share in GBG business.



Performance Overview

On the back of improving economic scenario, GBG delivered enhanced performance in terms of sales, profitability and order booking during 2009-10. Its net sales grew by 38% and profit before interest grew by 42% during the year over 2008-09. The order intake during the year grew by 27% at ₹ 1.1 billion. The outstanding order book as on 30th September 2010 stood at ₹ 621 million, recording a growth of 14% over the previous year.

During 2009-10, the gear business has manufactured more than 40 high power gearboxes of more than 20 MW size and also designed similar number of gearboxes for high technology



applications conforming to API specifications for many OEMs. This has enabled the unit to get a strong footing into this market.

Apart from the improvement in product business, GBG's aftermarket business which includes spares, servicing, retrofitting and refurbishments etc., is also gaining momentum. This segment has grown in line with the overall turnover of GBG and maintained its share in total revenue at around 36% and helped GBG to consistently maintain its margin.

GBG's foray into high power hydel gear boxes and loose gearings are also gaining momentum with encouraging orders being received from some OEMs for non-turbine applications. Its export focus has traditionally been in SE Asia for OEMs and refurbishment. During the year, GBG entered new countries like Uganda, Australia and New Zealand.

Original Equipment Segment

GBG has a market share of 70% in steam turbines, 70-75% in pumps and 25% in hydro segment. Key clients of GBG are:

- OEM Turbines segment - TBG, Siemens, BHEL - 70%
- Small Turbine OEMs - 80%
- Pumps – KSB, Sulzer, Flowserve, Kirilskar Ebara pumps, Clyde pumps -70-75%





- Hydro segment - B Fouress Ltd, Boom Systems, HPP Energy, Jyoti - 20%.

Going forward, growth in this segment is being guided by increased indiginisation objectives of some OEMs shifting their manufacturing base into India and MNCs already established in India. Export initiatives of OEMs present in India will also give further market footprints to GBG indirectly.

Service Offered in OEM segment

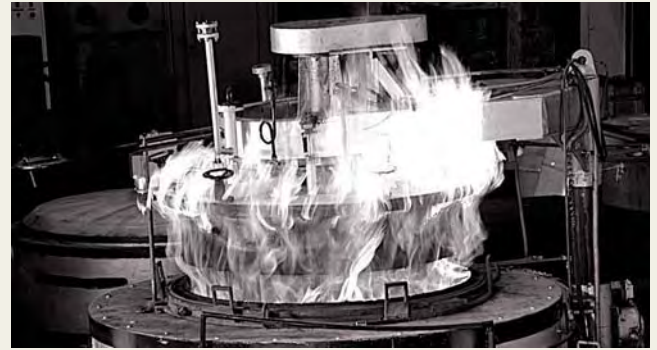
- Replacement of all makes of high speed, high power and niche slow speed gearboxes
- Special test rig gearboxes
- Spares for gearboxes supplied through non-captive OEMs
- Loose gearing.

Speed of response, flexibility and customer relationship are the key differentiators for GBG. Its exports to countries like Pakistan, Thailand, Indonesia, Malaysia, Uganda, Germany and Australia.

Spares & Servicing

GBG has a strong presence in spares & servicing of gearboxes. It maintains adequate stock levels of essential spares and ensures prompt delivery at client's site in case of any eventuality. It also offers services like overhauling of gearboxes and inspection & diagnostic study of gearboxes.

GBG manufactures customised loose gears for high technology equipment manufacturers in India, Germany and



Finland. Major clients of GBG in this segment are Voith and Wartsila.

Industries Served

GBG caters to varied industrial sectors like Steel, Sugar, Cement, Small Process plants, Refineries, Defence segments through OEM supplies and direct supply in replacements. Its products and service solutions are used in applications like STG, Compressors, Pumps, Hydel Turbines, Power Plant equipments and Niche Slow Speed applications in Steel, Cement and Sugar for Briquetting and Mill applications.

Outlook

Continued focus on supplies to OEMs, aggressive strides into after-sales, widening of product profile to strengthen its presence in hydel gears and niche low speed gears are the key initiatives that would ensure GBG's sustained growth. Its focus on high-margin refurbishment, spares and services, apart from the new products for non-power applications, should enable it sustain the revenue and profitability growth. It is aggressively targeting Vietnam, Philippines, South Africa and European markets. Focus on OEMs in hydro segment and supply to overseas OEMs for less than 7.5 MW gearboxes as per Triveni design shall add to the promising outlook for GBG.

Triveni's Water Business Group (WBG) has charted aggressive growth over recent years and risen to feature amongst leading players in the Indian water space. It has sustained Sales and PBIT CAGR at 68% and 78% respectively over the last three years. During the year, it seized some of the largest opportunities in Water & Wastewater treatment segments in Indian market which demonstrates the market's confidence in its abilities and growing stature.

Performance Overview

During 2009-10, WBG's performance in terms of sales, order booking and profitability has been significantly higher than those in 2008-09. It registered a growth of 61% in net sales and 48% in profit before interest. The order intake during the year recorded multiplier growth of 227% and stood at ₹ 5.0 billion. The outstanding order book as on 30th September 2010 stood at ₹ 5.4 billion, recording an increase of 173% over the previous year. The order booking and outstanding order book include ₹ 1.7 billion towards Operation and Maintenance (O&M) for a municipal project.

During the year, WBG expanded its business horizon by breaking into large size water packages – in terms of scale as

well as scope – and maintained focus on lucrative equipments market. Recycle & Reuse remained a focus area for WBG and yielded results in securing prestigious jobs in Industrial sector.

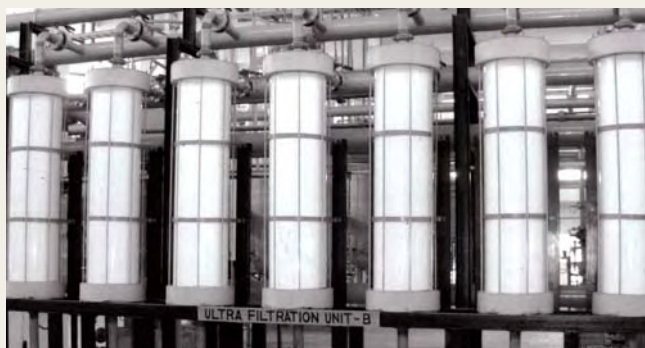
WBG's commitment on technology partnerships paid rich dividend during the year and resulted in numerous orders bagged on the strength of its superior technologies across the processes as well as products.

Having commissioned Phase-I of its manufacturing facility, WBG has moved into a new business format wherein critical

components of Water plants will be assembled in the facility to address quality and delivery issues comprehensively. In view of full utilization of Phase-I of the facility in the first year of its commencement itself, WBG has planned to implement Phase-II of the facility in 2010-11.

Technology Tie-ups

During the year, WBG concluded technology agreements with numerous global technology providers in order to bring proven and optimum solutions for Indian customers in the areas of Water & Wastewater treatment across municipal and industrial applications.



Key Orders

- Total Water Management for 2 x 300 MW Thermal Power Plant of GMR group in Warora – Maharashtra. Highlight of this order is recycling of wastewater to produce Boiler Feed quality water for the Power Plant through UF-RO-DM route.
- Sewage Treatment Plant (STP) of 23,000 M3/day capacity to cover surrounding areas of newly constructed Delhi airport. It will deploy Sequential Batch Reactor (SBR) technology followed by disinfection through Ultrafiltration (UF) technology.
- Successfully commissioned 16,200 M3/day capacity Reverse Osmosis (RO) based Sea Water Desalination Plant for Lanco's 1200 MW Thermal Power Plant at Udipi – Karnataka. This is the largest RO based Sea Water Desalination Plant in India for Thermal Power Plant producing Boiler Feed quality water.
- Orders received from BHEL for complete water scheme involving Pre-treatment Plant, DM Plant and Effluent Treatment Plant for their 500 MW Ukai Thermal Power Plant in Gujarat. BHEL also awarded Effluent Treatment Plant package for their 2 x 600 MW Thermal Power Plant at North Chennai Project in Tamilnadu.
- Order for India's largest Ultrafiltration (UF) based surface water source drinking water treatment plant for Taj city (Agra). WBG was selected through international competitive bidding for this Japan International Cooperation Agency (JICA) funded scheme from UP Jal Nigam. The project involves most advanced technology combination of Moving Bed Bio Reactor (MBBR) followed by Ultrafiltration (UF) treatment.

Outlook

Indian water sector is entering into a higher growth trajectory and is estimated to grow at a much higher rate than the global average in short to medium term. Funding from the Government of India under JNNURM and funding from multi-lateral and external agencies such as JICA, ADB, etc. for several projects are enabling execution of large packages with latest technology inputs in the water sector.

Ministry of Urban Development (MoUD) is actively supporting water recycle & reuse in industrial sector. Water recycle & reuse is likely to open significantly large opportunities in Indian water space.

Rapid socio-economic growth coupled with growing population and urbanisation is likely to increase demand for fresh water – for household, industrial and agrarian usage. The possibility of recycle and reuse of water and environmental pressure to treat the industrial as well as civic sewage and affluent will also contribute in rapid growth of Water and Wastewater treatment sector in India.

Sea water desalination will be another area for both industrial and municipal sectors. Large coastal cities and series of large power plants in Indian coastal belt – east & west – are driving the market growth.

WBG, with its current operations and tie-ups with leading technology providers world-wide, is geared to capitalise on these opportunities. It has a complete range of solutions for meeting the entire gamut of opportunities / requirements and is uniquely positioned itself to provide all high technology Water and Waste water solutions.

(₹ in million)

	2009-10	2008-09	Change %
Net Turnover	22595.3	18948.4	19
EBITDA	2479.4	4527.1	(45)
Depreciation & Amortisation	907.5	817.5	11
Finance Cost	849.6	1158.5	(27)
Profit Before Exceptional / Non recurring items & Tax	722.3	2551.1	(72)
Add / (Less) Exceptional / Non recurring items	450.8	(121.6)	
Less Tax	264.7	731.7	(64%)
Profit After Tax	908.4	1697.8	(47%)

With the net turnover crossing ₹ 22 billion, it has been a landmark year for the Company. The segment results (PBIT) of the Engineering Business registered an increase of 21%. However, the profitability of the Company for the year was adversely impacted on account of losses in sugar operations.

Losses in sugar operations were least expected in view of estimated lower production in the season 2009-10. Despite 31% increase in average realisation price of sugar, there were losses at PBIT level of ₹ 573.3 million. The initial period of season 2009-10 witnessed low cane availability on account of diversion to alternate sweeteners. To curtail such diversion and in the light of continuous increase in sugar prices, the Company, following the neighbouring sugar mills and producers of alternate sweeteners, had to pay substantially high cane price to the farmers. This led to high cost of production of sugar during season 2009-10. On the other hand, various measures taken by

the Government to control the price rise resulted in decline in sugar prices. The increased loss in sugar operations is also attributable to the increased levy obligation from 10% to 20% of production. The levy sugar was supplied at rates below the cost of production and the additional obligation adversely impacted the profitability of the year by ₹ 476.2 million.

Co-generation and distillery, which normally provide stability to the earnings from sugar operations, could not perform optimally due to shortage of raw material; still, the contributions from co-generation and distillery operations partially mitigated the losses of sugar operations.

FINANCIAL REVIEW

All constituents of Engineering Business – Turbines, Gears and Water – achieved significant growth in the top line, which increased by 28% to ₹ 8264.8 million. Segment results of the Engineering Business also achieved a growth of 21%, with PBIT margins maintained at around the same level as in the previous year.

As per the proposed Scheme of Arrangement, the Steam Turbine Business of the Company will be de-merged w.e.f. 1st October, 2010, being the appointed date fixed for this purpose. However, the Gears and Water business will continue to vest with the Company and in view of their continuing growth trends, their incremental contributions are expected to largely compensate for the out-going contribution of the Steam Turbine Business.

RAW MATERIAL AND MANUFACTURING EXPENSES

₹ in million

Description	2009-10	2008-09	Change %
Raw material	18221.6	9292.0	96
Percentage to sales	80.6%	49%	
Manufacturing expenses	1388.5	1017.7	36
Percentage to sales	6.1%	5.4%	

Increase in raw material cost and manufacturing expenses is due to higher cane crush and by higher turnover of the Engineering Businesses. The significant increase in percentage to sale from 49% to 81% is primarily on account of 65% higher cane price paid during the year. In the case of manufacturing expenses, the percentage to sales has increased due to higher volume of manufacturing outsourced for water business due to higher proportion of project related activities.

PERSONNEL COST, ADMINISTRATION EXPENSES AND DEPRECIATION

₹ in million

Description	2009-10	2008-09	Change %
Personnel cost	1657.8	1348.6	23
Percentage to sales	7.3%	7.1%	
Administration	645.6	592.8	9
Percentage to sales	2.9%	3.1%	
Depreciation & Amortisation	907.5	817.5	11
Percentage to sales	4%	4.3%	

PERSONNEL COST

Personnel cost in the Sugar Business (including Co-generation and distillery) has increased by 28%, primarily on account of payment of compensation under VRS to rationalise the manpower at the sugar units. Personnel cost in the Engineering Business has increased by 23%; major increase is in Water Business, due to its requirement to ramp-up manpower infrastructure to manage the growing business activities. The personnel costs also reflect normal increase in wages.

ADMINISTRATION EXPENSES

Administration expenses are by and large under control and have increased by 9% in line with general escalation in prices and scale of operations.

DEPRECIATION & AMORTISATION

The charge for depreciation and amortisation for the previous year was net of write back of excess depreciation of ₹23.7 million relating to earlier years. The charge has increased in the current year due to addition of new capital assets and also due to the fact that Turbine Business has charged higher depreciation on certain group of machines based upon the estimated residual life of such machines – additional impact in this respect is ₹21.3 million.

SELLING EXPENSES

₹ in million

Description	2009-10	2008-09	Change %
Selling expenses	259.7	243.2	7
Percentage to sale	1.1%	1.3%	

Sugar is normally sold through various commission agents. The quantum of commission is dependent on the value of sugar sold. The selling expenses are higher by 49% in Sugar Business, mainly due to higher value of sugar sold resulting from higher realisation price.

In respect of Engineering Business, selling expenses includes packing and forwarding expenses, export promotion expenses, participation in various exhibitions, charges paid to consultants/intermediaries. Selling expenses have declined by 21% in respect of the Engineering Businesses.

OFF SEASON DEFERRED EXPENSES

₹ in million

Description	2009-10	2008-09	Change %
Off-season expenses deferred (net)	(20.2)	(117.6)	(83)

Crushing of sugarcane commences in October-November and continues till March-May. This period is termed as season and period between March-May to October-November is termed as off-season. As per the accounting policy followed by the Company, all expenses incurred during the off-season relating to the production are deferred. These expenses are then charged over the ensuing season. Actual expenses deferred depend on the length of the off-season. During the year, the increase in off-season expenses deferred is only marginal as the length of off-season was broadly similar to the previous year.

FINANCE COST

₹ in million

Description	2009-10	2008-09	Change %
Interest on term loans	574.1	778.1	(26)
Interest on working capital funds	253.9	360.8	(30)
Others	21.6	19.6	10
Total finance cost	849.6	1158.5	(27)

The major reasons for decline in finance cost are the net repayments of ₹ 1208.6 million of term loans during the year and cost of funds being lower by 162 basis points during the year. Cost of funds during the previous year was high due to tight liquidity in the light of the global financial meltdown experienced during the first half of FY 08-09. In view of improved financials, the short term rating of the Company continues to be “A1+” indicating the highest credit quality assigned to short term debt instruments. The long term rating of the Company is at “LA+” indicating adequate credit quality.

SEGMENT ANALYSIS

₹ in million

	Revenue			PBIT		
	2009-10	2008-09	Change%	2009-10	2008-09	Change%
Business Segments						
- Sugar	16411.1	14016.8	17	(222.2)	2316.3	
- Engineering	8264.8	6482.3	28	1869.0	1548.0	21
- Others	110.3	132.2	(17)	2.2	2.9	
Unallocated/inter unit adjustment	(2190.9)	(1682.9)		(77.1)	(157.5)	
Total	22595.3	18948.4	19	1571.9	3709.7	(58)

The Company has two major business segments; Sugar and Engineering. Sugar Business comprises of Sugar manufacturing operations across the seven sugar mills in UP, Co-generation plants located at two of its sugar mills and a stand-alone Distillery. The Co-generation plants and the distillery source captive raw materials, namely, bagasse and molasses, from the sugar plants. Engineering Business comprises of Turbine manufacturing at Bengaluru, Gear manufacturing at Mysore and Water & Waste Water Treatment business operated from Noida, UP.

During the year, the contribution to the turnover by sugar business was 67% whereas 33% of the turnover was contributed by Engineering Business. In view of losses in Sugar operations (as explained hereinafter), the profitability of the Company is attributed to the Engineering Business. Water business has been growing at CAGR of 68% over the last 3 years and in view of enormous potential in the industry, it is expected that similar growth would be sustained in future. Similarly, the Gears Business is in the process of expanding the product and territorial range, which will facilitate the business to achieve its growth plans. Even after the de-merger of Steam Turbine Business, the growth plans of Engineering Business would continue to contribute significantly to mitigate the cyclicity of the Sugar Business.

SUGAR BUSINESS SEGMENTS

SUGAR OPERATIONS

₹ in million

Description	2009-10	2008-09	Change %
Turnover	14054.8	12529.4	12
PBIT	(573.3)	2022.7	
PBIT/Turnover (%)	(4%)	16%	
Cane cost (landed)-₹ MT	2538	1536	65
Production of sugar (MT)	505796	336330	50
Volume of sugar sold (MT)	437145	526608	(17)
Average realization price (₹/MT)	28310	21590	31

The revenue of the sugar operations includes sale of sugar and by-products, such as, molasses and bagasse, which are sold after meeting the captive requirements of Co-generation plants and Distillery. Consequent to 23% higher cane crush and higher sugar recovery, the production from sugarcane increased by 25% over the previous season and taking into consideration the sugar manufactured from imported raw sugar, the total production during the season was higher by 50%. In view of rising sugar prices, the industry paid cane price well in excess of the Government notified price which resulted in substantially higher cost of production than the previous year. However, to curb the rising sugar prices, the Government implemented various measures, as a result of which the price declined by about 39% from the peak levels attained in January, 2010. Resultantly, there was a mismatch between the cost of production and the average sugar realisation price, which led to losses in sugar operations. The position was aggravated when the Government increased the levy obligations from 10% to 20% and thus additional quantity of levy sugar had to be provided to the public distribution scheme of the Government,

at prices much lower than the cost of production. As explained in the section on Management Discussion and Analysis, based on the expected all-India production for the season 2010-11, there will be minimal accretion to the sugar inventory at the end of the sugar year 2010-11 and hence there is a forecast of stable and firm sugar price to prevail during next year. Further, levy obligations have also been reduced from 20% to 10%. Considering all these factors, performance of the sugar operations is expected to be much better in the next year.

CO-GENERATION

₹ in million

Description	2009-10	2008-09	Change %
Turnover	1367.6	948.3	44
Income from carbon credit	99.8	-	
Total turnover	1467.4	948.3	55
PBIT	270.1	201.4	34
PBIT/Total Turnover (%)	18.4%	21.2%	

Increased profitability of Co-generation operations is mainly attributed to the income of ₹ 99.8 million earned during the year from Carbon Credit in respect of operations for the year ended 31st March, 2008. The operating days for bagasse operated Co-generation plants increased by 22% in view of higher sugarcane crush. During the year modifications have been carried out at one of the Co-generation plants at Khatauli to also operate on coal during off-season and successful trials were conducted during the year. This will help in better utilisation of the installed capacities. In view of high transfer pricing of bagasse, the profitability remained almost at the same level as in the previous year, despite increased operating days. It is expected that the higher cane crush in the next year and longer Co-generation operations, using coal as a fuel, will increase the

utilisation of the Co-generation plants. It is also expected that income from Carbon Credit for two years of operations upto 31st March, 2010 will be received during next year. All these factors augur well for better profitability of Co-generation operations in the next financial year.

DISTILLERY

₹ in million

Description	2009-10	2008-09	Change %
Turnover	888.9	539.1	65
PBIT	81.0	92.2	(12)
PBIT/Turnover (%)	9%	17%	
Avg. realization price of alcohol (₹/litre) (net of excise duty)	26.6	28.2	(6)

In view of higher operating days, the production increased by 29% but owing to lower realisation price by 6%, PBIT is lower by 12%. Low output prices were as a result of supply exceeding the demand. Supply of ethanol to Oil Marketing Companies was temporarily halted pending finalisation of Ethanol Blending Policy and rates by the Government.

The Government has now recommended 5% blending and has declared an interim price of ₹ 27 per litre for supply of ethanol to Oil Marketing Companies. The prices will be reviewed by a special Committee formed for this purpose and based upon its recommendations, final price will be prescribed by the Government, which will be applicable from inception. It is believed that resumption of supply of ethanol to Oil Marketing Companies will correct the trend of oversupply in the market and overall realisation price of alcohol is expected to be more remunerative.

ENGINEERING BUSINESS SEGMENT

TURBINE

₹ in million

Description	2009-10	2008-09	Change %
Turnover	5640.1	4752.0	19
PBIT	1304.3	1155.8	13
PBIT/Turnover (%)	23%	24%	

The results of the Turbine operations are commendable and despite intense competition and price escalation, it has managed to preserve its margins. The strategy of the business to focus on R&D, improvement in models and enhancement of range of turbines are paying rich dividends, which are reflected in the results. During the year, exports constituted 12% of the total turnover and the profitable spare and servicing business constituted 16% of the total turnover. Orders in hand are 14% higher at ₹ 5.7 billion.

The Turbine unit will continue to focus on enhancing its model and product range and additionally, it will focus on export market with a view to increase its geographical reach. Pursuant to the Joint Venture (JV) agreement with GE Oil & Gas, manufacturing of turbines in the range above 30 to 100 MW will be outsourced to the turbine manufacturing unit of the Company. It will bring in substantial additional incremental business in the coming years commensurate with the activities of the JV.

The Company has proposed a Scheme of Arrangement under which Steam Turbine Business of the Company will de-merge and vest with a new Company w.e.f. the appointed date of 1st October, 2010.

GEARS

₹ in million

Description	2009-10	2008-09	Change %
Turnover	1014.4	732.9	38
PBIT	345.3	243.9	42
PBIT/Turnover (%)	34%	33%	

Apart from achieving significant growth in turnover and profitability for the year, Gears Business has managed to increase its margins primarily on account of better supply-chain management and continuous focus on cost reduction.

During the year, order intake was higher by 26% and orders in hand at the year end was higher by 14% at ₹ 620.6 million. The Gears Business is in the process of enhancing the product range, diversifying markets and products to leverage the manufacturing capacities and competence available with the business.

WATER AND WASTE-WATER TREATMENT

₹ in million

Description	2009-10	2008-09	Change %
Turnover	1610.3	997.4	61
PBIT	219.4	148.3	48
PBIT/Turnover (%)	14%	15%	

Contribution of project business (industrial as well as municipality) to the turnover was to the extent of 77% and the balance was attributable to equipment sales. Order intake during the year was higher by 227% and orders in hand at the year end were higher by 173% at ₹ 5.4 billion.

In view of enormous potential in the industry and array of technology available with the business, it is expected that the business would continue to witness substantial growth in the next few years.

REVIEW OF BALANCE SHEET

SHARE CAPITAL

The Share Capital has remained unchanged at ₹ 257.9 million.

RESERVES

The Reserves of the Company have increased by 8% to ₹ 9.7 billion during the year. This has been due to plough back of profit from operations during the year.

LOANS

Total loans of the Company have increased by 12%. The term loans have reduced by 17%, consequent to net repayment of ₹ 1.2 billion. Working Capital Loans (including unsecured loans) have increased by 210% in view of higher quantities of sugar inventories at the year end and their higher valuation rates.

FIXED ASSETS

During the year, there have been additions to the Fixed Assets to the extent of ₹ 624.5 million. Most of the additions relate to the Engineering business, mainly relating to construction of Training Center and procurement of new machines to enhance capacities and improve quality. Capital costs were also incurred to modify one of the Co-generation plants to also operate on coal during off-season.

INVESTMENTS

Investments have reduced by ₹ 158.2 million due to redemption of investments temporarily made in liquid schemes of mutual funds and due to divestment of stake in one of the associate Companies.

CURRENT ASSETS, LOANS & ADVANCES

Current Assets, Loans & Advances have increased by 8% to ₹ 12.4 billion. The comments on the major amounts/changes are as hereunder:

- Inventories have increased from ₹ 4.6 billion to ₹ 4.9 billion. While there is an increase in the value of finished stock of sugar by ₹ 1.8 billion, on account of higher quantities and valuation rate, the net increase is lower since the inventories of the previous year included raw sugar stock of around ₹ 1.7 billion, which was processed during the year.
- In respect of project business, the increase in work performed but not yet billed to the customers, from ₹ 167.2 million to ₹ 452.4 million, is attributable to the increased project related activities.
- Receivables have increased from ₹ 2.4 billion to ₹ 2.8 billion mainly due to higher receivables in respect of engineering units commensurate with their increased turnover.
- An amount of ₹ 1.4 billion is due from State Government in respect of capital subsidy and other incentives receivable from the State Government under UP Sugar Industry Promotion Policy, 2004.
- Advance tax paid (net of provision) are at ₹ 0.2 billion mainly on account of taxes paid against disputed demands/assessments, against which provision has not been created, in view of reliefs expected in appeals preferred.

CURRENT LIABILITIES & PROVISIONS

Current liabilities and provisions have declined from ₹ 6.0 billion to ₹ 4.7 billion. The previous year included a liability of ₹ 1.5 billion on account of purchase of raw sugar. Advances from customers, mainly in respect of turbine business, have increased from ₹ 1.3 billion to ₹ 1.5 billion. There was also increase in employee benefit liabilities as these keep on accruing with time.

KEY RATIOS

The key ratios for the current year duly compared with the last year are given below:

Ratios	30.9.2010	30.9.2009
PBT/Net Sales	5%	13%
PAT/Net Sales	4%	9%
Return on Equity	10%	20%
Return on Capital employed	8%	13%
Long Term Debt/Net Worth	0.62	0.80
Total Debt/Net Worth	0.96	0.92
Fixed Assets Coverage Ratio	2.03	1.73
Earning Per Share (₹)	3.52	6.58

RISKS REVIEW

SUGAR BUSINESS GROUP

The Sugar Business of the Company is subject to following major risks:

- Government Regulation** : The sugar industry is highly regulated and the Government regulates pricing of sugarcane, allocation of cane areas, levy obligations, monthly releases of free-sale sugar, sugar stock limits for bulk consumers and dealers/agents/intermediaries.

- **Raw material availability risk:** Availability of sugarcane is largely dependent on climatic factors, comparative returns to the farmers from alternate crops and the extent of diversion of sugarcane to the producers of alternate sweeteners.
- **Output price risk :** It is dependent on the demand and supply position in the country, quantum of sugar inventory held, economics of international sugar trade and their price trends as well as government regulations on international trade in the commodity.
- The Company gives due importance to the quality of sugar so that it is able to command a premium to the prevailing market price.
- Various policies of the Government are duly discussed in the industry association and accordingly views of the industry are conveyed to the Government for consideration. In unavoidable circumstances, recourse to litigation is also taken to protect the interest of the industry / Company.

Risk Mitigation

There are several factors of the industry which are not within the control of the Company and therefore for all controllable factors, the Company strives to achieve best possible efficiencies to improve the profitability of its operations.

- Cane development involves increasing intensity of cane and recovery of sugar. While the former ensures better supply of cane even under adverse conditions, the latter ensures lower cost of production which in turn improves the contribution on sugar sold. The Company believes in carrying out cane development activities with full involvement and in partnership with the farmers so that apart from the benefits to the Company, the farmers also stand to gain by enhancing their income.
- The Company focuses on best efficiencies in the procurement of cane and in manufacturing. These in turn help the Company to lower the cost of production and enhance the contribution.

ENGINEERING BUSINESS

- **Risk of economic slowdown :** In the event of a slowdown in the economy, capital goods industry/infrastructure sector, which the engineering goods of the Company cater to, will have low demand affecting the growth of the Engineering business.
- **Technology risk :** It is necessary for the Engineering Business to continually upgrade their products and services and be aligned with the prevailing technology in their respective sectors. Failure to do so may lead to obsolescence of the product offerings and loss of market share to the competitors.
- **Competition risk :** The Company faces competition from both domestic and international players.

RISK MITIGATION

- The economy of India is expected to grow at 8 to 9% in the foreseeable future and therefore, the capital goods industry and infrastructure sectors are expected to generate enormous demand of the engineering products of the Company. In order to enhance geographical reach, the

Company is focusing on exports in a very big way for Turbines, which may be followed by Gears in the near future.

- Turbine Business has very effective R&D arrangements as a result of which, new models are being developed and product ranges are being enhanced to broaden its market as well as market share. Wherever feasible, the Company also ties up for technology with globally renowned companies.
- The Turbine and Gears Business have been continually investing in state-of-the-art equipments and machines to provide qualitatively superior products with focus on value engineering, reduction in cost as well as delivery periods thereby ensuring better customer satisfaction.
- The Company takes cognizance of the competition by benchmarking its products and strives to remain ahead by

continuously upgrading technology through in-house R&D.

The Company endeavours to provide value proposition which, apart from cost advantage to the customer, also meet efficiency expectations.

- All the three Engineering Businesses have strong supply-chain management system and efficient sub-contracting network enables the units to procure its raw material reliably at competitive prices.
- In Water Business, all the bigger projects which the Company undertakes are primarily funded by multi-lateral agencies such as JICA, ADB etc., This to a great extent mitigates the issue of timely receipt of receivables and thereby enable the unit to manage its working capital effectively.

directors' report

Your Directors have pleasure in presenting the 75th Annual Report and audited accounts for the Financial Year ended September 30, 2010

(₹ in millions)

	2009-10	2008-09
Sales (Net)	22595.3	18948.4
Operating Profit (EBITDA)	2479.4	4527.1
Finance cost	849.6	1158.5
Depreciation & amortization	907.5	817.5
Profit before tax (before exceptional items)	722.3	2551.1
Exceptional items (net) - Gain/ (Loss)	450.8	(121.6)
Profit before Tax (PBT)	1173.1	2429.5
Tax	264.7	731.7
Profit After Tax (PAT)	908.4	1697.8
Surplus Brought Forward	220.1	100.1
Available for appropriation	1128.5	1797.9
APPROPRIATIONS		
Equity dividend (incl. proposed dividend & dividend distribution tax)	225.5	301.7
Transfer of Debenture Redemption Reserve	75.0	75.0
Transfer to Molasses reserves	2.7	1.1
Transfer to General Reserves	650.0	1200.0
Surplus Carried forward	175.3	220.1
Earning per equity share of ₹ 1 each (in ₹)	3.52	6.58

DEMERGER OF STEAM TURBINE BUSINESS

As members are aware, the Company had proposed a Scheme of Arrangement (Scheme) pursuant to which the Steam Turbine Business of the Company is proposed to be transferred and vested in Triveni Turbine Limited (TTL) (formerly known as Triveni Retail Ventures Ltd.), a wholly owned subsidiary of your Company, in accordance with the provisions of sections 391-394 of the Companies Act, 1956 with effect from 1st October, 2010, being the Appointed Date fixed for this purpose. Upon the Scheme becoming effective and in consideration of the demerger, TTL will issue and allot to the shareholders of the Company one equity share of ₹ 1 each credited as fully paid up in TTL for every one equity share of ₹ 1 each fully paid up held by them in the Company as on the Record Date. Further, as per the terms of the Scheme, out of the existing paid-up capital of 100,000,000 equity shares of ₹ 1 each of TTL entirely held by the Company, 28,000,000 equity shares of ₹ 1 each shall stand converted into 2,800,000 8% Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up, redeemable at the end of five years from the date of allotment, subject to the option of TTL to redeem the Preference Shares at any time after the end of 6 months from the date of allotment. The legal process for sanction of the Scheme by the Allahabad High Court is in progress.

Demerger of the steam turbine business is in the interest of all concerned stakeholders, and would provide focused

management orientation and an opportunity for strategic partnerships. This structure will take advantage of significant global growth opportunities, provide flexibility for future fund raising, and unlock and maximize shareholder value.

JOINT VENTURE AGREEMENT

On 15th April, 2010, the Company signed a joint venture (JV) agreement with GE Oil & Gas, through its affiliate, GE Mauritius Infrastructure Holdings Limited (GEMIHL) to design, manufacture, supply, sell and service advanced technology steam turbines in India in the above 30 to 100 MW range for power generation applications in the Indian and worldwide markets. The Company will hold 50% plus one share in the joint venture company, GE Triveni Limited (GTL), with both parties having equal representation on the Board. GTL, which is headquartered in Bengaluru, will benefit from a full technology transfer and on-going R&D support from GE and will use the Company's Bengaluru facility for turbine manufacturing. It is proposed in the Scheme of Arrangement that the investment by the Company in GTL will be transferred to Triveni Turbine Limited consequent to the demerger.

The transaction with GEMIHL has been concluded with both parties fulfilling all conditions under the JV agreement, including signing of the ancillary agreements and subscribing to the share capital of GTL on 3rd November 2010.

PERFORMANCE

Sugar Business

During 2009-10 sugar season, the Company's seven sugar units manufactured 419101 tonnes of sugar from sugar cane and 86695 tonnes of sugar from imported raw sugar aggregating to a total sugar production of 505796 tonnes, which was over 50% higher than the previous season.

During the previous season, the industry, buoyed by rising sugar prices, steadily paid higher cane prices to control diversion to alternate sweeteners and thus to ensure an optimum supply of cane. However, the rising trend of the sugar prices was abruptly halted due to a number of measures taken by Government. This resulted in bearish market sentiments and sugar prices declined by about 39% from the peak levels attained in January 2010. The average sugar realisation prices were not adequate to meet the increased cost of production, and together with higher levy obligation (from 10% to 20%), it led to substantial losses.

Engineering Business

Engineering business comprising Steam Turbines, High Speed Gears and Water and Waste Water Treatment, showed a combined growth of 28% in turnover and 21% in PBIT. Orders on hand at the year end are over 50% higher than last year, owing to substantial order intake in the year under review. Even after the demerger of the Steam Turbine business, the robust growth of the remaining Engineering businesses will enable the Company to meet the cyclical nature of the sugar sector.

Segment wise reporting of the various business segments of the Company has been provided in 'Note 17' of the 'Notes to Accounts'. Audited financial statements and detailed comments on the performance of the various divisions and business outlook, are given in the financial review and management discussions and analysis.

DIVIDEND

During the year under review, your directors had declared an interim dividend of 40% (₹ 0.40 per equity share). Your directors have pleasure in recommending a final dividend of 20% (₹ 0.20 per equity share) and a special dividend of 15% (₹ 0.15 per equity share) to mark the 75th Annual General Meeting of the Company on 257880150 equity shares of ₹ 1 each for the financial year 2009-2010 ended on September 30, 2010, subject to the approval of members at the ensuing Annual General Meeting. The total outgo on account of dividend (including Dividend Distribution Tax) for the Financial Year 2009-2010 will be ₹ 225.5 million (₹ 301.7 million in the Financial Year 2008-2009).

HUMAN RESOURCES

The Company believes and considers its human resources as the most valuable asset. The Management is committed to providing an empowered, performance oriented and stimulating

work environment to its employees to enable them realize their full potential. With a view to enhance employees' skills, the company had provided Functional and Behavioral training of 5 mandays per officer, during the year. Learning Centres were introduced across the units with the objective to facilitate this training and in-house knowledge sharing.

The Company revamped its Performance Management System and is introducing Performance Linked Variable Pay for its officers to enhance organizational performance. Robust HR processes and initiatives adopted by the Company helped in containing the attrition of executives. Industrial Relations remained cordial and harmonious during the year.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Accounting Standard 21 on Consolidated Financial statement read with Accounting Standard 'AS-23' on Accounting for investment associates, your Directors have pleasure in attaching the consolidated financial statement which forms a part of the Annual Report and Accounts.

SUBSIDIARIES

During the year GE Triveni Limited (GTL) was incorporated as a Wholly Owned Subsidiary to give effect to the Joint Venture Agreement with an affiliate of GE Oil & Gas. It will remain a subsidiary by virtue of the Company shareholding of 50% plus one share.

In terms of the approval granted by the Central Government under section 212(8) of the Companies Act, 1956, the Company has been exempted from the provisions of Section 212 (1) of the Act relating to attachment of annual accounts of its subsidiaries to its accounts. These accounts and the related detailed information will be made available to any investor of the Company/Subsidiary companies seeking such information. The annual accounts of the subsidiary companies will also be kept for inspection by investors at the Company's Corporate Office and that of its concerned subsidiary companies. However, as directed by the Central Government, financial data of the subsidiaries have been furnished in the consolidated financial statement forming part of the Annual Report. Information on subsidiary companies required under Section 212 of the Companies Act 1956 is provided in Annexure 'C' of the Report.

EMPLOYEES STOCK OPTION SCHEME

The Company implemented the Triveni Employees Stock Option Scheme 2009 (ESOP 2009) in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI Guidelines'). A Compensation Committee was constituted in accordance with the SEBI Guidelines to administer and monitor the ESOP 2009. The applicable disclosures as stipulated in the SEBI Guidelines are set out in Annexure 'D' to this Report.

The company's Auditors, M/s J.C. Bhalla & Co., have certified that ESOP 2009 has been implemented in accordance with the SEBI Guidelines and the resolution passed by Members in this regard.

CORPORATE GOVERNANCE

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

AUDITORS

M/s J.C. Bhalla & Co., Chartered Accountants, 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 their eligibility under Section 224 of the Companies Act, 1956 for their appointment as Auditors of the Company.

DIRECTORS RESPONSIBILITY STATEMENT

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

- i. In the preparation of the Annual Accounts applicable accounting standards have been followed.
- ii. Appropriate accounting policies have been selected and applied consistently, and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the statement of affairs of the Company as on September 30, 2010 and of the profit of the Company for the year ended September 30, 2010.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding and detecting fraud and other irregularities.
- iv. The Annual Accounts have been prepared on a going concern basis.

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

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

PARTICULARS OF EMPLOYEES

As required under the provision of sub-section (2A) of section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the particulars of employees are set out in the Annexure 'B' to the Directors' Report. However, 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/ corporate office of the Company whereupon the relevant details would be sent.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. K.N.Shenoy, Mr. M.K.Daga and Mr. R.C.Sharma retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offer themselves for reappointment. The Board has recommended their reappointment.

DEPOSITS

The Company has discontinued the acceptance of deposits from the public and shareholders with effect from 1st August 2009. Accordingly, the Company has not accepted any deposits during the year and all the existing deposits are being and will be repaid as per their maturity profile.

As on September 30, 2010 fixed deposits stood at ₹ 39.9 million. Deposits amounting to ₹ 3.7 million remain unpaid, as the claims in respect thereof were not lodged with the company and since then, ₹ 0.4 million have been repaid as on date.

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,

Dhruv M. Sawhney

Chairman and

Managing Director

Place: Noida,(U.P)

Date: November,19, 2010

annexure - a

(A) CONSERVATION OF ENERGY

(a) Energy Conservation Measures

Engineering Business Group

- ✓ Modification of the coolant circuit in CNC machines to prevent unnecessary running of coolant pump motor resulted in saving of 180 KWH per month.
- ✓ Commissioning of electrically operated inter-bay trolley for movement of heavy materials across the bays, resulted in avoiding the use of hired trucks for inter-bay movement.
- ✓ Introduction of filtration system for removing the tramp oil from coolant resulted in increased life of coolant.
- ✓ Provision of an underground sump tank to collect & re-use water for hydro testing, resulted in saving of 50000 ltrs of water per month.
- ✓ Miscellaneous energy saving measures, such as, use of CFL lamps, metal haloid lamps with electronic chokes and use of soft starters resulting in a saving of 800 KWH per month.

Sugar and Co-Products Business Group

- ✓ Installed energy efficient lighting system.
- ✓ Installed capacitor banks at cutter motor, cooling tower motors, injection house and clarification house to improve power factor, power quality and overall energy saving at Khatauli unit.
- ✓ Installed dynamic juice heater for heat recovery and VFDs on various drives for saving electricity.
- ✓ Extensive insulation in live steam & exhaust steam line at sulphur burner station, Quad & Pans at Chandanpur unit for saving of energy/fuel.
- ✓ Modification in soft water plant at distillery resulting in stoppage of one no. of raw water pump and consequently resulting in saving of electricity.
- ✓ Modification in DM water plant at distillery after which DM water supply to boiler and alcohol plant is managed with single pump resulting in stoppage of one pump and consequent saving in electricity.

(b) Additional Investment and Proposals for Reducing Energy Consumption

Engineering Business Group

- ✓ Value engineering of products to reduce the weight of raw material used.
- ✓ Installation of RO plant for improving water quality and consumption in boilers.

Sugar and Co- Products Business Group

- ✓ Exhaustive insulation of steam and vapour pipelines at Chandanpur, Ramkola and Milak Narayanpur sugar units to save steam/fuel.

- ✓ Heat recovery system from vapours and condensate at Ramkola unit to reduce steam consumption and saving of fuel.
- ✓ Replacement of conventional old A.C. motors with D.C. motor and panel at 'A' centrifugal machines at Khatauli unit to save electrical energy.

(c) Impact of Above Measures

With the above measures, there will be substantial conservation of steam and electrical energy in our plants. In our sugar units, power is generated through bagasse, a renewable source of energy.

Form A

Disclosure of particulars with respect to conservation of Energy

	2009-10	2008-09
I. POWER & FUEL CONSUMPTION		
1. Electricity		
a) Purchased		
Units (000's KWH)	5874	4911
Total amount (₹ in millions)	37.64	26.55
Rate (₹/Unit)	6.41	5.41
b) Own generation		
i) Through Diesel Generators		
Units (000's KWH)	4438	4356
Units per litre of Diesel Oil	2.84	2.88
Cost/Unit (₹)	12.94	12.07
ii) Through Steam Turbine/ Generator by use of own baggase		
Units (000's KWH)	304612	137698
2. Furnace Oil		
Quantity (K Ltr)	557	498
Rate (₹/K Ltr)	33492	29052
Total Amount (₹ in millions)	18.66	14.47
II. CONSUMPTION PER UNIT OF PRODUCTION		
Sugar		
Electricity (KWH/MT)	277.71	335.66
Rectified Sprit		
Electricity (KWH/KL)	273.76	267.77

Note : In the case of 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)

Turbine Unit

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

- Development, manufacturing and shop testing of various models including our largest 30MW model for sugar applications for higher steam pressure and temperature parameters was completed.
- Development of advanced design LP blade family including prototype manufacturing and testing was completed.

2 Benefits as a result of the above R&D

- Filling the gap in our range of turbines with improved efficiency and reliability.
- Increasing the product range with higher parameters.
- Establishing models in higher steam parameter segment which will grow in size in coming years.

3 Future plan of action

- Development of new efficient HP reaction stages.
- Introduction of advanced LP blade family, HP reaction blade path.
- Cost reduction program for all models.

4 Expenditure on R&D

(₹ in Million)

Particulars	2009-10	2008-09
a) Capital	10.36	22.58
b) Recurring	32.61	25.43
c) Total	42.97	48.01
d) Total R & D expenditure as percentage of Turbine business turnover	0.76%	1.01%

Note: Additionally, we have incurred expenditure of ₹ 89.07 millions (previous year ₹ 99.27 millions) including capital expenditure of ₹ 32.21 millions (previous year Nil) towards cane development in respect of our sugar units.

(B) Technology absorption, adaptation and innovation

Efforts made and the benefits derived have already been given under (A) above. Information regarding technology imported during the last 5 years

Technology Imported	Year of import	Has Technology been fully Absorbed
1. Blade path design & development - 40 MW LP blade family	2009	Yes
2. Manufacture & Process Engineering for Low Pressure Membrane Filtration System for Water/Waste Water/ Recycle Projects	2005-06	Partially

C) Foreign Exchange Earning & Outgo

(₹ in Million)

1) Earning in Foreign Exchange

Value of exports on FOB basis	721.48
Others	154.23

2) Foreign Exchange Outgo

2398.90*

* Includes ₹ 1453.67 millions in respect of import of raw sugar last year (it was also reported last year) but paid during the current year.

annexure c

statement pursuant to section 212 of companies act, 1956

(₹ in Million)

SUBSIDIARY COMPANIES	TRIVENI TURBINE LTD. (Formerly Triveni Retail Ventures Ltd)	UPPER BARI POWER GENERATION LTD	TRIVENI ENGINEERING LTD	TRIVENI ENERGY SYSTEMS LTD	GE TRIVENI LTD. **
1. Financial Year ended	31st March 2010	31st March 2010	31st March 2010	31st March 2010	1st FY will end on 31st March, 2011
2. Extent of holding Company's interest at the end of financial year of the subsidiary	100%	100%	100%	100%	100%
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					
a) For the financial year ended 31.3.2010 of the subsidiary company	(75.89)	0.02	(0.08)	(0.01)	
b) For the previous financial years of the subsidiaries since these became the holding Company's subsidiary	(181.66)	0.01	(1.55)	(0.37)	
4. a) The net aggregate amount of the subsidiary's Profit/(Loss), for the financial year of the subsidiary so far as those Profit/(Loss) are dealt within the holding Company's accounts	NIL	NIL	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					
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	NA	NA	
6. Material changes which have occurred between the end of the subsidiary Company's financial year and at the end of the holding Company's financial year in respect of : *					
i) The subsidiary's fixed assets	NA	NA	NA	NA	
ii) Its investments	NA	NA	NA	NA	
iii) The money lent by it	NA	NA	NA	NA	
iv) The funds borrowed by the subsidiary	NA	NA	NA	NA	

* Accounting year of the holding Company ends on 30th September 2010

** Incorporated as a wholly owned subsidiary of this company w.e.f 28.5.2010 to implement Joint venture agreement with GE group. Subsequent to the year end of the holding company, the stake reduced to 50% + 1 share on 3rd November, 2010.

annexure d to the directors report detail of the stock option plan-TEIL-ESOP 2009

Name of disclosure	Particulars
a) Options granted	200,000
b) The pricing formula	Market price, which was the latest available closing price on the stock exchange, which recorded the highest trading volume in the Company's equity shares on the date prior to the date of the meeting of the Compensation Committee at which the options were granted.
c) Options vested	Nil
d) Options exercised	Nil
e) The total number of shares arising as a result of exercise of options	Nil
f) Options lapsed	Nil
g) Variation of terms of options	None
h) Money realized by exercise of options	Nil
Total number of options in force	200,000
i) Employee wise details of options granted:	
(i) Senior managerial personnel	Please refer below
(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year	None
(iii) Identified employees who were granted option, during one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None
j) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	₹ 3.52
k) Method of calculation of employee compensation cost Difference between the employee compensation cost computed using the intrinsic value of the stock options and the employee compensation cost that shall have been recognized if the fair value of the options had been used and its impact on profits and EPS of the company.	The employee compensation cost has been calculated using the intrinsic value method to account for options issued under ESOP-2009. The stock-based compensation cost as per the intrinsic value method for the financial year 2009-10 is - Nil. Had fair value method been adopted instead of the intrinsic method, the impact would be : a) the ESOP compensation charge debited to the P&L a/c would have been higher by ₹ 3.37 million and consequently the profits of the company would have been lower by ₹ 3.37 million; b) Basic as well as Diluted EPS would have reduced from ₹ 3.52 per share, as reported, to ₹ 3.52 per share.
l) (i) Weighted average exercise prices and weighted average fair values of options whose exercise price equals the market price of the stock	Weighted average exercise price per option : ₹ 108.05 Weighted average fair value per option : ₹ 55.63

Name of disclosure	Particulars
(ii) Weighted average exercise prices and weighted average fair values of options whose exercise price exceeds the market price of the stock	No such grants during the year
(iii) Weighted average exercise prices and weighted average fair values of options whose exercise price is less than the market price of the stock	No such grants during the year
m) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	Black-Scholes Method
(i) Risk-free interest rate	6.15%
(ii) Expected life	2.5 years
(iii) Expected volatility	84.31%
(iv) Expected Dividend	80%
(v) The price of the underlying share in market at the time of option grant	₹ 108.05

Details of Options granted to Senior Managerial personnel

Sl.No.	Name	No. of Options granted
1.	Mr. A.K. Tanwar	40,000
2.	Mr. Arun Mote	40,000
3.	Mr. Suresh Taneja	40,000
4.	Mr. Bharat Mehta	20,000
5.	Mr. Sameer Sinha	20,000
6.	Mr. B.K. Agarwal	20,000
7.	Mr. Rajiv Rajpal	20,000
	Total	200,000

annexure-e

corporate governance

Company s Philosophy on Code of Governance

The Company is of the belief that sound Corporate Governance is critical to enhance and retain stakeholders' trust. The Company envisages the attainment of a high level of transparency and accountability in the functioning of the Company and conduct of its business internally and externally.

The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

Board of Directors

The Company is managed and guided by the Board of Directors ("Board"). The Board formulates the strategy and regularly reviews the performance of the Company. The Chairman and Managing Director with the support of the Executive Directors and senior executives manages the day to day operations of the Company.

The Company has an optimum combination of Executive, Non-Executive and Independent Directors who are eminent persons with professional expertise and valuable experience in their respective areas of specialization and bring a wide range of skills and experience to the Board.

The Board of Directors comprises Executive and Independent Non-Executive Directors with the Executive Chairman and Managing Director. The Independent Non-Executive Directors form 70% of the Board of Directors.

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

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

Name of Director and DIN	Category	No. of Directorships in other companies # #	No. of Committee positions held in other companies ###	
			Chairman	Member
Mr. Dhruv M. Sawhney # Chairman & Managing Director DIN-00102999	Promoter & Executive Director	4	NIL	NIL
Mr. Tarun Sawhney # DIN-00382878	Promoter & Executive Director	3	NIL	NIL
Mr. Nikhil Sawhney # DIN-00029028	Promoter & Executive Director	3	NIL	NIL
Dr. F.C.Kohli DIN-00102878	Independent Non-Executive Director	4	NIL	NIL
Lt. Gen. K.K. Hazari (Retd.) DIN-00090909	Independent Non-Executive Director	3	NIL	1
Mr. M.K. Daga DIN-00062503	Independent Non-Executive Director	3	NIL	2
Mr. K.N. Shenoy DIN-00021373	Independent Non-Executive Director	4	1	1
Mr. R.C. Sharma DIN-00107540	Independent Non-Executive Director	NIL	NIL	NIL
Mr. Amal Ganguli DIN-00013808	Independent Non-Executive Director	10	5	4
Mr. Shekhar Datta DIN-00045591	Independent Non-Executive Director	2	2	2

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

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

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

Board functioning and procedure

The Board and its Committees meet at regular intervals for discussion on agenda circulated well in advance by the Company Secretary.

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

The Directors bring an independent perspective on the issues deliberated by the Board. They have complete and unfettered

access to any information of the Company and to any employee of the Company.

The information placed before the Board includes strategy, 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, Human Resource related issues, purchase and disposal of equipment or property, details of Joint Ventures or collaboration agreements, significant changes in the accounting policies etc.

ATTENDANCE RECORD OF THE DIRECTORS

The Board of Directors met 7 times during the financial year 2009-2010 ended on 30th September, 2010. The interval between any two successive meetings did not exceed four months. Board Meetings were held on 19th November, 2009, 20th January, 2010, 12th March, 2010, 8th May, 2010, 19th July, 2010, 31st July, 2010 and 14th September, 2010. The attendance record of all Directors at Board meetings and the last Annual General Meeting (AGM) during the year is as under :-

Name of Director	No. of Board Meetings		Attendance at last AGM held on 29.12.2009
	Held	Attended	
Mr. Dhruv M. Sawhney Chairman & Managing Director	7	7	Yes
Mr. Tarun Sawhney Executive Director	7	5	No
Mr. Nikhil Sawhney Executive Director	7	6	No
Dr. F.C.Kohli	7	5	No
Lt. Gen. K.K. Hazari (Retd.)	7	7	Yes
Mr. M.K. Daga	7	5	No
Mr. K.N. Shenoy	7	6	No
Mr. R.C. Sharma	7	6	Yes
Mr. Amal Ganguli	7	5	No
Mr. Shekhar Datta	7	6	No

Reappointment of Directors

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

Board Committees

(I) Executive Sub-Committee

The Executive Sub-Committee of the Board comprises of following Directors, namely:

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

The Chairman & Managing Director (CMD) is not the member of the Executive Sub-Committee. As and when required, CMD and other senior executives are invited to the meetings. 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 Sub-Committee met 5 times during the year 2009-2010.

(II) Audit Committee

The Audit Committee comprises of following Directors, namely:

- (i) Lt. Gen. K.K. Hazari (Retd.) (Chairman)
- (ii) Mr. R.C. Sharma
- (iii) Mr. Amal Ganguli

The Company Secretary is the Secretary to the Audit Committee and the Vice President & Chief Finance Officer acts as the coordinator.

The constitution and terms of reference of the Audit Committee meet the requirements of Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956. The broad terms of reference of the Committee include:-

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

Meetings & Attendance

The Audit Committee met 5 times during the financial year 2009-2010 ended on 30th September, 2010 on 18th November, 2009, 19th January, 2010, 8th May, 2010, 18th July, 2010, and

28th September, 2010. The attendance of each Audit Committee Member is as under:-

Name of the Members	No. of meetings	
	Held	Attended
Lt. Gen. K.K. Hazari (Retd.)	5	5
Mr. R. C. Sharma	5	4
Mr. Amal Ganguli	5	5

(III) Remuneration Committee

The Remuneration Committee comprises of following Directors, namely:

- Dr. F.C. Kohli (Chairman)
- Lt. Gen. K.K. Hazari (Retd.)
- Mr. R.C. Sharma

The broad terms of reference of the Committee are to evaluate performance, determine & recommend to the Board on specific remuneration packages for the Chairman & Managing Director (CMD) and Executive Directors (EDs) including pension rights and any compensation payment to them. The Remuneration Committee also recommends the annual increments within the salary scale approved by the Members as also the Performance Bonus payable to CMD and EDs, within the ceilings on net profits prescribed under Section 198 and 309 of the Companies Act, 1956.

Meetings and Attendance

The detail of the attendance and date of the meeting of the Remuneration Committee is as under:-

Name of the Members	No. of Meetings Attended	Date of the Meeting
Dr. F.C. Kohli	1	19th
Lt. Gen. K.K. Hazari (Retd.)	1	November
Mr. R. C. Sharma	1	2009

REMUNERATION TO EXECUTIVE DIRECTORS

During the year 2009-10, the Company had three Executive Directors viz. Mr. Dhruv M. Sawhney, Chairman & Managing Director (CMD), Mr. Tarun Sawhney and Mr. Nikhil Sawhney, Executive Directors (EDs).

The details of remuneration paid/payable to CMD and both EDs during the financial year 2009-10 are as under:

(Amount in ₹)

Name of the Executive Director	Mr. Dhruv M. Sawhney CMD	Mr. Tarun Sawhney Executive Director	Mr. Nikhil Sawhney Executive Director
Service Period	31.03.2010 to 30.03.2015	19.11.2008 to 18.11.2013	19.11.2008 to 18.11.2013
Salary	29450968	8718000	10630650
Performance Bonus/Commission	5000000	1750000	1750000
Contribution to PF, Gratuity & Other Funds	910154	1425600*	1425600*
Other Perquisites	2789094	3360996	996002
Total	38150216	15254596	14802252

* does not include gratuity payable as the same is provided on the actuarial valuation for the entire company.

REMUNERATION TO NON-EXECUTIVE DIRECTORS

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

The details of the remuneration paid during 2009-10 to Non-Executive Directors are as under:-

Name of the Non-Executive Director	Sitting Fees for the year ended Sept. 30, 2010 (₹)	Commission for the year ended Sept. 30, 2009 (₹)	No. of shares held as on Sept. 30, 2010
Dr. F.C. Kohli	115000	1000000	-
Lt. Gen. K.K. Hazari (Retd.)	320000	750000	-
Mr. K. N. Shenoy	120000	1000000	-
Mr. M.K. Daga	110000	750000	800
Mr. R.C. Sharma	275000	750000	444900
Mr. Amal Ganguli	185000	1000000	-
Mr. Shekhar Datta	120000	1000000	10000

None of the Non-Executive Directors have any pecuniary relationship or transactions with the Company, its promoters and its senior management, its subsidiaries and associate companies except for the payment of remuneration as stated above.

The Directors of the Company are not eligible under Triveni Employees Stock Options Scheme (ESOP 2009). Accordingly, the Company has not issued Stock Options to any of its Directors.

Note: A sum of ₹ 57.5 lac has been provided as commission payable to the Non-Executive Directors for the year 2009-2010.

(IV) Investors Grievance and Share Transfer Committee

The Committee comprises of following Directors, namely:

- (i) Lt. Gen. K.K. Hazari (Retd.) (Chairman)
- (ii) Mr. R.C. Sharma

Ms. Geeta Bhalla, Company Secretary is Compliance Officer of the Company.

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

Meetings & Attendance

The Investors' Grievance and Share Transfer Committee met 4 times during the financial year 2009-2010 ended on 30th September, 2010 on 18th November, 2009, 15th January, 2010,

8th May, 2010 and 18th July, 2010. The attendance of each Committee Member is as under:-

Name of the Members	No. of meetings	
	Held	Attended
Lt. Gen. K.K. Hazari (Retd.)	4	4
Mr. R. C. Sharma	4	4

During the financial year 2009-2010 ended on 30th September, 2010 the Company received 80 complaints from various shareholders/investors directly and/or through the Stock Exchanges/SEBI relating to non-receipt of dividend/redemption money, demat of shares, implementation of the scheme of arrangement etc. All of them were resolved/replied suitably by furnishing the requisite information/documents. There was no investor complaint pending for redressal as on 30th September, 2010. Further there was no pending share transfers and requests for dematerialization as on 30th September, 2010.

(V) Compensation Committee

The Board of Directors of the Company formed the Compensation Committee at their meeting held on 19th November, 2009 for administration of Triveni Employees Stock

Option Scheme 2009 (ESOP 2009) which was implemented for attracting and retaining talent in the Company; creating a culture of ownership; building commitment amongst employees towards the Company and aligning employee's objectives towards critical goal/milestones of the Company. The Committee comprises of following Directors, namely:

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

The broad terms of reference of the Committee are finalization, administration, and supervision of granting of option

under the ESOP 2009 to the permanent employees of the Company and matters prescribed under the SEBI guidelines.

Meetings and Attendance

The detail of the attendance and date of the meeting of the Compensation Committee is as under:-

Name of the Members	No. of Meetings Attended	Date of the Meeting
Lt. Gen. K.K. Hazari (Retd.)	1	30th April, 2010
Mr. Dhruv M. Sawhney	1	
Mr. R.C. Sharma	1	
Mr. M. K. Daga	1	

GENERAL BODY MEETINGS

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

Year	Date & Day	Location	Time	Special Resolution
2008-09	29th December, 2009 Tuesday	Company's Guest House at Deoband Sugar Unit Complex, Deoband, District Saharanpur, U.P.	12.30 P.M.	1. Re-appointment of Mr. Dhruv M. Sawhney as Chairman & Managing Director and deciding his remuneration. 2. Issuance of further securities/ stocks under Triveni Employees Stock Option Scheme 2009.
2007-08	29th December, 2008 Monday	Company's Guest House at Deoband Sugar Unit Complex, Deoband, District Saharanpur, U.P.	12.30 P.M.	1. Alteration in Articles of Association. 2. Appointment of Mr. Tarun Sawhney as Executive Director and deciding his remuneration. 3. Appointment of Mr. Nikhil Sawhney as Executive Director and deciding his remuneration.
2006-07	24th December, 2007 Monday	Company's Guest House at Deoband Sugar Unit Complex, Deoband, District Saharanpur, U.P.	11.30 A.M.	None

There was no Extra-Ordinary General Meeting held during the financial year 2009-10 ended on 30th September, 2010.

Particulars of the court convened meetings of the equity shareholders and creditors (secured and unsecured) held subsequent to the financial year 2009-2010 pursuant to the order of the Hon'ble High Court of Judicature at Allahabad vide its order dated 9th September, 2010:

Date	Location	Time	Resolution
13th, 14th & 15th October, 2010	Company's Guest House at Deoband Sugar Unit Complex, Deoband, District Saharanpur, U.P.	3.00 P.M.	To approve, the proposed Scheme of Arrangement providing for demerger of the Steam Turbine Business of the Company and its transfer and vesting into Triveni Turbine Ltd., a wholly owned subsidiary of the Company w.e.f. 1st October, 2010, being the Appointed Date fixed for this purpose

All the resolutions including special resolutions, set out in the respective notices were unanimously passed by the shareholders present at the meetings.

Postal Ballot

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

During the financial year 2009-2010 ended on 30th September, 2010, no special/ordinary resolutions passed by the Company through postal ballot.

II. Whether any special resolution is proposed to be conducted through postal ballot:

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

Other Disclosures

Related Party Transactions

The Company has not entered into any transaction of a material nature during the year. However, the Company has with the approval of Central Government sold its entire investment in one of the Group Companies to CMD and his relative(s). The details of related party information and transactions are being placed before the Audit Committee from time to time. The details of the related party transaction during the year have been provided in Note-11 of Schedule-26, Notes to Accounts of the financial statements.

Disclosures of Accounting Treatment

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

Risk Management

The Company has laid down adequate procedures to update the Board Members about the risk evaluation and risk mitigation.

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

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

Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee.

The culture of openness with easy access to the Senior Management provides an environment for easy and free exchange of ideas and issues faced by people in the Company. The Company has not yet put in place a formal Whistle Blower Policy. However, the Company has not denied access to any personnel to approach the Management on concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct.

Code of conduct for Directors and Senior Executives

The Company has laid down a Code of Conduct for all Board Members and Senior Executives of the Company. The Code

of conduct is available on the Company's website www.trivenigroup.com. The Chairman & Managing Director has given a declaration that all the Directors and concerned Executives have affirmed compliance with the Code of Conduct and same is annexed hereto.

CEO/CFO certification

A prescribed certificate as stipulated in clause 49(v) of the listing agreement duly signed by the Chairman & Managing Director and Vice President & CFO was placed before the Board alongwith the financial statements for the year ended 30th September, 2010. The said certificate is provided elsewhere in the Annual Report.

Subsidiary Companies

There are five unlisted Indian subsidiary companies viz. GE Triveni Limited, Triveni Engineering Limited, Triveni Turbine Limited, Triveni Energy Systems Limited and Upper Bari Power Generation Limited. None of the subsidiaries is the "Material Non-Listed Subsidiary" in terms of Clause 49 of the Listing Agreement.

Compliance of the Requirements of Clause 49 of the Listing Agreement

Mandatory Requirements/ Non-Mandatory Requirements

The Company has complied with all the applicable mandatory requirements of clause 49 of the Listing Agreement and the non-mandatory provisions have been adopted wherever necessary. The company has constituted a Remuneration Committee as described above.

Means of Communication

- Quarterly Results:** Unaudited quarterly financial results and the annual audited financial results of the Company are sent to all the Stock Exchanges where its equity shares are listed, and the same are generally published in Business Line-The Hindu, Business Standard, Financial Express (English), and Jansatta, and Business Standard (Hindi) newspapers. The Investor brief on the detailed segment wise analysis of the Results are also sent to Stock Exchanges.
- Website www.trivenigroup.com:** Detailed information on the Company's business and products; quarterly/half yearly/nine months and annual financial results, Investor brief and the quarterly distribution of Shareholding are displayed on the Company's website.
- Teleconferences and Press conferences, Presentation etc.:** The Company held quarterly Investors Teleconferences and Press Conferences for the investors of the Company after the declaration of the Quarterly/Annual Results. The Company made presentations to institutional investors/analysts during the period which are available on the Company's website.
- Annual Report:** Annual Report contains inter-alia Audited Annual Accounts, Consolidated Financial Statement, Directors' Report, Auditors' Report. The Management Perspective, Business Review and Financial Highlights are also part of the annual report.

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

Year 2009-2010 ended on 30th September, 2010 pursuant to the provisions of Section 166 of the Companies Act, 1956.

(f) **Intimation to Stock Exchanges:** The Company intimates stock exchanges all price sensitive information or such other information which in its opinion are material & of relevance to the shareholders.

Date & Day : 18th February, 2011, Friday
 Time : 12.30 P.M.
 Venue : Company's Guest House at Deoband Sugar Unit Complex, Deoband, Distt. Saharanpur, U.P. – 247 554.

(g) **Corporate Governance- Voluntary Guidelines- 2009-** The Ministry of Corporate Affairs has issued certain Voluntary Guidelines for further improvement of Corporate Governance standards and practices. The implementation of these Guidelines is under evaluation and consideration.

Dates of Book Closure for Compliance purpose : 23rd December, 2010 to 24th December, 2010 (both days inclusive)

General Shareholder Information

a) General Information

Annual General Meeting

The Registrar of Companies- U.P. & Uttarakhand vide its order dated 31st August, 2010 granted extension of three (3) months time for holding the Annual General Meeting of the Company for the Financial

Dates of Book Closure for payment of final & special dividends : 15th February, 2011 to 18th February, 2011 (both days inclusive)

Dividend Payment Date : Within 30 days of declaration by the shareholders.

Financial Year : October to September

Financial Calendar (tentative & subject to change)

Financial Reporting for the 1st Quarter ending 31st December, 2010	By the mid of February, 2011
Financial Reporting for the 2nd Quarter ending 31st March, 2011	By the mid of May, 2011
Financial Reporting for the 3rd Quarter ending 30th June, 2011	By the mid of August, 2011
Financial Reporting for the Annual Audited Accounts ending 30th September, 2011	By the end of November, 2011

b) Unclaimed Dividend

Pursuant to Section 205C of the Companies Act, 1956, all unclaimed dividends upto the financial year 2002-2003 have been transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government.

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

Financial Year/ Period	Whether Interim/ Final	Date of payment of Dividend	Due date for transfer to IEPF
2003-2004	Interim Dividend on Pref. Shares (redeemed)	1.4.2004	31.3.2011
2003-2004	Final Dividend	18.8.2004	17.8.2011
2004-2005	Interim Dividend	21.7.2004	20.7.2011
2004-2005	Interim Dividend on Pref. Shares (redeemed)	1.4.2005	31.3.2012
2004-2005	Final Dividend	27.6.2005	26.6.2012
2005-2006	Final Dividend	30.6.2006	29.6.2013
2006-2007	1st Interim Dividend	16.10.2006	15.10.2013
2006-2007	2nd Interim Dividend	25.5.2007	24.5.2014
2006-2007	Final Dividend	24.12.2007	23.12.2014
2007-2008	Final Dividend	29.12.2008	28.12.2015
2008-2009	Interim Dividend	25.4.2009	24.4.2016
2008-2009	Final Dividend	29.12.2009	28.12.2016
2009-2010	Interim Dividend	8.5.2010	7.5.2017

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

c) Outstanding GDR/ADR or Warrants

As on date there are no Global Depository Receipts (GDR), American Depository Receipt (ADR), Warrants or any other instrument except Stock Options granted under ESOP 2009 as per the details given under Directors Report, which are convertible into Equity Shares.

d) Listing on Stock Exchanges

The Company's entire equity share capital comprising of 257880150 equity shares of Re. 1/- each is listed at the following Stock Exchanges:

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

The Company has paid listing fees for the Financial Year 2010-2011 to both the aforesaid Stock Exchanges. The Company has also paid the annual custodial fee for the year 2010-11 to both the depositories namely NSDL & CDSL. The Company has received a formal letter dated 05.02.2010 regarding delisting of the Company from the official list of the Calcutta Stock Exchange Ltd.

e) Distribution of Equity Shareholding as on 30th September, 2010

Group of Shares	Number of Shareholders	% to total Shareholders	Number of Shares held	% to Total Shares
1-500	30344	89.21	3723669	1.45
501-1000	1750	5.15	1379560	0.54
1001-2000	1011	2.97	1475144	0.57
2001-3000	279	0.82	699537	0.27
3001-4000	130	0.38	470441	0.18
4001-5000	102	0.30	472403	0.18
5001-10000	141	0.41	1029120	0.40
10001 & higher	257	0.76	248630276	96.41
Total	34014	100.00	257880150	100.00

f) Shareholding Pattern of Equity Shares as on 30th September, 2010

Category	Number of Shares held	% Shareholding
Indian Promoters	175322533	67.99
Mutual Funds/UTI	17137870	6.64
Banks, Financial Institutions, Insurance Cos.	12020	0.01
FIs	46516547	18.04
Bodies Corporate	3925009	1.52
Indian Public(*)	13001630	5.04
NRIs/OCBs	1171158	0.45
Others – Clearing Members & Trust	793383	0.31
Total	257880150	100.00

(*) Includes (i) 800 equity shares held by Mr. M. K. Daga, Director, (ii) 10000 equity shares held by Mr. Shekhar Datta, Director, (iii) 1083082 equity shares held by Mr. R.C. Sharma, Director and his relatives and (iv) 1000 equity shares held by a relative of Lt. Gen. K.K. Hazari (Retd.), Director.

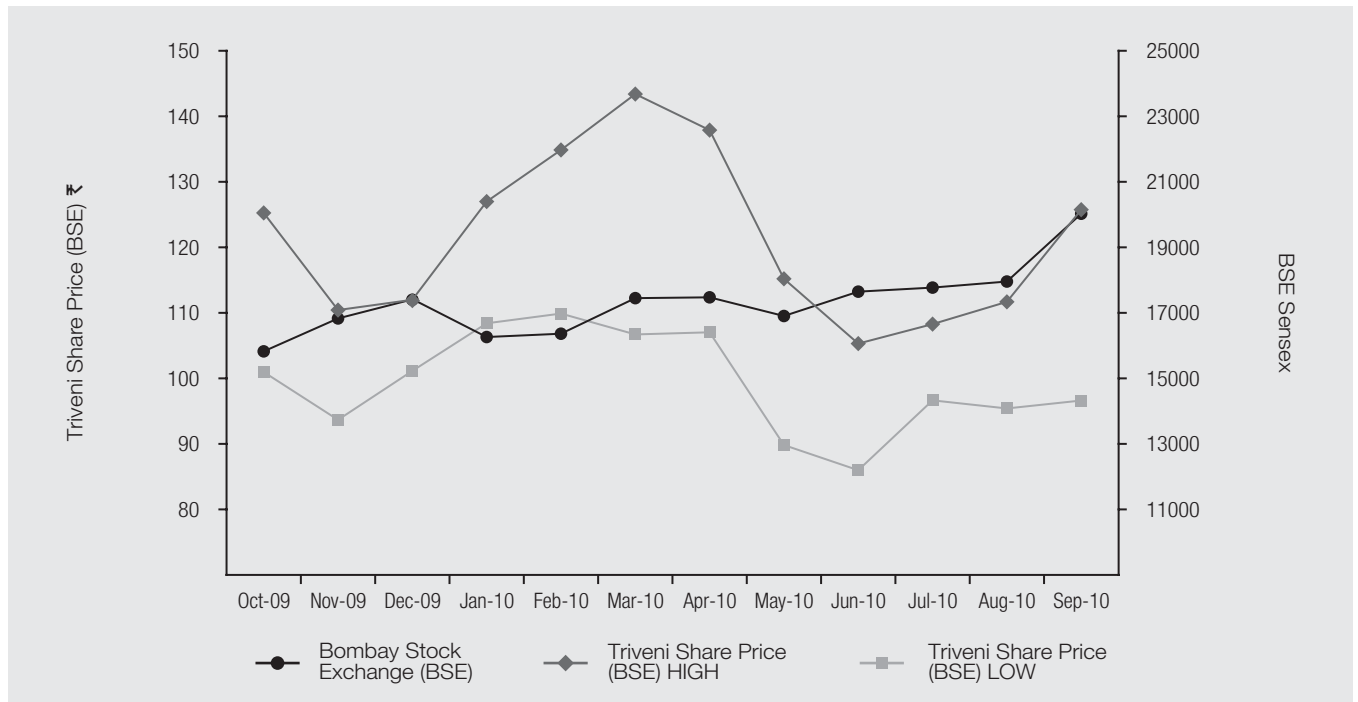
g) Stock Price Data/Stock Performance: Year 2009-2010

During the year under report, the trading in Company's equity shares was from 1st October 2009 to 30th September, 2010. The high low price during this period on the BSE and NSE was as under:-

(in ₹)

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
October, 2009	125.30	101.10	125.40	101.15
November, 2009	110.45	93.80	110.35	93.85
December, 2009	112.05	101.15	113.00	101.00
January, 2010	127.10	108.30	127.20	108.00
February, 2010	135.00	109.95	134.65	110.00
March, 2010	143.50	107.00	143.40	112.00
April, 2010	138.00	107.25	138.20	106.70
May, 2010	115.20	90.00	115.00	90.00
June, 2010	105.50	86.00	104.15	85.25
July, 2010	108.40	96.85	108.55	96.90
August, 2010	111.75	95.15	111.65	95.00
September, 2010	125.55	96.60	125.40	96.10

h) Stock Performance



i) Dematerialization of Shares & Liquidity

The Company's equity shares are compulsorily traded in the electronic 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) to establish electronic connectivity of its shares for scripless trading.

The system for getting the shares dematerialized is as under:

- Share Certificate(s) along with Demat Request Form (DRF) is to be submitted by the shareholder to the Depository Participant (DP) with whom he/she has opened a Depository Account.
- DP processes the DRF and generates a unique number DRN.
- DP forwards the DRF and share certificates to the Company's Registrar and Share Transfer Agent.
- The Company's Registrar and Share Transfer Agent after processing the DRF confirm or reject the request to the Depositories.
- Upon confirmation, the Depository gives the credit to shareholder in his/her depository account maintained with DP.

As on 30.09.2010, 97.45% of total equity share capital of the Company were held in dematerialized form. The ISIN allotted by NSDL/CDSL is INE256C01024. Confirmation in respect of the requests for dematerialization of shares is sent to NSDL and CDSL within the stipulated period.

j) Share Transfer System

The Company's share transfer authority has been delegated to the Company Secretary who generally approves and confirm the request for share transfer/transmission/transposition/consolidation/issue of duplicate share certificates/sub-division, consolidation, remat, demat and perform other related activities in accordance with the Listing Agreement and SEBI (Depositories and Participants) Regulations, 1996 and submit a report in this regard to Investors' Grievance and Share Transfer Committee at every meeting.

The shares sent for physical transfer are registered and returned within the stipulated period from the date of receipt of request, if the documents are complete in all respects as per the requirement of clause 47(c) of the Listing Agreement with Stock Exchanges. The Company has obtained half yearly certificate from Practising Company Secretary for due compliance of share transfer /transmission formalities.

k) Reconciliation of Share Capital Audit

As required under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, the audit for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital for each of the quarter in the financial year ended on September 30, 2010 was carried out. The audit reports confirm that the total issued/ paid-up share capital is in agreement with the

total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

l) Registrar & Share Transfer Agent

M/s Karvy Computershare Pvt. Ltd.,
Unit: Triveni Engineering & Industries Limited
Plot No. 17 to 24, Vittal Rao Nagar, Madhapur
Hyderabad-500 081.
Tel. 040-23420815-825, Fax 040-23420814
Email : einward.ris@karvy.com

m) Locations

Registered Office

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

Share Department

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

Address for correspondence

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

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

Detailed information on plant/business locations is provided at the end of the Annual Report.

n) Compliance Certificate on Corporate Governance from the Auditor

The certificate dated 19th November, 2010 from Statutory Auditors of the Company (M/s J. C. Bhalla & Co.) confirming compliance with the Corporate Governance requirements as stipulated under clause 49 of the Listing Agreement is annexed hereto.

The above report has been adopted by the Board of Directors at their meeting held on 19th November, 2010.

annexure - f

auditors' certificate on corporate governance

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

To
The Members of
Triveni Engineering & Industries Limited

We have examined the compliance of conditions of corporate governance by Triveni Engineering & Industries Ltd for the year ended 30th September 2010 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchange(s) in India.

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

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

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

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

(Sudhir Mallick)
Partner

Membership No.80051

Place : Noida (U.P.)
Date : November 19, 2010

declaration by chairman and managing director

To
The Members of
Triveni Engineering & Industries Limited

In compliance with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges relating to Corporate Governance, I confirm that, on the basis of confirmations/declarations received, all the Directors and Senior Management Personnel of the Company have complied with the Code of Conduct framed by the Company.

For Triveni Engineering & Industries Limited

Place : Noida (U.P.)
Date : November 19, 2010

Dhruv M. Sawhney
Chairman and Managing Director

CEO/ CFO certification

To
The Board of Directors
Triveni Engineering and Industries Limited

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

We, Dhruv M. Sawhney, Chairman and Managing Director and Suresh Taneja, Vice President & CFO certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 30th September, 2010 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies."
- (d) We have indicated to the auditors and the Audit committee:
- (i) That there were no significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) That there were no instances of significant fraud, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting."

Suresh Taneja
Vice President & CFO

Dhruv M. Sawhney
Chairman and Managing Director

Place : Noida (U.P.)
Date : November 19, 2010



financial
section

auditors report

To

The Members of

Triveni Engineering & Industries Limited

We have audited the attached Balance Sheet of Triveni Engineering & Industries Limited as at 30th September 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date both 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 misstatement. 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 Central Government 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, Profit & Loss Account and Cash Flow Statements 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 30th September 2010 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 30th September, 2010;
- 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
FRN : 001111N

Sudhir Mallick
Partner
Membership No.80051

Place : Noida (U.P.)
Date : November 19, 2010

annexure to auditors' report

Referred to in Paragraph "1" of our report of even date on the accounts for the year ended on 30th September, 2010 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) Major items of fixed assets have been physically verified by the management during the year as per information given to us. As explained to us, no material discrepancies were noticed on such verification as compared to the available book records. In our opinion the frequency of verification is reasonable having regard to the size of the company and nature of its activities.
 - (c) In our opinion, the company has not disposed off substantial part of fixed assets during the year and hence, going concern status of the company is not affected.
2. (a) Inventories have been physically verified by the Management to the extent practicable at reasonable intervals during the year or at the year-end at all locations of the company. In our opinion the frequency of verification is reasonable.
 - (b) According to information given to us, the procedures for physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - (c) The company is maintaining proper records of inventory. The discrepancies noticed on such verification as compared to the book records were not material having regard to the size and nature of the operations of the company and have been properly adjusted in the books of account.
3. (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(b), (c) and (d) of the Order are not applicable.
 - (b) In our opinion and according to the information and explanations given to us, the company has taken unsecured loan by way of fixed deposit under public fixed deposit scheme of the company from one party covered in the register maintained under section 301 of the Act. The maximum amount of the loan involved during the year and the year end balance of the loan taken from such party was Rupees 0.25 million.
 - (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loan has been taken from a party covered in the register maintained under section 301 of the Companies Act, 1956 are as applicable to public deposits accepted by the company and are thus not prima facie, prejudicial to the interest of the company.
- (d) In respect of the loan taken, the company is repaying the principal amount and is paying the interest as stipulated.
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 half million or more in respect of any party have been made at prices which are reasonable having regard to prevailing market prices, wherever comparable prices are available, 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 in respect of the products where pursuant to the rules made by the Central Government the maintenance of cost records has been prescribed under Section 209(1)(d) of the Companies Act, 1956, 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.

annexure to auditors' report (contd.)

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 30th September 2010 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 Statute	Forum where dispute is pending	Nature of dues	Amount* (₹ in Million)	Year
1	Income Tax Act, 1961	Commissioner (Appeals)	Penalty	19.68	2000-01
			Income Tax	5.26	2006-07
			Income Tax	100.05	2007-08
2	Central Sales Act & Sales/ Trade Tax Acts of various states	Assessing Authority	Sales Tax	0.15	2008-09 2009-10
		Commissioner (Appeals)	Sales Tax	14.09	1977-78 1993-94 1994-95 2001-02 to 2007-08
		Appellate Tribunal	Sales Tax Penalty Interest	3.47 5.22 7.42	1987-88 1993-94 1995-96 1997-98 2001-02 to 2003-04
		High Court	Excise Duty Penalty	1.07 0.02	1980-81 1994-95 1996-97
3	Excise Act, 1944	Commissioner (Appeals)	Excise Duty Penalty Interest	3.63 2.38 0.80	1995-96 2003-04 2007-08 to 2010-11
		Appellate Tribunal	Excise Duty Penalty Interest	36.82 24.83 24.73	1996-97 2001-02 to 2008-09
		High Court	Excise Duty Penalty Interest	1.89 1.99 0.50	1998-99 2001-02 2003-04 to 2005-06
		Supreme Court	Interest	10.17	2001-02 to 2003-04
4	UP Sugar Promotion Policy 2004	High Court	Entry Tax	18.58	2006-07 to
			Sales Tax	3.62	2010-11

* Net of amounts paid under protest or otherwise.

annexure to auditors' report (contd.)

10. The company has no accumulated losses as at 30th September 2010 and has not incurred any cash losses in the financial year covered by our audit and immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to 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. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion, the term loans raised during the year have been applied for the purpose for which they were raised except term loan of Rupees 30.56 million which remained unutilized at the end of the year. Pending utilization, the amount is kept in no lien account with a bank in accordance with the terms and conditions of the loan.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investments.
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, during the period covered by our audit, the company has not issued debentures requiring creation of any security or charge.
20. The company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books of accounts and records carried out in accordance with the generally accepted auditing 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 we been informed of such case by the management.

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

Sudhir Mallick
Partner

Place : Noida (U.P.)
Date : November 19, 2010

Membership No.80051

balance sheet

financial statements of triveni engineering & industries limited

(₹ in Million)

As at	SCHEDULES	30.09.2010	30.09.2009	
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share Capital	1	257.88	257.88	
Reserves & Surplus	2	9,651.66	8,972.04	
		9,909.54	9,229.92	
LOAN FUNDS				
Secured Loans	3	8,509.75	7,587.47	
Unsecured Loans	4	831.82	750.48	
		9,341.57	8,337.95	
DEFERRED TAX LIABILITY (NET) (Refer Note:14 of Schedule 26)		1,068.70	933.82	
TOTAL FUNDS EMPLOYED		20,319.81	18,501.69	
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	5	16,668.73	16,101.06	
Less : Depreciation		4,523.21	3,701.67	
Net Block		12,145.52	12,399.39	
Capital Work-in-Progress	5	223.24	189.34	
Intangible Assets	5A	72.85	100.57	
Discarded Fixed Assets Pending Disposal/Sale		3.01	3.01	
Plant & Machinery acquired under Lease		133.56	147.04	
		12,578.18	12,839.35	
INVESTMENTS		6	111.65	269.84
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	7	4,911.62	4,581.21	
Sundry Debtors	8	2,789.73	2,425.27	
Cash and Bank Balances	9	190.74	273.17	
Other Current Assets	10	457.55	171.21	
Loans and Advances	11	4,020.75	3,973.45	
		12,370.39	11,424.31	
LESS : CURRENT LIABILITIES AND PROVISIONS				
Liabilities	12	3,974.79	5,072.16	
Provisions	13	765.62	972.66	
		4,740.41	6,044.82	
NET CURRENT ASSETS		7,629.98	5,379.49	
MISCELLANEOUS EXPENDITURE		14	-	13.01
TOTAL ASSETS (NET)		20,319.81	18,501.69	
Notes to Accounts	26			

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

Place : Noida (U.P.)

Date : November 19, 2010

Dhruv M. Sawhney

Chairman &

Managing Director

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

Director & Chairman

Audit Committee

Geeta Bhalla

Company

Secretary

Suresh Taneja

Vice President

& CFO

profit and loss account

financial statements of triveni engineering & industries limited

(₹ in Million)

For the Year Ended	SCHEDULES	30.09.2010	30.09.2009
INCOME			
Gross Sales	15	23,440.79	19,676.73
Less : Excise Duty		845.45	728.31
Net Sales		22,595.34	18,948.42
Other Income	16	245.51	112.40
Increase/(Decrease) in Work-in-Progress/Finished Goods	17	1,791.59	(2,157.03)
		24,632.44	16,903.79
EXPENDITURE			
Materials	18	18,221.61	9,291.98
Manufacturing/Operating	19	1,388.55	1,017.76
Personnel	20	1,657.76	1,348.57
Administration	21	645.56	592.78
Financing	22	849.64	1,158.52
Selling	23	259.72	243.22
Depreciation *1		836.97	757.76
Amortisation	24	70.57	59.77
Off-season Expenses charged/(deferred) (Net)		(20.24)	(117.62)
		23,910.14	14,352.74
Profit before Exceptional/Non - Recurring Items & Taxation		722.30	2,551.05
Add/(Less) Exceptional/Non - Recurring Items (Net) (Refer Note: 26 of Schedule 26)		450.86	(121.58)
Profit before Taxation		1,173.16	2,429.47
Provision for Taxation	25	264.75	731.69
Profit after Taxation		908.41	1,697.78
Surplus Brought Forward		220.12	100.15
AVAILABLE FOR APPROPRIATION		1,128.53	1,797.93
APPROPRIATIONS			
Dividend Adjustment of Previous Year (Current year- ₹ 2827/- & Previous year- ₹ 338/-)		-	-
Tax on Dividend of Previous Year (Current year- ₹ 480/- & Previous year- ₹ 57/-)		-	-
Interim Dividend Paid - Equity Shares		103.15	77.37
Tax on Interim Dividend on Equity Shares		17.13	13.15
Final Dividend Proposed on Equity shares		90.26	180.51
Provision for Tax on Final Dividend on Equity Shares		14.99	30.68
Transfer to Molasses Storage Fund Reserve		2.72	1.10
Transfer to Debenture Redemption Reserve		75.00	75.00
Transfer to General Reserve		650.00	1,200.00
Surplus Carried Forward		175.28	220.12
		1,128.53	1,797.93
Earning per equity share of ₹ 1/- each (Note:16 of Schedule 26)			
- Basic/Diluted (In ₹)		3.52	6.58
Notes to Accounts	26		

*1 Net of ₹ 3.25 Million (₹ 3.25 Million) additional depreciation on revalued assets transferred from Revaluation Reserve.

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

For and on behalf of

J.C.Bhalla & Company

Chartered Accountants

Sudhir Mallick

Partner

Place : Noida (U.P.)

Date : November 19, 2010

Dhruv M. Sawhney

Chairman &
Managing Director

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

Director & Chairman
Audit Committee

Geeta Bhalla

Company
Secretary

Suresh Taneja

Vice President
& CFO

schedules to accounts

(₹ in Million)

	30.09.2010	30.09.2009
1. SHARE CAPITAL		
AUTHORISED		
500,000,000 Equity Shares of ₹ 1/- each	500.00	500.00
20,000,000 Preference Shares of ₹ 10/- each	200.00	200.00
	700.00	700.00
ISSUED		
257,888,150 Equity Shares of ₹ 1/- each *1 & *2	257.89	257.89
	257.89	257.89
SUBSCRIBED & PAID UP		
257,880,150 Equity Shares of ₹ 1/- each *1 & *2	257.88	257.88
Add :Paid up value of 8,000 Equity Shares of ₹ 1/- each forfeited ₹ 1600/- (₹ 1600/-)	-	-
	257.88	257.88

*1 Before the Approval of Scheme of Arrangement in 2003, Issued Share Capital includes:-

- 562,315 Equity Shares of ₹ 10/- each allotted as fully paid up Bonus Shares by capitalisation of General Reserve and Preference Capital Redemption Reserve.
- 9,390,001 Equity Shares of ₹ 10/- each fully paid issued, pursuant to amalgamation, to the Shareholders of erstwhile Triveni Engineering & Industries Ltd.

*2 124,728,090 Equity Shares of ₹ 1/- each allotted as fully paid up Bonus Shares by capitalisation of Share Premium Account.

	01.10.2009	ADDITIONS *1	DEDUCTIONS *1	30.09.2010
2. RESERVES & SURPLUS				
Capital Reserve	1,048.29	-	-	1,048.29
			*2	
Revaluation Reserve - Fixed Assets	165.40	-	3.26	162.14
Debenture Redemption Reserve	75.00	75.00	-	150.00
Molasses Storage Fund Reserve	14.17	2.72	-	16.89
Share Premium Account	2,653.85	-	-	2,653.85
General Reserve	4,662.83	650.00	-	5,312.83
Surplus in Profit & Loss Account	220.12	175.28	220.12	175.28
Capital Redemption Reserve	39.74	-	-	39.74
Amalgamation Reserve	92.64	-	-	92.64
	8,972.04	903.00	223.38	9,651.66

*1 Transfer from/to Profit & Loss Account.

*2 Includes ₹ 0.01 Million adjusted on disposal of revalued assets.

	30.09.2010	30.09.2009
3. SECURED LOANS		
Debenture *1	1,000.00	1,000.00
From Banks -		
Cash Credit/WCDL/Overdraft *2	2,436.08	305.17
Term Loans *3	4,471.80	5,585.91
From Others *4	601.87	696.39
	8,509.75	7,587.47

schedules to accounts (contd.)

- *1 1,000 (1,000) Non- Convertible Debentures of ₹ 1.00 Million each privately placed in favour of Life Insurance Corporation of India redeemable in three instalments at the end of 4th, 5th and 6th year in the ratio of 30:30:40 from the date of allotment (viz 26th December 2008) and secured by first pari-passu charge created/to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created/ to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme. Due within one year ₹ Nil (₹ Nil)
- *2 Secured by pledge/hypothecation of the stock-in-trade, raw material, stores & spare parts, work-in-progress and receivables and second charge created/to be created on the properties of all the Engineering units and third charge on the properties of Sugar, Co-Generation and Distillery units of the Company on pari-passu basis. Includes ₹ 200.00 Million (₹ Nil) towards Commercial Paper issued.
- *3 Includes
- (a) ₹ 218.21 Million (₹ 430.07 Million) in respect of External Commercial Borrowings and secured by first pari-passu charge created/to be created by equitable mortgage on immoveable fixed assets and hypothecation of all moveable fixed assets, both present & future of the Company excluding assets purchased under vehicle loan scheme. Due within one year ₹ 200.83 Million (₹ 215.03 Million).
- (b) ₹ 3,531.76 Million (₹ 4,023.71 Million) secured by first pari-passu charge created/to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created/to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme. Due within one year ₹ 1,114.42 Million (₹ 1,117.21 Million).
- (c) ₹ 719.26 Million (₹ 1,130.70 Million) secured by subservient/residual charge created/to be created over the assets of the Company. Due within one year ₹ 508.90 Million (₹ 427.08 Million).
- (d) ₹ 2.57 Million (₹ 1.43 Million) secured by hypothecation of vehicles acquired under vehicle loan scheme. Due within one year ₹ 1.19 Million (₹ 0.91 Million).
- *4 (a) ₹ 601.87 Million (₹ 696.39 Million) due to Sugar Development Fund, Government of India, secured by exclusive second charge created over moveable/immoveable assets of Deoband & Khatauli units. Due within one year ₹ 157.28 Million (₹ 94.52 Million).

(₹ in Million)

	30.09.2010	30.09.2009
4. UNSECURED LOANS		
Fixed Deposits	36.24	99.35
Short Term Loan :-		
From Banks	663.02	644.84
From Others	31.25	-
Other Loans & Advances :-		
From Others	101.31	6.29
	831.82	750.48

schedules to accounts (contd.)

5. FIXED ASSETS

(₹ in Million)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As at 01.10.2009	Additions	Deductions	Total As at 30.09.2010	Upto 30.09.2009	For the Year *3	Deductions	To date As at 30.09.2010	As at 30.09.2010	As at 30.09.2009
Land										
- Free Hold *1	533.47	11.80	-	545.27	-	-	-	-	545.27	533.47
- Lease Hold	0.10	-	-	0.10	-	-	-	-	0.10	0.10
Buildings & Roads *2	2,711.90	151.35	20.79	2,842.46	329.56	76.90	0.98	405.48	2,436.98	2,382.34
Railway Siding	0.02	-	-	0.02	0.02	-	-	0.02	-	-
Plant & Machinery	12,495.59	411.56	20.72	12,886.43	3,210.67	735.07	18.36	3,927.38	8,959.05	9,284.92
Furniture & Fixture	157.40	32.46	7.32	182.54	57.68	12.85	2.89	67.64	114.90	99.72
Computers	148.88	10.79	4.13	155.54	80.89	18.28	2.01	97.16	58.38	67.99
Vehicles	53.70	6.56	3.89	56.37	22.85	4.80	2.12	25.53	30.84	30.85
This Year	16,101.06	624.52	56.85	16,668.73	3,701.67	847.90	26.36	4,523.21	12,145.52	12,399.39
Previous Year	15,368.70	754.51	22.15	16,101.06	2,958.11	761.01	17.45	3,701.67	12,399.39	-
Capital Work In Progress*4									223.24	189.34

Includes:

*1 Land costing ₹ 34.53 Million (₹ 34.53 Million) pending transfer in the name of the Company .

*2 'Cane yard outside' not owned by the Company costing ₹ 3.30 Million (₹ 3.30 Million).

*3 Transferred to Revaluation Reserve ₹ 3.25 Million (₹ 3.25 Million).

*4 Advance against capital expenditure ₹ 15.50 Million (₹ 7.61 Million).

5A. INTANGIBLE ASSETS (OTHER THAN INTERNALLY GENERATED)

	GROSS BLOCK				AMORTISATION				NET BLOCK	
	Cost As at 01.10.2009	Additions	Retirement & Disposal	Total As at 30.09.2010	Upto 30.09.2009	During the Year	Deductions/ Adjustments	To date As at 30.09.2010	As at 30.09.2010	As at 30.09.2009
Computer Software	204.17	9.97	5.33	208.81	124.57	38.54	5.33	157.78	51.03	79.60
Designs & Drawings	36.78	6.38	-	43.16	17.05	5.02	-	22.07	21.09	19.73
Technical Know How	3.08	-	-	3.08	1.84	0.51	-	2.35	0.73	1.24
This Year	244.03	16.35	5.33	255.05	143.46	44.07	5.33	182.20	72.85	100.57
Previous Year	150.69	93.34	-	244.03	111.98	31.48	-	143.46	100.57	-

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

schedules to accounts (contd.)

(₹ in Million)

	30.09.2010	30.09.2009
6. INVESTMENTS		
LONG TERM		
OTHER THAN TRADE		
GOVERNMENT SECURITIES		
UNQUOTED		
National Saving Certificates *1	0.01	0.01
OTHER SECURITIES		
SHARES - Fully paid-up		
QUOTED		
13,500 (2,700) Equity shares of ₹ 2/- (₹ 10/-) each of Housing Development Finance Corporation Ltd	0.02	0.02
500 (500) Equity shares of ₹ 10/- each of HDFC Bank Ltd.	0.01	0.01
4,835 (4,835) Equity shares of ₹ 10/- each of Punjab National Bank	0.23	0.23
76 (76) Equity shares of ₹ 10/- each of Central Bank of India	0.01	0.01
UNQUOTED		
1,821 (1,821) Ordinary shares of ₹ 10/- each of NBI Industrial Finance Co. Ltd.	0.01	0.01
TRADE		
OTHER SECURITIES		
UNQUOTED		
SHARES - Fully paid-up		
SUBSIDIARY COMPANIES (Wholly owned)		
100,000,000 (10,000,000) Equity shares of ₹ 1/- (₹ 10/-) each of Triveni Turbine Ltd.	100.01	100.01
50,000 (50,000) Equity shares of ₹ 10/- each of Upper Bari Power Generation Ltd	0.50	0.50
500,000 (500,000) Equity shares of ₹ 1/-each of Triveni Engineering Ltd.	0.50	0.50
500,000 (500,000) Equity shares of ₹ 1/-each of Triveni Energy Systems Ltd.	0.50	0.50
50,000 (Nil) Equity shares of ₹ 10/- each of GE Triveni Ltd	0.50	-
OTHER COMPANIES		
434,730 (434,730) Equity shares of ₹ 10/- each of Triveni Entertainment Ltd	4.35	4.35
99,993 (99,993) Equity shares of ₹ 10/- each of The Engineering & Technical Services Ltd	1.00	1.00
400,060 (400,060) Equity shares of ₹ 10/- each of TOFSL Trading & Investments Ltd	4.00	4.00
Nil (360,000) Equity shares of ₹ 10/-each of Carvanserai Ltd.	-	3.60
CURRENT INVESTMENTS		
OTHER THAN TRADE		
UNQUOTED		
Nil (5,492,965.202) Units of Birla Sun Life Cash Plus - Institutional Premium Daily Dividend - Reinvestment	-	55.03
Nil (4,080,699.046) Units of HDFC Liquid Fund Premium Plan Daily Dividend - Reinvestment	-	50.03
Nil (5,001,939.221) Units of ICICI Prudential Institutional Liquid Plan Super Institutional Daily Dividend - Reinvestment	-	50.03
	111.65	269.84
Book Value		
Aggregate amount of quoted investments	0.26	0.26
Aggregate amount of unquoted investments	111.39	269.58
	111.65	269.84
Market value of quoted investments	17.41	12.23

* 1 Includes ₹ 0.01 Million (₹ 0.01 Million) kept as security.

schedules to accounts (contd.)

	(₹ in Million)	
	30.09.2010	30.09.2009
7. INVENTORIES		
Patterns	12.85	11.21
Loose Tools, Jigs & Fixtures	15.93	13.53
Stocks		
- Stores & Spares	303.64	264.81
- Finished Goods	3,557.68	1,775.62
- Raw Materials & Components *	542.46	2,075.93
Less : Provision for obsolescence/slow moving stock	(6.59)	(6.69)
- Work-in-Progress	473.93	422.56
- Scrap	11.72	24.24
	4,911.62	4,581.21
* Includes Stock in Transit ₹ 2.88 Million (₹ 5.48 Million)		
8. SUNDRY DEBTORS - (Unsecured)		
Over Six Months		
Considered Good	516.38	550.13
Considered Doubtful	105.77	89.42
	622.15	639.55
Less : Provision for doubtful debts	105.77	89.42
	516.38	550.13
Other Debts - Considered Good	2,273.35	1,875.14
	2,789.73	2,425.27
9. CASH AND BANK BALANCES		
Cash, Stamps & Cheques in hand *1	23.99	54.25
Balance with Post Office in		
- Saving Account *2	0.08	0.03
Balance with Scheduled Banks in		
- Current Accounts	114.02	100.70
- Savings Accounts	0.07	0.07
- Fixed and Margin Deposits *3	51.59	116.68
Balance with other than Scheduled Banks in		
- Current Accounts (Refer Note:22 of Schedule 26)	0.99	1.44
	190.74	273.17
*1 Includes Cheques in hand of ₹ 16.43 Million (₹ 47.39 Million) and Stamps in hand ₹ 0.07 Million (₹ 0.01 Million)		
*2 Lying with Government Department as security.		
*3 Includes deposits of ₹ 30.93 Million (₹ 24.96 Million) kept as security with banks/Government against advances and guarantees.		
10. OTHER CURRENT ASSETS		
Interest accrued on deposits and investments	5.12	4.00
Due from Customers (Construction and project related activity)	452.43	167.21
	457.55	171.21

schedules to accounts (contd.)

(₹ in Million)

	30.09.2010	30.09.2009
11. LOANS AND ADVANCES		
(Unsecured, Considered Good unless otherwise stated)		
Due from Subsidiary Companies (Wholly Owned)		
- Considered Good	170.73	67.55
- Considered Doubtful	-	100.00
	170.73	167.55
Less : Provision for doubtful advances	-	100.00
	170.73	67.55
Advances, pre-payments and other recoverables in cash or in kind or for value to be received		
- Considered Good	2,937.25	3,081.68
- Considered Doubtful	154.51	90.30
	3,091.76	3,171.98
Less : Provision for doubtful advances	154.51	90.30
	2,937.25	3,081.68
Balances with Central Excise, Custom etc,	390.60	472.09
MAT Credit Entitlement	344.32	352.13
Advance Payment of Tax *1	177.85	-
	4,020.75	3,973.45

*1 Net after adjustment of Provision for Taxation of ₹ 100.63 Million (₹ 1,096.61 Million)

12. LIABILITIES		
Trade & Other Creditors		
i. Total outstanding dues to Micro Enterprises and Small Enterprises	27.59	33.02
ii. Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises *	2,323.70	3,647.18
Advance from customers	1,489.21	1,264.35
Investors Education & Protection Fund shall be credited by the following amounts (not due as at the year end)		
- Unclaimed Dividend	1.77	1.99
- Unclaimed Matured Deposits	3.69	5.90
- Interest Accrued on above	1.09	1.59
- Unclaimed Preference Share Redemption	8.49	8.60
Interest Accrued but Not Due	119.25	109.53
	3,974.79	5,072.16

* Includes Due to Directors ₹ 2.33 Million (₹ 7.56 Million)

13. PROVISIONS		
Proposed Dividend	90.26	180.51
Income Tax on Distributed Profits	14.99	30.68
Gratuity	204.72	175.76
Warranty	96.05	83.93
Compensated Absences	104.71	78.49
Income Tax (Net of Taxes Paid) *1	-	180.40
Excise Duty on Closing Stock	160.03	117.98
Others	94.86	124.91
	765.62	972.66

*1 Net after adjustment of Advance payment of Tax of ₹ 100.63 Million (₹ 1,096.61 Million)

14. MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Voluntary Retirement Scheme	-	13.01
	-	13.01

schedules to accounts (contd.)

	(₹ in Million)	
	30.09.2010	30.09.2009
15. GROSS SALES		
- Domestic	22,552.92	18,314.94
- Exports	788.01	1,361.79
- Income from Carbon Credit	99.86	-
	23,440.79	19,676.73
16. OTHER INCOME		
Dividend (Gross)		
- Long Term Investments - Other than Trade	0.21	0.18
- Current Investments - Other than Trade	<u>6.38</u>	<u>0.10</u>
Rent	1.64	1.33
Interest received on deposits and other accounts *1	45.38	34.85
Credit Balances/Amount written back *2	54.66	26.65
Liquidated Damages/Others Recovered	29.46	-
Exchange Rate Fluctuation Gains	36.81	14.97
Provision for Bad & Doubtful Debts/Advances Written Back *3	8.14	-
Profit on Sale/Write off of Fixed Assets (Net)	-	1.53
Provision for Slow/Non Moving Inventory Written Back	0.10	-
Profit on Sale of Investment (Current- Other than Trade)	-	0.14
Miscellaneous	62.73	32.65
	245.51	112.40
*1 Income tax deducted at source ₹ 2.57 Million (₹ 3.33 Million).		
*2 Net of Bad Debts & Amount Written off of ₹ 9.51 Million (₹ 12.78 Million)		
*3 Net of Provision for Doubtful Debts & Advances of ₹ 6.95 Million (₹ Nil)		
17. INCREASE/(DECREASE) IN WORK-IN-PROGRESS/FINISHED GOODS		
Stock At Commencement		
- Work-In-Progress	422.56	538.27
- Finished Goods	1,774.53	3,945.47
	2,197.09	4,483.74
Stock At Close		
- Work-In-Progress	473.93	422.56
- Finished Goods	3,556.80	1,774.53
	4,030.73	2,197.09
Add/(Less) :Impact of Excise Duty on Finished Goods	(42.05)	129.62
Net Increase/(Decrease)	1,791.59	(2,157.03)
18. MATERIALS		
Raw Material & Components		
Stock at Commencement	2,075.93	518.85
Purchases	16,668.30	10,833.11
	18,744.23	11,351.96
Less : Stock at Close	542.46	2,075.93
	18,201.77	9,276.03
Cost of Trading Goods Sold		
Stock at Commencement	1.09	1.21
Purchases	19.63	15.83
	20.72	17.04
Less : Stock at Close	0.88	1.09
	19.84	15.95
	18,221.61	9,291.98

schedules to accounts (contd.)

(₹ in Million)

	30.09.2010	30.09.2009
19. MANUFACTURING / OPERATING		
Stores, Spares & Tools	289.68	246.66
Power & Fuel	181.25	121.38
Machining/Erection Charges	244.02	70.55
Designing & Consultancy	29.56	20.77
Cane Development Expenses	56.86	98.72
Repairs & Maintenance:		
- Plant & Machinery	268.29	224.66
- Building	28.24	30.75
- General	28.71	18.63
Factory/Operational Expenses	64.33	43.41
Packing & Forwarding	197.61	142.25
	1,388.55	1,017.78
Less : Amount Capitalised	-	0.02
	1,388.55	1,017.76
20. PERSONNEL		
Salaries, Wages & Bonus	1,345.35	1,135.75
Compensation under VRS	44.98	-
Gratuity	60.55	34.10
Contribution to Provident & Other Funds	109.47	94.21
Welfare	97.41	87.50
	1,657.76	1,351.56
Less : Amount Capitalised	-	2.99
	1,657.76	1,348.57
21. ADMINISTRATION		
Travelling & Conveyance	158.86	142.80
Rent	38.49	44.39
Insurance	16.38	20.23
Rates & Taxes	51.39	24.17
Directors' Fee	1.25	1.14
Directors' Commission	5.75	6.25
Loss on Sale/Write off of Fixed Assets (Net)	0.35	-
Loss on Sale/Write off of Stores & Spares (Net)	-	2.13
Provision for Bad & Doubtful Debts/Advances *1	-	6.81
Warranty Expenses *2	35.78	38.96
Liquidated Damages *3	(19.00)	(0.70)
Loss due to Impairment of Fixed Assets	-	0.05
Provision for Slow/Non Moving Inventory	-	1.69
Prior Period Adjustments (Net) - Note:24 of Schedule 26	10.33	2.95
Office & Other Administration Expenses	345.98	311.91
	645.56	602.78
Less : Amount Capitalised	-	10.00
	645.56	592.78

*1 Net of Provision for Doubtful Debts & Advances Written Back of ₹ Nil (₹ 7.38 Million).

*2 Includes Net Provision for Warranty Expenses of ₹ 23.94 Million (₹ 27.17 Million)

*3 Represents Provision for Liquidated Damages Written Back, Net of Expenses ₹ 3.79 Million (₹ 3.43 Million)

schedules to accounts (contd.)

	(₹ in Million)	
	30.09.2010	30.09.2009
22. FINANCING		
Interest on		
- Debentures	124.50	96.53
- Fixed Loans	502.07	708.87
- Others	197.70	329.38
Other Finance charges	21.62	19.61
	845.89	1,154.39
Add : Exchange Rate Fluctuation on Foreign Currency Denominated Loan	3.75	4.13
	849.64	1,158.52
23. SELLING		
Commission	76.49	123.46
Royalty	24.86	11.91
Packing & Forwarding	130.81	85.47
Rebate & Discount	7.43	4.97
After Sales Expenses & Others	20.13	17.41
	259.72	243.22
24. AMORTISATION		
Voluntary Retirement Scheme	13.01	13.35
Capitalised Lease Assets	13.49	14.94
Intangible Assets	44.07	31.48
	70.57	59.77
25. PROVISION FOR TAXATION		
For Current Year		
- Current Tax (includes Wealth Tax ₹ 0.75 Million (Previous Year ₹ 1.04 Million))	236.31	499.44
- Deferred Tax	123.55	332.45
- Fringe Benefit Tax	-	8.30
	359.86	840.19
For Earlier Years (Net)		
- Current Tax (includes Wealth Tax ₹ Nil (Previous Year ₹ 0.04 Million))	(18.42)	12.44
- Deferred Tax	11.34	(7.56)
	(7.08)	4.88
	352.78	845.07
Less: MAT Credit Entitlement	88.03	113.38
	264.75	731.69

schedules to accounts (contd.)

26. NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of Financial Statements

These financial statements have been prepared on a going concern basis to comply in all material respects with the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

b) Fixed Assets

- i. Fixed assets are stated at cost of acquisition (except in case of revaluation of certain assets where these are stated at revalued amounts) less accumulated depreciation. Cost includes taxes, duties (excluding excise duty, service tax and VAT for which Cenvat/VAT credit is available), freight and other incidental expenses relating to acquisition and installation. In respect of new projects, all direct expenses including borrowing costs incurred upto the date of commencement of commercial production or when related asset is put to use are capitalized.
- ii. Discarded fixed assets are stated at lower of net book value (at the time of discarding of assets) and net realisable value. Wherever, the net book value of the assets can not be reasonably determined, it is stated at net realisable value.

c) Recognition of Income/Expenditure

- i. Income from sale of products and services is recognised on despatch of goods or when the services are rendered. Gross sales are stated at contractual realisable values inclusive of excise duty and export incentive and net of sales tax and trade discounts.
- ii. Income from carbon credits is recognized on the delivery of the carbon credits to the customers' account as evidenced by the receipt of confirmation of execution of delivery instructions.
- iii. Revenue from fixed price construction contracts is recognized on the percentage of completion method, measured by the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract cost. Contract costs for this purpose include :
 - a. Costs that relate directly to the specific contract;
 - b. Costs that are attributable to contract activity in general and can be allocated to the contract; and
 - c. Such other costs as are specifically chargeable to the customer under the terms of contract.
 Foreseeable losses, if any, are provided for immediately.
- iv. Off-season expenses relating to sugar and bagasse based co-generation units, other than interest, selling and non-operating expenses/income incurred/earned during off-season, are deferred and are absorbed over the duration of the ensuing operating season.

- v. Income/Expenditure relating to prior periods and prepaid expenses which do not exceed Rs.10,000/- in each case, are treated as Income/Expenditure of current year.

- vi. Compensation under Voluntary Retirement Scheme (VRS) incurred till September 30, 2009, is amortised over 36 months or over the duration till 30th September 2010 from the date of its incurrence, whichever period is shorter. VRS compensation and all other termination benefits, if any, incurred during the year, are recognized as expenses.

d) Foreign Currency Transactions

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

e) Inventories

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

Raw Materials & Components

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

Stores and Spares

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

- ii. Finished goods and Work-in-progress are valued at lower of cost and net realisable value. The cost of finished goods and work-in-progress includes raw material costs, direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present

schedules to accounts (contd.)

location and condition. Excise duty is included in the value of finished goods.

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

f) Depreciation

- i) Depreciation on fixed assets is provided on the straight line method at the rates specified in Schedule XIV of the Companies Act, 1956 other than the following assets which are depreciated at higher rates on the straight line basis over their estimated useful economic life as follows :

	Rates adopted	
a) Plant & Machinery used in Co-Generation Plants (including captive Co-Generation plants) installed after 1.4.2004	-	6.33%
b) Certain machineries at Turbine unit	-	9.48% to 12.65%
c) Mobile phone costing above ₹ 5,000/-	-	50%
d) Certain assets relating to cane development	-	40%

- ii) Cost of Leasehold Land is amortised over the lease period.
- iii) Fixture and Fittings and improvements to leasehold buildings not owned by the Company are amortised over the lease period or estimated life, whichever is lower.
- iv) The additional depreciation, on increase in cost on account of revaluation is adjusted against the Revaluation Reserve and is thus not charged to Profit & Loss Account for the year.

g) Research & Development

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

h) Investments

Investments are valued at cost inclusive of expenses incidental to their acquisition. Long term investments are carried at cost. Provision is made for diminution in value, if such diminution is, in the opinion of the management, other than temporary in nature. Current investments are valued at lower of cost and fair value.

i) Employee Benefits

1) Short Term Employee Benefits:

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

which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid (including compensated absences) in exchange for services rendered as a liability.

2) Long Term Employee Benefits:

a). Defined Contribution Plans

Defined contribution plans are retirement benefit plans under which the Company pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Company's contribution to defined contribution plans is recognized in the Profit & Loss account in the financial year to which they relate.

The Company operates the following defined contribution plans.

- i) **Provident Fund Plan & Employee Pension Scheme:**
The Company makes specified monthly contributions towards Employee Provident Fund/ Employee Pension Scheme to fund administered and managed by the Government of India / funds (set up by the Company and administered through Trusts). The Company has an obligation to make good the shortfall, if any, between the return on investments of the Trusts and notified interest rate.
- ii). **Employee State Insurance:**
The Company makes specified monthly contributions towards Employees State Insurance Scheme.
- iii). **Superannuation Scheme:**
The Company has taken Group Superannuation Policies with Life Insurance Corporation of India for superannuation payable to specific employees. Contribution towards aforesaid fund is charged to the Profit & Loss account in the financial year to which it relates.
- b). **Defined Benefit Plans**
Defined benefit plans are retirement benefit plans under which the Company pays certain defined benefits to the employees at the time of their retirement/resignation/death based on rules framed for such schemes.
 - i). **Gratuity:**
The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for its liability under the Gratuity Plan based on actuarial valuation.
 - ii). **Earned Leaves / Sick Leaves:**
The Company provides for the liability at year end on account of unavailed accumulated leaves on the basis of actuarial valuation.

schedules to accounts (contd.)

3) Employee Stock Options:

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

j) Borrowing costs

Borrowing costs attributable to the acquisition of qualifying assets are capitalised upto the period such assets are ready for its intended use. All other borrowing costs are charged to Profit & Loss Account.

k) Government Grants

Recognition

Government grants are recognised where:

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

Presentation in Financial Statements:

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

l) Accounting for 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 "Fixed Assets". Lease rentals of other assets, acquired before 1st April 2001 are charged off in the period in which these accrue.

m) Taxes on Income

- i) Current tax on income is determined on the basis of taxable income computed in accordance with the applicable provisions of the Income Tax Act, 1961.
- ii) Deferred tax is recognised for all timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.
- iii) Deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that sufficient

future taxable income will be available against which such deferred tax assets can be realized, except in the case of unabsorbed depreciation or carry forward of losses under the Income Tax Act, 1961, deferred tax asset is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

n) Intangible Assets

Intangible assets are recognised as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" and are amortised on straight line basis as follows:

	Period of amortisation
Computer Software	36 months
Design & Drawings	72 months
Technical Know-how fees	72 months

o) Impairment of Asset

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

p) Provisions, Contingent liabilities and Contingent assets

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

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

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

Contingent Liability is disclosed in the case of

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

Contingent Assets are neither recognised nor disclosed.

schedules to accounts (contd.)

2. Contingent liabilities (to the extent not provided for)

a) Claims against the Company not acknowledged as debts

(₹ in Million)

		As on 30.09.10	As on 30.09.09
i) Claims which are being contested by the Company and in respect of which the Company has paid amounts aggregating to ₹ 85.57 Million (₹ 84.35 Million) under protest pending final adjudication of the cases:		249.50	242.17
Sl. No.	Particulars	Amount of Contingent Liability	Amount Paid
01.	Sales Tax	48.00 (32.74)	22.98 (22.10)
02.	Excise Duty	151.12 (167.01)	58.88 (58.59)
03.	Others	50.38 (42.42)	3.71 (3.66)
The outflow arising from these claims is uncertain and is after adjusting likely reimbursement of ₹ 12.02 Million (₹ 12.02 Million) from customers in respect of Central Excise demands on account of denial of benefit under Notification No.6/2000.			
ii) The Company is contingently liable in respect of short provision against disputed income tax liabilities of ₹ 464.78 Million (₹ 21.85 Million) against which ₹ 365.84 Million stands paid, mostly through adjustment and the balance amount has been stayed till disposal of first appeal. The disputed income tax liability includes ₹ 374.51 Million towards unrealized incentives. In the event such liability finally materialises, ₹ 353.61 Million will be adjusted against the corresponding capital reserve. In case the said incentives are ultimately not realized, a deduction from taxable income to that extent would be available to the Company in subsequent years.		464.78	21.85
iii) Differential cane price for the sugar season 2007-08 pending disposal of the matter by the Hon'ble Supreme Court. As against price of ₹ 1250/MT advised by the State Government, the Company had accounted for and discharged its liability at ₹ 1100/MT in accordance with the interim order passed by the Supreme Court.		789.56	789.56
iv) Indeterminate liability arising from claims / counter claims/ Interest in arbitration/ court cases, claims alleging infringement of technical know-how/copyrights, 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.		-	-
b) Guarantees/surety given on behalf of			
(i) Subsidiary Company (Including ₹ Nil (₹ 5.00 Million) for availing of credit facilities, against which dues outstanding ₹ Nil)		0.10	5.10
(ii) Other companies		4.00	4.00

c) The amounts shown in item 2(a) represent the best possible estimates arrived at on the basis of available information. The uncertainties, possible payments and reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants, as the case may be, and therefore can not be predicted accurately. The Company engages reputed professional

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

The amounts shown in item 2(b) above represent guarantees given in the normal course of operations of these companies and are not expected to result in any loss to the Company on the basis of such companies fulfilling their ordinary commercial obligations.

schedules to accounts (contd.)

3. Advances recoverable in cash or in kind in schedule 11 "Loans & Advances" include
- a) Due from the Company Secretary- ₹ Nil (₹ Nil). Maximum amount due at any time during the year ₹ 0.04 Million (₹ 0.01 Million).
- b) ₹ 0.02 Million (₹ 0.02 Million) on account of Security Deposit paid to the Managing Director.
4. Estimated amount of Contracts remaining to be executed on capital account and not provided for :
₹ 209.80 Million (₹ 225.49 Million) after adjusting advances paid amounting to ₹ 85.72 Million (₹ 58.67 Million).
5. a) The Company had, in respect of eligible projects, accounted for capital subsidy and remissions and reimbursement of certain statutory levies and expenses, in accordance with and as prescribed under U.P. Sugar Industry Promotion Policy 2004 ("Policy") issued by the State Government of Uttar Pradesh. Till September 30, 2009, the Company had accounted for recoverable incentives of ₹ 1400.25 Million (including capital subsidy) and had availed of remissions of ₹ 125.46 Million under the Policy.

On premature termination of the Policy by the State Government with effect from June 4, 2007, the Company

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

The Company has been legally advised that it continues to be entitled to all the benefits under the Policy. However, during the current year, the Company has accounted for only remissions of ₹ 48.10 Million as permitted by the High Court in the interim order and further eligible reimbursements of ₹ 133.81 Million will be accounted for in accordance with the final order of the High Court.

- b) The Company had availed of a loan amounting to ₹ 943.20 Million (₹ 943.20 Million) under the "Scheme for Extending Financial Assistance to Sugar Undertakings 2007" notified by the Government of India. Under the said scheme interest subvention @ 12% per annum is granted by the Government on such loan. The outstanding loan as at the end of the year amounts to ₹ 681.76 Million (₹ 943.20 Million)

6. The Company has made provision for employee benefits in accordance with the Accounting Standard (AS) 15 "Employee Benefits". During the year, the Company has recognized the following amounts in its financial statements :

i) Defined contribution plans

(₹ in Million)

Particulars	2009-10	2008-09
a) Employers' contribution to Provident Fund	87.93	75.85
b) Employers' contribution to Employee State Insurance	1.11	0.70
c) Employers' contribution to Superannuation Scheme	20.43	17.66

ii) Defined Benefit Plans

Disclosures required by Accounting Standard (AS) 15 are given here-under:

Change in present value of obligation

(₹ in Million)

	Gratuity (Partly funded)		Compensated Absence (un-funded)	
	30.09.10	30.09.09	30.09.10	30.09.09
a) Present value of obligation as at the beginning of the year (01/10/2009)	251.80	226.53	66.86	55.73
b) Interest cost	20.63	18.03	5.52	4.46
c) Current service cost	22.20	19.55	13.44	11.45
d) Benefits paid	-32.58	-15.08	-4.88	-4.85
e) Actuarial (gain)/loss on obligation	24.02	2.77	7.12	0.08
f) Present value of obligation as at the end of the year (30/09/2010)	286.07	251.80	88.06	66.86

schedules to accounts (contd.)

Change in the fair value of plan assets

(₹ in Million)

	Gratuity (Partly funded)		Compensated Absence (un-funded)	
	30.09.10	30.09.09	30.09.10	30.09.09
a) Fair value of the plan assets at the beginning of the period (1/04/2009)	76.04	69.70	-	-
b) Expected return on plan assets	6.03	5.92	-	-
c) Contributions	22.57	9.79	-	-
d) Benefits paid	-23.55	-10.05	-	-
e) Actuarial (gain)/loss on plan assets	0.26	0.68	-	-
f) Fair value of plan assets as at the end of the period (31/03/2010)	81.35	76.04	-	-

Amounts recognized in balance sheet

(₹ in Million)

	Gratuity (Partly funded)		Compensated Absence (un-funded)	
	30.09.10	30.09.09	30.09.10	30.09.09
a) Present value of obligation as at the end of the period	286.07	251.79	88.06	66.86
b) Fair value of plan assets as at the end of the period	81.35	76.03	-	-
c) Funded status	-204.72	-175.76	-88.06	-66.86
d) Net assets/(liability) recognized in the balance sheet	-204.72	-175.76	-88.06	-66.86

Amounts recognized in the statement of profit & loss

(₹ in Million)

	Gratuity (Partly funded)		Compensated Absence (un-funded)	
	30.09.10	30.09.09	30.09.10	30.09.09
a) Current Service cost	22.20	19.55	13.44	11.45
b) Interest cost	20.63	18.03	5.52	4.45
c) Expected return of plan assets	-6.03	-5.92	-	-
d) Net actuarial (gain)/loss recognized during the period	23.75	2.09	7.12	0.08
e) Expenses recognized in the statement of profit & loss	60.55	33.75	26.08	15.98

Experience adjustment

(₹ in Million)

	Gratuity			Compensated Absence		
	30.09.10	30.09.09	30.09.08	30.09.10	30.09.09	30.09.08
Defined Benefit Obligation	286.07	251.79	226.53	88.06	66.86	45.73
Fair Value of Plan Assets	81.35	76.03	69.70	-	-	-
Surplus/(Deficit)	-204.72	-175.76	-156.83	-88.06	-66.86	-45.73
Experience adjustment on plan liabilities	-27.39	-5.88	-	-8.92	-2.22	-
Experience adjustment on plan assets	-0.11	0.68	-	-	-	-

Expected contribution to the Gratuity plan during next year ₹ 15.00 Million

Major actuarial assumptions

(% age)

	Gratuity (Partly funded)		Compensated Absence (un-funded)	
	30.09.10	30.09.09	30.09.10	30.09.09
a) Discounting rate	8.25%	8.00%	8.25%	8.00%
b) Future salary increase	5.50%	5.50%	5.50%	5.50%
c) Expected rate of return on plan assets	8.00%	8.50%	N.A.	N.A.
d) Mortality table	LIC (1994-1996) duly modified			
e) Method used	Projected unit credit method			

schedules to accounts (contd.)

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

The entire plan assets of the gratuity fund are invested in fixed interest yielding debt instruments. The expected rate of return on plan assets of the gratuity fund has been arrived at taking into consideration the prevalent returns on prescribed categories of investments authorized to be made by the fund.

7. Information in respect of construction contracts in progress is provided below.

(₹ in Million)

Sl. Particulars No.	2009-10	2008-09
1. Amount of contract revenue recognized as revenue in the year	1,231.49	531.28
2. The aggregate amount of costs incurred and recognized profits (less recognized losses) upto the reporting date	1,762.77	531.28
3. Advances Received	212.51	125.76
4. Retentions	98.31	43.24
5. Gross amount due from customers for contract work as an asset	452.43	167.21
6. Gross amount due to customers for contract work as a liability	-	-

8. Plant and machinery at Deoband unit existing as on 1st November, 1986 was revalued during the financial year 1986-87. The revaluation had been conducted by an approved valuer, to reflect the assets at their present value. A property at Delhi, earlier held as stock in trade was revalued during the financial year 1999-00, at estimated market value and converted to fixed assets. The increase in the value of such assets over their book values, consequent to the revaluation, had been credited to revaluation reserve in the respective year of revaluation. The revalued assets are stated net of accumulated depreciation thereon.

9. Purchase and sale of current investments in various schemes of mutual funds during the year is as under:

Sl. Description No.	Purchases		Sales	
	Units	₹ in Million	Units	₹ in Million
1. Principal Cash Management Fund Liquid Option – Daily Dividend Reinvestment.	4,999,280.368	50.01	4,999,280.368	50.01
2. Principal Floating Rate Fund FMP. Option – Dividend Reinvestment Daily	5,009,216.929	50.16	5,009,216.929	50.16
3. HDFC Liquid Fund Premium Plan–Dividend – Daily Reinvestment.	4,080,366.273	50.02	4,080,366.273	50.02
4. HDFC Liquid Fund Premium Plan - Dividend – Daily Reinvestment.	8,157,538.303	100.01	8,157,538.303	100.01
5. HDFC Cash Management Fund– Treasury Advantage Plan-Wholesale-Daily Dividend Option	15,041,383.895	150.89	15,041,383.895	150.89
6. UTI Liquid Cash Plan Institutional – Daily Income Option - Reinvestment	98,101.149	100.01	98,101.149	100.01
7. UTI Liquid Cash Plan Institutional – Daily Income Option-Reinvestment	49,050.643	50.00	49,050.643	50.00
8. UTI Treasury Advantage Fund-Institutional Plan (Daily Dividend Fund) Reinvestment.	150,647.756	150.68	150,647.756	150.68
9. Birla Sun Life Cash Plus-Instl. Prem. – Daily Dividend - Reinvestment	9,984,059.487	100.03	9,984,059.487	100.03
10. Birla Sun Life Cash Plus-Instl. Prem. – Daily Dividend – Reinvestment	4,990,713.739	50.00	4,990,713.739	50.00

schedules to accounts (contd.)

Sl. Description	Purchases		Sales	
	Units	₹ in Million	Units	₹ in Million
11 Birla Sun Life Saving Fund – Instl. – Daily Dividend – Reinvestment.	15,087,406.210	150.98	15,087,406.210	150.98
12 Kotak Liquid (Institutional Prem) – Daily Dividend.	8,178,594.936	100.01	8,178,594.936	100.01
13 Kotak Liquid (Institutional Prem) – Daily Dividend	4,089,308.837	50.00	4,089,308.837	50.00
14 Kotak Floater Long Term – Daily Dividend	14,947,872.331	150.67	14,947,872.331	150.67
15 Canara Robeco-Liquid Super Instt Daily Div Reinvest Fund.	9,960,017.628	100.01	9,960,017.628	100.01
16 Canara Robeco-Liquid Super Instt Daily Div Reinvest Fund.	4,980,047.461	50.01	4,980,047.461	50.01
17 Canara Robeco Treasury Advantage Super Instt Daily Div Reinv Fund	12,162,489.967	150.90	12,162,489.967	150.90
18 ICICI Prudential Institutional Liquid Plan – Super Institutional Daily Div.	5,002,144.591	50.03	5,002,144.591	50.03
19 ICICI Prudential Institutional Liquid Plan – Super Institutional Daily Div.	10,000,573.598	100.03	10,000,573.598	100.03
20 Templeton India Treasury Management Account Super Institutional Plan-Daily Dividend Reinvestment	49,970.877	50.00	49,970.877	50.00
21 Templeton India Treasury Management account Super Institutional Plan-Daily Dividend Reinvestment.	99,940.640	100.01	99,940.640	100.01
22 Templeton India Ultra Short Bond Fund Super Institutional Plan-Daily Dividend Reinvestment.	15,079,878.907	150.97	15,079,878.907	150.97
23 ICICI Prudential Flexible Income Plan Premium – Daily Dividend	14,207,205.826	150.26	14,207,205.826	150.26
24 ICICI Prudential Flexible Income Plan Premium – Daily Dividend.	1,428,592.318	151.05	1,428,592.318	151.05
Total		2,356.74		2,356.74

10. Disclosures regarding provisions are as under:

i) Movement in provisions:

(₹ in Million)

Sl. Particulars of Disclosure	Nature of Provision	
	Warranty	Liquidated Damages
1. Balance as at October 1, 2009	83.93	113.91
	(66.63)	(118.03)
2. Provision made during the year	41.25	24.43
	(48.35)	(28.09)
3. Provision used during the year	11.81	-
	(9.87)	(-)
4. Provision reversed no longer required	17.32	47.22
	(21.18)	(32.21)
5. Balance as at September 30, 2010	96.05	91.12
	(83.93)	(113.91)

ii) Nature of provisions :

Warranties : The Company extends warranties on certain products and services, and accordingly to repair/replace the items that fail to perform satisfactorily during the warranty period. Provision made as at the end of year represents the amount of expected cost of meeting such obligations. The timing of the outflows is expected to be within a period of one to two years.

Liquidated Damages: In respect of certain products sold, the Company has contractual obligations in respect of matters relating to their delivery and performance. The provisions represent the amount estimated to meet such obligations. The timing of the outflow is expected to be within one year.

schedules to accounts (contd.)

11. Information regarding Related Party Transactions :

a) Related party where control exists

i) Mr D.M. Sawhney, Chairman & Managing Director (Key Management person).

ii) Wholly owned subsidiaries

Triveni Turbine Limited
Upper Bari Power Generation Limited
Triveni Energy Systems Limited
Triveni Engineering Limited
GE Triveni Limited

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

i) Wholly owned Subsidiaries (Group A)

Triveni Turbine Limited (TTL)
Upper Bari Power Generation Limited (UBPGL)
Triveni Energy Systems Limited (TESL)
Triveni Engineering Limited (TEL)
GE Triveni Limited (GETL)

ii) Associates (Group B)

TOFSL Trading & Investments Limited (TOFSL)
The Engineering & Technical Services Limited (ETS)
Triveni Entertainment Limited (TENL)
Carvanserai Limited (CL) *

* ceased to be an associate company during the year

iii) Key Management Persons (Group C)

Mr D M Sawhney, Chairman & Managing Director (DMS)
Mr. Tarun Sawhney, Executive Director - Whole Time (TS)
Mr. Nikhil Sawhney, Executive Director - Whole Time (NS)

iv) Key Management Person relative (Group D)

Mrs Rati Sawhney (Wife of DMS) (RS)

v) Companies/Parties in which key management Person or his relatives have substantial interest/significant influence (Group E)

Kameni Upaskar Limited (KUL)
Tirath Ram Shah Charitable Trust (TRSC)

schedules to accounts (contd.)

c) Details of transactions with the related parties during the year ended 30.09.2010 :

Sl. No.	Nature of Transaction	Group - A				Group - B				Group - C			Group - D		Group - E		TOTAL
		TTL	UBPGL	TESL	TEL	GETL	TOFSL	ETS	TENL	CL	DMS	TS	NS	RS	KUL	TRRCT	
1	Sales and Rendering Services	-	-	-	-	-	0.08	0.06	0.06	-	-	-	-	-	-	-	0.20
		(0.76)	(-)	(-)	(-)	(-)	(0.08)	(0.06)	(0.06)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.96)
2	Purchases and receiving Services	1.63	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.63
		(20.80)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(20.80)
3	Purchase of Fixed Assets	5.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.05
		(0.80)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.80)
4	Rent Paid	-	-	-	-	-	-	-	-	-	0.84	-	-	-	-	-	4.14
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.84)	(-)	(-)	(-)	(-)	(-)	(2.46)
5	Rent & Other Charges Recd.	0.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.30
		(0.60)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.60)
6	Amount Advanced	9.60	-	-	0.02	-	-	-	-	-	-	-	-	-	-	-	9.62
		(20.00)	(-)	(-)	(0.02)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(20.02)
7	Expenses incurred (Net)	0.21	-	-	-	1.51	-	-	-	-	-	-	-	-	-	-	1.72
		(4.53)	(-)	(-)	(0.01)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(4.95)
8	Interest Received	-	-	-	0.07	-	-	-	-	-	-	-	-	-	-	-	0.21
		(-)	(-)	(0.01)	(0.09)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.10)
9	Interest Paid	-	-	-	-	-	-	-	-	-	-	-	0.03	-	-	-	0.03
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.03)	(-)	(-)	(-)	(0.03)
10	Remuneration *	-	-	-	-	-	-	-	-	-	38.15	14.80	-	-	-	-	68.21
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(48.28)	(13.66)	(-)	(-)	(-)	(-)	(75.97)
11	Guarantees / Surety Given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
		(5.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(5.00)
12	Investment in Shares	-	-	-	-	0.50	-	-	-	-	-	-	-	-	-	-	0.50
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
13	Sale of Investment in Shares	-	-	-	-	-	-	-	-	-	246.20	-	-	196.96	-	-	443.16
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(123.10)	(-)	(-)	(49.24)	(-)	(-)	(172.34)
14	Charity & Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	10.00	-	10.00
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(10.00)	(-)	(10.00)
15	Outstanding balances as on 30.09.2010																
	A. Receivable	167.99	0.02	-	1.21	1.51	0.04	0.03	0.05	-	0.02	-	-	-	-	-	170.87
		(166.40)	(-)	(-)	(1.15)	(-)	(0.04)	(0.03)	(0.03)	(-)	(0.02)	(-)	(-)	(-)	(-)	(-)	(167.67)
	B. Payable	-	-	-	-	-	-	-	-	-	2.20	0.11	0.02	-	-	-	2.33
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(7.54)	(-)	(0.02)	(-)	(-)	(-)	(10.02)
	C. Guarantees / Surety Outstanding	0.10	-	-	-	-	4.00	-	-	-	-	-	-	-	-	-	4.10
		(5.10)	(-)	(-)	(-)	(-)	(4.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(9.10)
	D. Fixed Deposit	-	-	-	-	-	-	-	-	-	-	-	-	0.25	-	-	0.25
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.25)	(-)	(-)	(0.25)

* For TS & NS gratuity is not included as it is provided on actuarial valuation for the entire Company.

schedules to accounts (contd.)

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

(₹ in Million)

Sl. Particulars No.	As on 30.09.2010	Maximum amount due during the year
1. Loans & Advances to Subsidiaries (Note1)		
- Triveni Turbine Ltd	167.99 (166.40)	175.60 (173.66)
- Upper Bari Power Generation Ltd	0.02 (-)	0.02 (0.04)
- Triveni Engineering Limited	1.21 (1.15)	1.21 (1.59)
- Triveni Energy Systems Ltd	0.00 (0.00)	0.00 (0.39)
- GE Triveni Ltd	1.51 (-)	1.51 (-)
2. Loans & Advances to Associates (Note 1)		
- Triveni Entertainment Limited	Nil (Nil)	Nil (0.00)
- Carvanserai Limited	Nil (Nil)	Nil (0.40)
3. Loans & Advances to firms/companies in which directors are interested	Nil (Nil)	Nil (Nil)
4. Investment by the loanee in the shares of Triveni Engineering & Industries Ltd. and its subsidiaries	Nil (Nil)	Nil (Nil)

Note.

1. There is no repayment schedule for the loans and advances to subsidiaries and associate company(ies) mentioned above which are repayable on demand.

13. The Company has taken various residential, office and godown premises under operating leases. These are generally not non-cancelable and the unexpired period ranges between 6 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. There is no contingent rent or restriction imposed in the lease agreement.

a) Lease payments under operating lease are recognized in the Profit & Loss Account under "Rent" in Schedule 21.

b) There are no minimum future lease payments under non-cancelable operating lease.

14. The breakup of net deferred tax liability is provided below :

(Rs. in Million)

Particulars	Deferred tax liability/ (Deferred tax asset)	
	As on 30.09.2010	As on 30.09.2009
Difference in written down values of Fixed Assets as per books & tax	1,379.33	1,357.56
Share Issue Expenses	-	(8.22)
Expenses deferred in books but claimed in tax	69.57	33.99
Other Provisions disallowable u/s 43-B	(245.76)	(233.33)
Unabsorbed Depreciation	-	(80.23)
Others (net)	(134.44)	(135.95)
Net deferred tax liability	1,068.70	933.82

15. Pursuant to the Employees Stock Option Scheme (ESOP 2009) framed by the Company during the year, 2,00,000 stock options have been granted to eligible employees of the Company, the details of which are as under:

schedules to accounts (contd.)

(A) Employee Stock Option Scheme:

No. of Options Granted	200,000
Method of Accounting	Intrinsic Value
Vesting Plan	Graded Vesting as under: 50% after 12 months 50% after 24 months
Normal Exercise Period	Within 2 years from the date of vesting
Grant Date	April 30, 2010
Grant Price (₹ per share)	108.05
Market Price on the date of grant of option (₹)	108.05

(B) Movement of Options Granted

Outstanding at the beginning of the year	Nil
Granted during the year	200,000
Exercised during the year	Nil
Lapsed during the year	Nil
Outstanding at the end of the year	200,000
Unvested at the end of the year	200,000
Exercisable at the end of the year	Nil

(C) Fair Valuation

The fair value of options used to compute proforma net income and earning per equity share has been done by an independent firm of Chartered Accountants on the date of grant of options using Black Scholes Model.

The key assumptions in Black Scholes Model for calculating fair value as on the date of grant are :

(a) Risk free rate	6.15%
(b) Option life	Vesting period + Average of Exercise period (1 year)
(c) Expected volatility	84.31%
(d) Expected dividend	80%

The weighted average fair value of the option, as on the date of grant, works out of ₹ 55.63 per stock option.

Had the compensation cost for the stock options granted under ESOP 2009 been determined based on fair value approach, the Company's net profit and earning per share would have been as per the proforma amounts indicated below:

	(₹ in Million)
Net Profit (as reported)	908.41
Add : Compensation expense under ESOP considered in the net profit	Nil
Less : Compensation expense under ESOP as per fair value	3.37
Net Profit (fair value basis)	905.04
Basic earning per share (as reported) – ₹/Share	3.52
Basic earning per share (fair value basis) – ₹/Share	3.51
Diluted earning per share (as reported) – ₹/Share	3.52
Diluted earning per share (fair value basis) – ₹/Share	3.51

16. Earnings Per Share has been computed as follows:

(₹ in Million)

	2009-2010	2008-2009
1. Net profit after tax as per Profit & Loss Account (₹ in Million)	908.41	1,697.78
2. No. of Equity Shares of ₹ 1/- during the year (weighted average)	25,78,80,150	25,78,80,150
3. Earning per equity share of ₹ 1/- each Basic/Diluted* (1)/(2) (in ₹)	3.52	6.58

* In view of the fair value of shares of the Company, calculated on the basis of average of the weekly closing prices on the National Stock Exchange during the period of six months ended 30-09-2010, being lower than the exercise price of the stock options granted under ESOP 2009 Scheme (Refer Note 15), the options granted to the employees are not considered dilutive in nature.

schedules to accounts (contd.)

17. Information on Segment Reporting of the Company for the year ended 30.09.2010

(₹ in Million)

	SUGAR						ENGINEERING						OTHERS		Total							
	Sugar		Co-generation		Distillery		Total Sugar		Steam Turbines		Gears		Water			Total Engineering		Other Operations		Eliminations		
	30.09.10	30.09.09	30.09.10	30.09.09	30.09.10	30.09.09	30.09.10	30.09.09	30.09.10	30.09.09	30.09.10	30.09.09	30.09.10	30.09.09		30.09.10	30.09.09	30.09.10	30.09.09	30.09.10	30.09.09	
REVENUE																						
External Sales	13394.83	12137.28	707.04	365.34	895.11	544.91	14996.98	13047.53	5910.02	4896.31	818.16	600.96	1607.38	995.20	8335.56	6494.47	108.25	134.73	-	-	23440.79	19676.73
Inter-segment Sales	1252.61	983.37	760.34	582.94	0.23	-	2013.18	1566.31	5.23	8.19	281.99	191.24	2.93	2.16	290.15	201.59	4.36	1.71	(2307.69)	(1769.61)	-	-
Total Sales	14647.44	13120.65	1467.38	948.28	895.34	544.91	17010.16	14613.84	5915.25	4906.50	1100.15	792.20	1610.31	997.36	8625.71	6696.06	112.61	136.44	(2307.69)	(1769.61)	23440.79	19676.73
Other Income	26.96	14.63	1.47	0.48	0.77	0.26	29.20	15.37	43.99	10.08	4.04	1.81	0.63	3.38	47.40	15.27	0.16	1.20			76.76	31.84
Total Revenue	14674.40	13135.28	1468.85	948.76	896.11	545.17	17039.36	14629.21	5959.24	4916.58	1104.19	794.01	1609.68	1000.74	8673.11	6711.33	112.77	137.64	(2307.69)	(1769.61)	23517.55	19708.57
RESULT																						
Segment result	(573.29)	2022.69	270.05	201.44	80.97	92.18	(222.27)	2316.31	1304.28	1155.80	345.28	243.92	219.47	148.25	1869.03	1547.97	2.27	2.91	32.48	28.42	1681.51	3895.61
Unallocated expenses (Net)																					(150.24)	(513.89)
Operating profit																						
Interest expense																						
Interest income																						
Dividend Income and Surplus on disposal of investments (Net)																						
Income taxes																						
(including deferred tax)																						
Net profit																						
OTHER INFORMATION																						
Segment assets	14040.41	14354.82	2071.06	2025.82	1254.54	1359.09	17366.01	17739.73	3005.58	2949.11	799.74	649.49	1626.02	919.77	5431.34	4516.37	24.74	28.10			22822.09	22286.20
Unallocated assets																						
Total assets																						
Segment liabilities	880.39	970.94	77.67	51.42	32.68	76.97	990.74	1099.33	2513.42	2148.60	164.64	153.44	815.88	476.03	3483.94	2778.07	2.82	3.60			4487.50	3881.00
Unallocated liabilities																						
Total liabilities																						
Capital expenditure	197.27	210.60	114.58	7.04	12.67	40.54	324.52	258.18	237.44	207.97	69.75	139.70	33.78	20.51	340.97	368.18	0.22	0.01				
Depreciation	496.18	465.09	141.82	142.92	56.19	56.60	694.19	664.61	85.33	47.72	37.98	28.37	7.42	4.61	130.73	80.70	0.49	0.62				
Amortisation	42.72	35.97	2.29	0.91	1.83	1.02	46.84	37.90	16.21	16.78	1.76	1.13	2.44	1.61	20.41	19.52	0.00	0.00				

Notes :

(i) In accordance with the Accounting Standard (AS) 17 "Segment Reporting", the Company's operations have been categorized into 6 major business segments, which constitute 99.54% (99.32%) of the total turnover of the Company. These business segments are classified under the two major businesses in which the Company is engaged in, and are briefly described hereunder :

Sugar & Allied Businesses

- Sugar : The Company is a manufacturer of white crystal sugar, having an aggregate sugarcane crushing capacity of 61,000 TCD (tonnes crushed per day) spread over seven manufacturing plants situated in the State of Uttar Pradesh. After meeting the captive requirements, the Company also sells the surplus molasses and bagasse, which are produced as a by-product in the manufacture of sugar.
- Co-generation : The business segment, apart from meeting some power and steam requirement of sugar unit, also exports power to the State grid. It has installed capacity of 68 MW spread over Khatauli and Deoband sugar mills.
- Distillery : The 160 kilo-liters per day capacity distillery located at Muzaffarnagar, Uttar Pradesh, uses the molasses produced in manufacture of sugar as the principal raw material in production of various categories of alcohol.

Engineering Businesses

- Steam Turbines : This segment is engaged in the manufacture of steam turbines at manufacturing facilities located at Bangalore, Karnataka.
- High Speed Gears : This business segment manufactures high speed gears and gear boxes at the manufacturing facility located at Mysore, Karnataka.

(c)

Water/Wastewater Treatment : This business segment operates from Noida, Uttar Pradesh and provides engineered to order process equipment and comprehensive solutions in the water and wastewater management.

(ii)

The 'Other Operations' mainly include trading of various packaged fast moving consumer goods (under the Company's brand name), including sugar.

(iii)

There are no geographical segments as the volume of exports is not significant and the major turnover of the Company takes place indigenously. There is no major reliance on a few customers or suppliers.

(iv)

Inter-segment transfer are priced based on competitive market prices or determined to yield a desired margin or agreed on a negotiated basis. These are then eliminated on consolidation.

(v)

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

(vi)

Segment results of previous year excludes off-setting impact of changes pertaining to earlier years in Sugar and Co-generation segments pursuant to revision in transfer pricing between them.

schedules to accounts (contd.)

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

Sl. Particulars No.	(₹ in Million)	
	30.09.10	30.09.09
1. Amounts due to Micro and Small Enterprises as on		
i) Principal amount	27.59	33.02
ii) Interest due on above	Nil	Nil
2. i) Principal amount paid after due date or appointed day during the year	Nil	Nil
ii) Interest paid during the year on (i) above	Nil	Nil
3. Interest due & payable (but not paid) on principal amounts paid during the year after the due date or appointed day.	Nil	Nil
4. Total interest accrued and remaining unpaid as on	Nil	Nil
5. Further interest in respect of defaults of earlier years due and payable in current year upto the date when actually paid	Nil	Nil

19. (a) (i) Managing Director s Remuneration :

	(₹ in Million)	
	2009-2010	2008-2009
Salary	29.45	18.96
Performance Bonus/Commission	5.00	25.00
Contribution to PF & Other Funds -₹ 1500/- (₹ 1500/-)	-	-
Gratuity	0.91	0.37
Other Perquisites	2.79	3.95
TOTAL	38.15	48.28

(ii) Whole Time Directors Remuneration *1

	(₹ in Million)	
	2009-2010	2008-2009 *2
Salary	19.35	14.87
Performance Bonus/Commission	3.50	5.00
Contribution to PF & Other Funds	2.85	2.11
Other Perquisites	4.36	3.22
TOTAL	30.06	25.20

*1 Does not include gratuity payable as the same is provided on actuarial valuation for the entire Company.

*2 For the period from the date of appointment i.e. from 19.11.2008 as Whole Time Directors.

schedules to accounts (contd.)

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

(₹ in Million)

	2009-2010	2008-2009
Profit before Tax as per Profit & Loss Account	1,173.16	2,429.47
Add		
Remuneration paid/payable to Managing Director and Whole Time Directors	68.21	73.48
Director's Fees & Commission to Non-Executive Directors	7.00	7.39
Loss on sale/write off / impairment of fixed assets	0.35	0.05
	1,248.72	2,510.39
Less		
Profit on Sale of Long Term Investment	439.56	171.08
Profit on Sale of Fixed Assets	–	1.53
Other Capital Receipts	13.30	–
Net Profit as per section 198 of the Companies Act, 1956	795.86	2,337.78
- Managing Director		
Maximum permissible remuneration to Managing Director under section 198 of the Companies Act, 1956 @ 5% of the profit computed above	39.79	116.89
Less: Already paid /provided through salary	33.15	23.28
Balance payable as Performance Bonus/Commission	6.64	93.61
Restricted to	5.00	25.00
- Whole Time directors		
Maximum permissible Commission/Performance Bonus to two Whole Time Directors @ 0.25% each (Total 0.50%) of the profit computed above.	3.98	11.69
Amount Restricted - to be paid equally to two whole time Directors	3.50	5.00
- Non Executive directors		
Maximum permissible managerial remuneration to non-executive directors under section 198 of the Companies Act, 1956 @ 1% of the profit computed above.	7.96	23.38
Restricted to	5.75	6.25

schedules to accounts (contd.)

20. Amount paid/payable to Auditors

Included under Office and other administration expenses in Schedule 21 :

(₹ in Million)

	Statutory Auditors		Branch Auditors		Cost Auditors	
	2010	2009	2010	2009	2010	2009
Audit Fees	3.16	2.52	0.79	0.51	0.18	0.20 *
Fees for tax matters including tax audit	2.20	1.76	0.56	0.39	-	-
Management & Other Services	1.63	1.51	0.50	0.38	-	-
Reimbursement of Expenses	0.27	0.36	0.97	1.06	0.01	0.06
TOTAL	7.26	6.15	2.82	2.34	0.19	0.26

Does not include Service Tax.

* Includes arrears of ₹ Nil (₹ 0.02 Million) pertaining to previous year.

21. a) Derivative Instruments outstanding as on 30.09.2010 for hedging foreign currency risks (including firm commitments and highly probable forecasted transactions)

(Foreign Currency in Million)

Currency Pair	As on 30.09.2010		As on 30.09.2009	
	Payables	Receivables	Payables	Receivables
1. Forward Exchange Contracts				
USD / INR	5.04	12.27	26.86	10.10
EURO / USD**	1.71		0.17	5.50
JPY / USD**		862.65		
AUD / USD**	2.92			
2. Currency Options				
USD / INR	3.89		7.21	
JPY / USD**	324.34		648.68	
3. Currency & Interest Swaps				
USD / INR	1.97		3.65	
JPY / USD**	164.38		328.76	

** Wherever an exposure other than USD has been hedged directly to INR, the hedging contracts have been separately categorized in their cross currency and USD/INR components.

b) Year end foreign exchange exposures that have not been hedged by a derivative instrument or otherwise :

(Foreign Currency in Million)

Currency Pair	As on 30.09.2010			As on 30.09.2009		
	Payables	Receivables	Net*	Payables	Receivables	Net*
USD / INR	4.24	0.48	3.76	14.66	1.91	12.75
The above is inclusive of the USD equivalent of the following foreign currencies :						
EURO	0.99	0.08	0.91	0.61	1.22	(0.61)
GBP	0.16	0.04	0.12	0.13	0.01	0.12
JPY	39.10	-	39.10	20.00	-	20.00
CHF	0.06	-	0.06	0.38	-	0.38
AUD	0.03	0.02	0.01	0.02	-	0.02

* Net figures in brackets indicate unhedged receivables. Figures without brackets indicate unhedged payables.

schedules to accounts (contd.)

22. Amount deposited with other than Scheduled banks along with maximum amount outstanding with the Bank during the year. (₹ in Million)

Name of the banks	2009-10		2008-09	
	Balance as on 30.09.10	Maximum amount outstanding at any time during the year	Balance as on 30.09.09	Maximum amount outstanding at any time during the year
Zila Sahakari.Bank Ltd	0.82	2.52	1.04	1.52
District Co-operative Bank	0.06	8.16	0.09	21.10
Prathma Bank	0.10	78.79	0.30	132.50
Gulshan Mercantile Urban Co-operative Bank	0.01	0.01	0.01	0.51

23. Depreciation charged to the profit & loss account is net of ₹ 5.94 Million (₹ 23.66 Million) being write back of excess depreciation charged in earlier years.

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

(₹ in Million)

Sl. Particulars No.	2009-2010	2008-2009
A. EXPENDITURE		
1 Cane Development Expenses	-	0.88
2. Stores, Spares & Tools	-	(0.35)
3. Repairs & Maintenance – Plant & Machinery	(0.01)	0.11
4 Repairs & Maintenance – General	0.01	-
5. Salaries, Wages & Bonus	0.09	(0.84)
6 Contribution to Gratuity, Provident & Other Funds	0.97	-
7. Travelling & Conveyance	-	0.02
8. Rates & Taxes	-	0.26
9 Exchange Rate Fluctuation Loss	2.38	-
10. Insurance	-	0.07
11. Office & Other Administration Expenses	1.32	2.82
12 Interest Paid-Fixed Loans	0.75	-
Interest Paid-Others	-	0.24
13. Packing & Forwarding	(0.01)	0.27
14. Commission	-	0.30
15 Royalty	-	(0.44)
16 Amortisation-Lease adjustment charges	-	(0.15)
17 Depreciation	1.74	-
TOTAL EXPENDITURE (A)	7.24	3.19
B. INCOME		
1 Sale reversals-By Product	(3.09)	-
2. Duty Drawback on Exports	-	0.12
3. Interest Received	-	0.11
4. Miscellaneous	-	0.01
TOTAL INCOME (B)	(3.09)	0.24
PRIOR PERIOD ADJUSTMENT (NET) (A-B)	10.33	2.95

schedules to accounts (contd.)

25. The Board of Directors of the Company have approved a Scheme of Arrangement ("Scheme") framed under the provisions of section 391-394 of the Companies Act, 1956, whereby it is proposed to demerge the Steam Turbine business ("Demerged Undertaking") of the Company to its wholly owned subsidiary company, Triveni Turbine Ltd. ("Resulting Company"). With effect from the appointed date on 01.10.2010, the Demerged Undertaking shall stand vested with the Resulting Company and all the assets and liabilities pertaining to the Demerged Undertaking shall stand transferred to the Resulting Company. The legal process regarding the sanction of the Scheme by the Hon'ble High Court of Allahabad, is under progress. As per the Scheme, In consideration for the transfer of the Demerged Undertaking, the shareholders of the Company shall be issued one fully paid-up equity share in the Resulting Company for every one equity share held by them in the Company, on the record date to be fixed for this purpose.
26. Exceptional/ Non-Recurring Income (net) of ₹ 450.86 Million (Previous Year : Net charge of ₹ 121.58 Million) comprises the following :
- Profit of ₹ 439.56 Million (₹ 170.94 Million) on the sale of long term trade investment.
 - Provision of ₹ 88.70 Million (₹ 114.21 Million) against amounts recoverable in disputed matters, mostly relating to project/sugar machinery business earlier carried out by the Company.
 - Provision no longer required and written back of ₹ 100 Million in respect of Loans and Advances to Triveni Turbine Limited (earlier known as Triveni Retail Ventures Ltd.), a wholly owned subsidiary company, in view of the proposed demerger of the steam turbine business of the Company and its consequent merger with Triveni Turbine Ltd. (Previous year : Provision made of ₹ 100 Million).
 - ₹ Nil (₹ 78.31 Million) paid for consultancy charges to assess feasibility of new businesses synergistic to the existing engineering business.
27. The Company has incurred an expenditure of ₹ 42.97 Million (₹ 48.01 Million), including capital expenditure of ₹ 10.37 Million (₹ 22.58 Million) in respect of Research and Development activities in respect of its turbine manufacturing operations. Additionally, the Company has also incurred cane development expenditure of ₹ 89.07 Million (₹ 99.27 Million) in respect of its sugar units, including capital expenditure of ₹ 32.21 Million (₹ Nil). The capital expenditure has been capitalized under fixed assets and the other expenditure has been charged to the Profit & Loss A/c under various heads.
28. On account of the net realizable value of sugar stocks being lower than their cost of production, the sugar inventories held by the Company on 30.09.2010 have been valued at their net realizable value. The consequent write-down of inventories has adversely impacted the profitability of the year by ₹ 558.15 Million.

29. Statement of additional information

	(₹ in Million)	
	2009-2010	2008-2009
a) Value of imports on CIF basis :		
Raw Materials	446.00	1,902.02
Components & spare parts	7.58	0.85
Capital Goods	119.44	240.73
b) Expenditure in foreign currency		
i) Travelling	15.91	17.50
ii) Royalty	22.79	11.91
iii) Technical know-how	0.86	2.32
iv) Interest on Loans	32.26	46.39
v) Others	43.26	32.52
c) Earnings in foreign currency		
Exports of goods on F.O.B. basis	721.48	1,314.21
Service Charges	54.37	52.75
Others (Carbon Credit)	99.86	-

schedules to accounts (contd.)

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

	2009-2010		2008-2009	
	₹ in Million	%	₹ in Million	%
i) Raw Material				
- Directly imported	2,172.15	11.93%	326.07	3.52%
- Indigenous	16,029.62	88.07%	8,949.96	96.48%
Total	18,201.77	100.00%	9,276.03	100.00%
ii) Spare Parts				
- Directly imported	5.18	1.79%	1.08	0.44%
- Indigenous	284.50	98.21%	245.58	99.56%
Total	289.68	100.00%	246.66	100.00%

e) Licensed and Installed Capacities & Actual Production:

Class of Goods	Units	Licensed Capacity		Installed Capacity *1		Actual Production *2	
		2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
Sugar	MT	NA	NA	61,000 TCD	61,000 TCD	505,796.20	336,330.50
Molasses	MT	NA	NA	NA	NA	247,573.13	191,888.02
Steam Turbines	MW	NA	NA	1000	1000	717	508
High Speed Reduction Gears	Nos.	NA	NA	500	500	883	428
Mechanical Equipment - Water/ Waste Water *3	₹ in Million	NA	NA	NA	NA	210.92	391.61
Alcohol	KL	NA	NA	160 KLPD	160 KLPD	*4 28,241.51	*4 21,940.35
Power (Cogeneration Plant)	000'KWH	NA	NA	68 MW	68 MW	220,059.31	172,306.97

*1 As certified by officials of the company.

*2 Includes captive consumption.

*3 Manufacturing outsourced, Product range is varying and is not capable of being expressed in common units.

*4 Excluding 8.72 KL (27.94 KL) of Denaturant added

N.A. - Not Applicable

TCD - Metric Tons of cane crushed per day.

MT - Metric Tons

KWH - Kilo Watt per hour

MW - Mega Watt

KL - Kilo Litre

KLPD - Kilo Litre per day

schedules to accounts (contd.)

f) Opening Stock, Closing Stock & Sales

i) Manufactured Goods

Class of Goods	Units	Year	Opening Stock		Closing Stock		Sales (Gross)	
			Qty	Value (₹ in Million)	Qty	Value (₹ in Million)	Qty	Value (₹ in Million)
Sugar*1	MT	2009-10	65,985.70	1,387.57	133,171.10	3,361.18	437,145.00	12,789.35
		2008-09	257,338.50	3,886.48	65,985.70	1,387.57	526,607.90	11,893.75
Molasses*2	MT	2009-10	70,463.76	231.29	61,295.77	137.94	137,953.91	448.83
		2008-09	-	-	70,463.76	231.29	32,690.78	143.73
Steam Turbines*3	MW	2009-10	-	-	6.00	18.22	711	2,752.80
		2008-09	-	-	-	-	508	2,645.40
High Speed Reduction Gears*3	Nos	2009-10	-	-	-	-	717	628.74
		2008-09	-	-	-	-	351	552.25
Mechanical Equipment - Water/ Waste Water	₹ in Million	2009-10	-	-	-	-	-	210.92
		2008-09	-	-	-	-	-	391.61
Alcohol*4	KL	2009-10	5,358.48	130.15	275.26	6.56	33,173.00	887.11
		2008-09	2,412.39	42.16	5,358.48	130.15	18,938.73	538.76
Power*3 (Cogeneration Plant)	000' KWH	2009-10	2,294.38	7.18	924.39	3.59	151,295.37	607.19
		2008-09	1,595.72	3.23	2,294.38	7.18	111,870.60	365.34
Boughtout, Spares & Others*5	₹ in Million	2009-10	-	18.34	-	29.31	-	3,162.46
		2008-09	-	13.60	-	18.34	-	2,255.08
Total		2009-10		1,774.53		3,556.80		21,487.40
		2008-09		3,945.47		1,774.53		18,785.92

*1 Closing stock of sugar is after adjusting 1465.80 M.T (1075.40 M.T) on account of reprocessing loss.

*2 Closing stock of molasses is after adjusting excess/wastage of 380.19 M.T. (Previous year 566.21 M.T).

*2 Excludes 1,18,407.02 M.T. (89,299.69 M.T) for captive consumption.

*3 Excludes 166 (77) Nos. High Speed Reduction Gears & 70,133.93'KWH (59,737.71'KWH) Power for captive consumption.

*4 Excluding Wastage of 160.45 KL (83.47KL)

*5 Product being diverse, it is not feasible to give quantitative details.

ii) Trading Goods

Class of Goods	Year	Opening Stock		Purchases		Closing Stock		Sales (Gross)	
		Qty	Value (₹ in Million)	Qty	Value (₹ in Million)	Qty	Value (₹ in Million)	Qty	Value (₹ in Million)
Others*	2009-10	-	1.09	-	19.63	-	0.88	-	18.39
	2008-09	-	1.21	-	15.84	-	1.09	-	17.41
Total	2009-10		1.09		19.63		0.88		18.39
	2008-09		1.21		15.84		1.09		17.41

* No. of items being diverse, it is not feasible to give quantitative details.

schedules to accounts (contd.)

iii) Service Income & Others

Class of Goods	Year	Opening Stock		Closing Stock		Sales (Gross)	
		Qty	Value (₹ in Million)	Qty	Value (₹ in Million)	Qty	Value (₹ in Million)
Project Execution Receipts	2009-10	-	-	-	-	-	1,347.82
	2008-09	-	-	-	-	-	610.74
Services	2009-10	-	-	-	-	-	467.87
	2008-09	-	-	-	-	-	252.61
Others	2009-10	-	-	-	-	-	19.45
	2008-09	-	-	-	-	-	10.05
Total	2009-10	-	-	-	-	-	1,835.14
	2008-09	-	-	-	-	-	873.40

g) Break up of Raw Material and Components Consumed

Class of Goods	Unit	2009-2010		2008-2009	
		Qty.	₹ in Million	Qty.	₹ in Million
Sugar Cane	MT	4,598,398	11,669.32	3,736,892	5,739.23
Raw Sugar		87,952	1,703.08		-
Bought outs			2,642.36		2,298.61
Others			2,187.01		1,238.19
Total			18,201.77		9,276.03

30. Previous year figures have been rearranged wherever necessary to make them comparable with the current year's figures. Figures given in brackets relate to the previous year.

31. Schedule '1' to '26' form an integral part of the Balance Sheet and Profit & Loss Account

Place : Noida (U.P.)
Date : November 19, 2010

Dhruv M. Sawhney
Chairman &
Managing Director

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

Geeta Bhalla
Company
Secretary

Suresh Taneja
Vice President
& CFO

cash flow statement

triveni engineering & industries limited

(₹ in Million)

For the Year Ended	30.09.2010	30.09.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	1,173.16	2,429.47
Add : Depreciation	838.71	757.76
Amortisation		
- Machinery Lease Rentals	13.49	14.79
- Intangible Assets	44.07	31.48
- Miscellaneous Expenditure	13.01	13.35
Less : Incomes/Expenses treated separately		
Dividend Income	6.59	0.28
Profit/(Loss) on sale / written off of Fixed Assets	(0.35)	1.53
Provision for Impairment of Fixed Assets	-	(0.05)
Profit on sale of Investments	439.56	171.08
Interest Expenses	(850.39)	(1,158.76)
Interest Income	45.38	34.96
Deferred Revenue Expenditure Incurred	-	7.18
Operating Profit before Working Capital changes	2,441.65	4,190.63
Changes in Working Capital		
Changes in Inventories	(330.40)	816.64
Changes in Receivables	(364.47)	(290.81)
Changes in Other Current Assets	(285.22)	(167.20)
Changes in Other Trade Receivables	68.66	(92.84)
Changes in Current Liabilities	(1,024.75)	1,246.64
Direct Taxes Paid (Net) including Wealth Tax	(480.30)	(322.97)
Net Changes in Working Capital	(2,416.48)	1,189.46
Cash Flow from Operating Activities	25.17	5,380.09
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed/Intangible Assets	(674.78)	(615.84)
Sale of Fixed/Intangible Assets	36.07	6.23
Purchase of Investments		
- Subsidiary Company	(0.50)	-
- Others	(2,356.74)	(455.10)
Sale / Redemption of Investments		
- Others	2,955.00	472.48
Interest Income	92.65	73.97
Dividend Income	6.59	0.28
Net Cash Flow in Investment Activities	58.29	(517.98)

cash flow statement (contd.)

(₹ in Million)

For the Year Ended	30.09.2010	30.09.2009
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/ (Decrease) in Short Term Borrowings (Net)	(15.90)	(139.06)
Increase/ (Decrease) in Long Term Borrowings (Net)	(1,113.61)	(285.26)
Increase/ (Decrease) in Cash Credit	2,130.91	(2,918.69)
Interest Paid	(841.18)	(1,155.30)
Redemption of Preference Shares (including premium)	(0.11)	(0.13)
Dividend Paid (Including Tax on Distributed Profit)	(331.70)	(272.98)
Net Cash Flow used in Financing Activities	(171.59)	(4,771.42)
Net Increase/ (Decrease) in Cash & Cash Equivalents	(88.13)	90.69
Opening Cash & Cash Equivalents	237.58	146.89
Closing Cash & Cash Equivalents	149.45	237.58
Add : Bank Balances under Lien	31.02	25.00
Bank Balances under Unclaimed Dividend / Preference Capital Redemption	10.27	10.59
Cash & Cash Equivalents as per Schedule 9 of Balance Sheet	190.74	273.17

Notes to Accounts Schedule 26.

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
Partner
Place : Noida (U.P.)
Date : November 19, 2010

Dhruv M. Sawhney
Chairman &
Managing Director

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

Geeta Bhalla
Company
Secretary

Suresh Taneja
Vice President
& CFO

balance sheet abstract and company's general business profile

I. Registration Details:

Registration No.
 Balance Sheet Date
 Date Month Year

State Code

II. Capital Raised during the year (₹ in Million)

Public Issue

Bonus Issue

Rights Issue

Private Placement

III. Position of Mobilisation and Deployment of funds (₹ in Million)

Total Liabilities

Sources of Funds:

Paid up Capital

Secured Loans

Deferred Tax Liability (Net)

Application of Funds:

Net Fixed Assets*

Net Current Assets

* Include Plant & Machinery acquired under lease.

Total Assets

Reserves and Surplus

Unsecured Loans

Investments

Miscellaneous Expenditure

IV. Performance of the Company (₹ in Million)

Turnover (including Other Income)

Profit before tax

Earning per Share in ₹

Total Expenditure

Profit after tax

Dividend Rate %

V. Generic names of three principal products/services of Company

Item Code No. (ITC Code)

Product Description

MANUFACTURE OF SUGAR

CO-GENERATION

MANUFACTURE OF STEAM TURBINE

auditors report

To

The Board of Directors of

Triveni Engineering and Industries Limited

1. We have audited the attached Consolidated Balance Sheet of Triveni Engineering & Industries Limited Group, as at 30th September 2010 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of Triveni Engineering & Industries Limited's management. Our responsibility is to express an opinion on these financial statement based on our audit.
2. 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 misstatement. 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. We did not audit the financial statements of certain subsidiaries, Upper Bari Power Generation Limited and GE Triveni Limited. The financial statements of Upper Bari Power Generation Limited have been audited by other auditor whose report has been forwarded to us and considered by us in preparing our report and our opinion, in so far as it relates to the amounts included in respect of the subsidiary is based solely on the report of the other auditor. The financial statements of GE Triveni Limited are unaudited.
4. We did not audit the financial statements of Indian Associates, TOFSL Trading & Investments Limited and Triveni Entertainment 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.
5. We report that the consolidated financial statements have been prepared by the Triveni Engineering & Industries Limited's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23, Accounting for investments in Associates in Consolidated Financial Statements and on the basis of the separate audited financial statements of the company and its subsidiaries for the year ended 30th September 2010 and its associates for the year ended 31st March 2010 included in the consolidated financial statement.
6. 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, in our opinion, the attached 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 and its subsidiaries as at 30th September 2010, and its interest in associates as at 31st March, 2010;
 - (b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the year ended 30th September 2010, and its interest in associates for the year ended 31st March 2010 and
 - (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the company and its subsidiaries for the year ended 30th September 2010, and its interest in associates for the year ended 31st March 2010.

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

Sudhir Mallick
Partner

Place : Noida (U.P.)
Date : November 19, 2010

Membership No.80051

consolidated balance sheet

consolidated financial statements of
triveni engineering & industries limited and its subsidiary companies

(₹ in Million)

As at	SCHEDULES	30.09.2010	30.09.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	257.88	257.88
Reserves & Surplus	2	9,739.21	9,270.50
		9,997.09	9,528.38
LOAN FUNDS			
Secured Loans	3	8,509.75	7,587.76
Unsecured Loans	4	831.82	750.48
		9,341.57	8,338.24
DEFERRED TAX LIABILITY (NET) (Refer Note:7 of Schedule 26)		1,062.96	932.63
TOTAL FUNDS EMPLOYED		20,401.62	18,799.25
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	16,647.91	16,114.71
Less : Depreciation		4,523.71	3,710.22
Net Block		12,124.20	12,404.49
Capital Work-in-Progress	5	223.24	189.34
Intangible Assets	5A	72.85	105.54
Discarded Fixed Assets Pending Disposal/Sale		3.22	5.32
Plant & Machinery acquired under Lease		133.56	147.04
Goodwill		0.01	0.01
		12,557.08	12,851.74
INVESTMENTS			
	6	381.39	608.51
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	4,911.62	4,596.34
Sundry Debtors	8	2,790.28	2,427.72
Cash and Bank Balances	9	192.80	277.48
Other Current Assets	10	457.55	171.24
Loans and Advances	11	3,852.50	3,913.67
		12,204.75	11,386.45
LESS : CURRENT LIABILITIES AND PROVISIONS			
Liabilities	12	3,975.98	5,086.37
Provisions	13	765.62	974.09
		4,741.60	6,060.46
NET CURRENT ASSETS		7,463.15	5,325.99
MISCELLANEOUS EXPENDITURE		-	13.01
TOTAL ASSETS (NET)		20,401.62	18,799.25
Notes to Accounts	26		

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

Partner

Place : Noida (U.P.)

Date : November 19, 2010

Dhruv M. Sawhney

Chairman &

Managing Director

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

Director & Chairman

Audit Committee

Geeta Bhalla

Company

Secretary

Suresh Taneja

Vice President

& CFO

consolidated profit and loss account

consolidated financial statements of
triveni engineering & industries limited and its subsidiary companies

(₹ in Million)

For the Year Ended	SCHEDULES	30.09.2010	30.09.2009
INCOME			
Gross Sales	15	23,454.09	19,857.36
Less : Excise Duty		845.45	728.31
Net Sales		22,608.64	19,129.05
Other Income	16	247.97	112.02
Increase/(Decrease) in Work-in-Progress/Finished Goods	17	1,791.59	(2,157.03)
Income from Associates		18.87	57.47
		24,667.07	17,141.51
EXPENDITURE			
Materials	18	18,240.64	9,489.06
Manufacturing/Operating	19	1,387.24	1,000.00
Personnel	20	1,667.14	1,391.47
Administration	21	679.46	620.34
Financing	22	849.71	1,158.60
Selling	23	259.79	245.60
Depreciation *1		838.07	761.46
Amortisation	24	71.10	60.59
Off-season Expenses charged/(deferred) (Net)		(20.24)	(117.62)
		23,972.91	14,609.50
Profit before Exceptional/Non - Recurring Items & Taxation		694.16	2,532.01
Add/(Less) Exceptional/Non - Recurring Items (Net) (Refer Note: 16 of Schedule 26)		263.56	(55.73)
Profit before Taxation		957.72	2,476.28
Provision for Taxation	25	260.22	732.72
Profit after Taxation		697.50	1,743.56
Surplus Brought Forward		518.58	352.83
AVAILABLE FOR APPROPRIATION		1,216.08	2,096.39
APPROPRIATIONS			
Dividend Adjustment of Previous Year (Current year- ₹ 2827/- & Previous year- ₹ 338/-)		-	-
Tax on Dividend of Previous Year (Current year- ₹ 480/- & Previous year- ₹ 57/-)		-	-
Interim Dividend Paid - Equity Shares		103.15	77.37
Tax on Interim Dividend on Equity Shares		17.13	13.15
Final Dividend Proposed on Equity shares		90.26	180.51
Provision for Tax on Final Dividend on Equity Shares		14.99	30.68
Transfer to Molasses Storage Fund Reserve		2.72	1.10
Transfer to Debenture Redemption Reserve		75.00	75.00
Transfer to General Reserve		650.00	1,200.00
Surplus Carried Forward		262.83	518.58
		1,216.08	2,096.39
Earning per equity share of ₹ 1/- each (Note:8 of Schedule - 26)			
- Basic/Diluted (In ₹)		2.70	6.76
Notes to Accounts	26		

*1 Net of ₹ 3.25 Million (₹ 3.25 Million) additional depreciation on revalued assets transferred from Revaluation Reserve.

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

For and on behalf of

J.C.Bhalla & Company

Chartered Accountants

Sudhir Mallick

Partner

Place : Noida (U.P.)

Date : November 19, 2010

Dhruv M. Sawhney

Chairman &
Managing Director

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

Director & Chairman
Audit Committee

Geeta Bhalla

Company
Secretary

Suresh Taneja

Vice President
& CFO

schedules to accounts

(₹ in Million)

	30.09.2010	30.09.2009
1. SHARE CAPITAL		
AUTHORISED		
500,000,000 Equity Shares of ₹ 1/- each	500.00	500.00
20,000,000 Preference Shares of ₹ 10/- each	200.00	200.00
	700.00	700.00
ISSUED		
257,888,150 Equity Shares of ₹ 1/- each	257.89	257.89
	257.89	257.89
SUBSCRIBED & PAID UP		
257,880,150 Equity Shares of ₹ 1/- each	257.88	257.88
Add :Paid up value of 8,000 Equity Shares of ₹ 1/- each forfeited ₹ 1600/- (₹ 1600/-)	-	-
	257.88	257.88

	01.10.2009	ADDITIONS *1	DEDUCTIONS *1	30.09.2010
2. RESERVES & SURPLUS				
Capital Reserve	1,048.29	-	-	1,048.29
			*2	
Revaluation Reserve - Fixed Assets	165.40	-	3.26	162.14
Debenture Redemption Reserve	75.00	75.00	-	150.00
Molasses Storage Fund Reserve	14.17	2.72	-	16.89
Share Premium Account	2,653.85	-	-	2,653.85
General Reserve	4,662.83	650.00	-	5,312.83
Surplus in Profit & Loss Account	518.58	262.83	518.58	262.83
Capital Redemption Reserve	39.74	-	-	39.74
Amalgamation Reserve	92.64	-	-	92.64
	9,270.50	990.55	521.84	9,739.21

*1 Transfer from/to Profit & Loss Account.

*2 Includes ₹ 0.01 Million adjusted on disposal of revalued assets.

	30.09.2010	30.09.2009
3. SECURED LOANS		
Debenture	1,000.00	1,000.00
From Banks -		
Cash Credit/WCDL/Overdraft	2,436.08	305.17
Term Loans	4,471.80	5,586.20
From Others	601.87	696.39
	8,509.75	7,587.76
4. UNSECURED LOANS		
Fixed Deposits	36.24	99.35
Short Term Loan :-		
From Banks	663.02	644.84
From Others	31.25	-
Other Loans & Advances :-		
From Others	101.31	6.29
	831.82	750.48

schedules to accounts (contd.)

5. FIXED ASSETS

(₹ in Million)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As at 01.10.2009	Additions	Deductions	Total As at 30.09.2010	Upto 30.09.2009	For the Year *3	Deductions	To date As at 30.09.2010	As at 30.09.2010	As at 30.09.2009
Land										
- Free Hold *1	533.47	11.80	-	545.27	-	-	-	-	545.27	533.47
- Lease Hold	0.10	-	-	0.10	-	-	-	-	0.10	0.10
Buildings & Roads *2	2,713.43	151.35	22.33	2,842.45	330.32	77.11	1.94	405.49	2,436.96	2,383.11
Railway Siding	0.02	-	-	0.02	0.02	-	-	0.02	-	-
Plant & Machinery	12,474.07	411.56	20.72	12,864.91	3,210.67	735.07	18.36	3,927.38	8,937.53	9,263.40
Furniture & Fixture	182.91	32.46	32.70	182.67	62.43	13.25	7.93	67.75	114.92	120.48
Computers	155.59	10.79	10.53	155.85	83.58	18.68	4.84	97.42	58.43	72.01
Vehicles	55.12	6.56	5.04	56.64	23.20	4.89	2.44	25.65	30.99	31.92
This Year	16,114.71	624.52	91.32	16,647.91	3,710.22	849.00	35.51	4,523.71	12,124.20	12,404.49
Previous Year	15,385.96	756.49	27.74	16,114.71	2,964.28	764.71	18.77	3,710.22	12,404.49	-
Capital Work in Progress*4									223.24	189.34

Includes:

*1 Land costing ₹ 34.53 Million (₹ 34.53 Million) pending transfer in the name of the Company.

*2 'Cane yard outside' not owned by the Company costing ₹ 3.30 Million (₹ 3.30 Million).

*3 Transferred to Revaluation Reserve ₹ 3.25 Million (₹ 3.25 Million).

*4 Advance against capital expenditure ₹ 15.50 Million (₹ 7.61 Million).

5A. INTANGIBLE ASSETS (OTHER THAN INTERNALLY GENERATED)

(₹ in Million)

	GROSS BLOCK				AMORTISATION				NET BLOCK	
	Cost As at 01.10.2009	Additions	Retirement & Disposal	Total As at 30.09.2010	Upto 30.09.2009	During the Year	Deductions/ Adjustments	To date As at 30.09.2010	As at 30.09.2010	As at 30.09.2009
Computer Software	211.19	9.97	12.26	208.90	126.62	39.07	7.82	157.87	51.03	84.57
Designs & Drawings	36.78	6.38	-	43.16	17.05	5.02	-	22.07	21.09	19.73
Technical Know How	7.95	-	-	7.95	6.71	0.51	-	7.22	0.73	1.24
This Year	255.92	16.35	12.26	260.01	150.38	44.60	7.82	187.16	72.85	105.54
Previous Year	157.74	98.18	-	255.92	118.08	32.30	-	150.38	105.54	-

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

schedules to accounts (contd.)

(₹ in Million)

	30.09.2010	30.09.2009
6. INVESTMENTS		
LONG TERM		
OTHER THAN TRADE		
Government Securities		
Unquoted		
National Saving Certificates	0.01	0.01
Other Securities		
Shares - Fully paid-up		
Quoted		
13,500 (2,700) Equity shares of ₹ 2/- (₹ 10/-) each of Housing Development Finance Corporation Ltd	0.02	0.02
500 (500) Equity shares of ₹ 10/- each of HDFC Bank Ltd.	0.01	0.01
4,835 (4,835) Equity shares of ₹ 10/- each of Punjab National Bank	0.23	0.23
76 (76) Equity shares of ₹ 10/- each of Central Bank of India	0.01	0.01
Unquoted		
1,821 (1,821) Ordinary shares of ₹ 10/- each of NBI Industrial Finance Co. Ltd.	0.01	0.01
TRADE		
Other Securities		
Unquoted		
Shares - Fully paid-up - Associates		
Equity Shares at original cost (including ₹ 0.19 Million (Previous Year ₹ 3.79 Million) of Goodwill (Net of Capital Reserve) arising on acquisition of associates as per equity method)		
434,730 (434,730) Equity shares of ₹ 10/- each of Triveni Entertainment Ltd	4.35	4.35
99,993 (99,993) Equity shares of ₹ 10/- each of The Engineering & Technical Services Ltd	1.00	1.00
400,060 (400,060) Equity shares of ₹ 10/- each of TOFSL Trading & Investments Ltd	4.00	4.00
Nil (360,000) Equity shares of ₹ 10/-each of Carvanserai Ltd.	-	3.60
	9.35	12.95
Accumulated Income/(Loss) from Associates	371.75	440.18
CURRENT INVESTMENTS		
OTHER THAN TRADE		
Unquoted		
Nil (5,492,965.202) Units of Birla Sun Life Cash Plus - Institutional Premium Daily Dividend - Reinvestment	-	55.03
Nil (4,080,699.046) Units of HDFC Liquid Fund Premium Plan Daily Dividend - Reinvestment	-	50.03
Nil (5,001,939.221) Units of ICICI Prudential Institutional Liquid Plan Super Institutional Daily Dividend - Reinvestment	-	50.03
	381.39	608.51

schedules to accounts (contd.)

(₹ in Million)

	30.09.2010	30.09.2009
7. INVENTORIES		
Patterns	12.85	11.21
Loose Tools, Jigs & Fixtures	15.93	13.53
Stocks		
- Stores & Spares	303.64	264.81
- Finished Goods	3,557.68	1,793.77
- Raw Materials & Components	542.46	2,076.04
Less : Provision for obsolescence/slow moving stock	(6.59)	(9.82)
- Work-in-Progress	473.93	422.56
- Scrap	11.72	24.24
	4,911.62	4,596.34
8. SUNDRY DEBTORS - (Unsecured)		
Over Six Months		
Considered Good	516.38	550.40
Considered Doubtful	105.78	92.45
	622.16	642.85
Less : Provision for doubtful debts	105.78	92.45
	516.38	550.40
Other Debts - Considered Good	2,273.90	1,877.32
	2,790.28	2,427.72
9. CASH AND BANK BALANCES		
Cash, Stamps & Cheques in hand	24.52	55.04
Balance with Post Office in		
- Saving Account	0.08	0.03
Balance with Scheduled Banks in		
- Current Accounts	114.90	101.97
- Savings Accounts	0.07	0.07
- Fixed and Margin Deposits	52.24	118.93
Balance with other than Scheduled Banks in		
- Current Accounts	0.99	1.44
	192.80	277.48
10. OTHER CURRENT ASSETS		
Interest accrued on deposits and investments	5.12	4.03
Due from Customers (Construction and project related activity)	452.43	167.21
	457.55	171.24
11. LOANS AND ADVANCES		
(Unsecured, Considered Good unless otherwise stated)		
Advances, pre-payments and other recoverables in cash or in kind or for value to be received		
- Considered Good	2,937.95	3,089.45
- Considered Doubtful	155.53	91.10
	3,093.48	3,180.55
Less : Provision for doubtful advances	155.53	91.10
	2,937.95	3,089.45
Balances with Central Excise, Custom etc, MAT Credit Entitlement	390.60	472.09
Advance Payment of Tax (Net of Provision for Tax)	344.32	352.13
	179.63	-
	3,852.50	3,913.67

schedules to accounts (contd.)

	(₹ in Million)	
	30.09.2010	30.09.2009
12. LIABILITIES		
Trade & Other Creditors		
i. Total outstanding dues to Micro Enterprises and Small Enterprises	27.59	33.02
ii. Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	2,324.89	3,661.39
Advance from customers	1,489.21	1,264.35
Investors Education & Protection Fund shall be credited by the following amounts (not due as at the year end)		
- Unclaimed Dividend	1.77	1.99
- Unclaimed Matured Deposits	3.69	5.90
- Interest Accrued on above	1.09	1.59
- Unclaimed Preference Share Redemption	8.49	8.60
Interest Accrued but Not Due	119.25	109.53
	3,975.98	5,086.37
13. PROVISIONS		
Proposed Dividend	90.26	180.51
Income Tax on Distributed Profits	14.99	30.68
Gratuity	204.72	176.37
Warranty	96.05	83.93
Compensated Absences	104.71	79.67
Income Tax (Net of Taxes Paid)	-	179.95
Excise Duty on Closing Stock	160.03	117.98
Others	94.86	125.00
	765.62	974.09
14. MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Voluntary Retirement Scheme	-	13.01
	-	13.01
15. GROSS SALES		
- Domestic	22,566.22	18,495.57
- Exports	788.01	1,361.79
- Income from Carbon Credit	99.86	-
	23,454.09	19,857.36
16. OTHER INCOME		
Dividend (Gross)		
- Long Term Investments -Other than Trade	0.21	0.18
- Current Investments -Other than Trade	<u>6.38</u>	<u>0.10</u>
Rent	1.34	0.73
Interest received on deposits and other accounts	45.41	34.96
Credit Balances/Amount written back	51.36	26.58
Liquidated Damages/Others Recovered	29.46	-
Exchange Rate Fluctuation Gains	36.81	14.97
Provision for Bad & Doubtful Debts/Advances Written Back	10.94	-
Profit on Sale/Write off of Fixed Assets (Net)	-	1.20
Provision for Slow/Non Moving Inventory Written Back	3.23	-
Profit on Sale of Investment (Current- Other than Trade)	-	0.14
Miscellaneous	62.83	33.16
	247.97	112.02

schedules to accounts (contd.)

(₹ in Million)

	30.09.2010	30.09.2009
17. INCREASE/(DECREASE) IN WORK-IN-PROGRESS/FINISHED GOODS		
Stock At Commencement		
- Work-In-Progress	422.56	538.27
- Finished Goods	1,774.53	3,945.47
	2,197.09	4,483.74
Stock At Close		
- Work-In-Progress	473.93	422.56
- Finished Goods	3,556.80	1,774.53
	4,030.73	2,197.09
Add/(Less) : Impact of Excise Duty on Finished Goods	(42.05)	129.62
Net Increase/(Decrease)	1,791.59	(2,157.03)
18. MATERIALS		
Raw Material & Components		
Stock at Commencement	2,076.04	518.95
Purchases	16,668.20	10,833.33
	18,744.24	11,352.28
Less : Stock at Close	542.46	2,076.04
	18,201.78	9,276.24
Cost of Trading Goods Sold		
Stock at Commencement	19.24	82.41
Purchases	20.50	150.45
	39.74	232.86
Less : Amount Capitalised	-	0.80
: Stock at Close	0.88	19.24
	38.86	212.82
	18,240.64	9,489.06
19. MANUFACTURING / OPERATING		
Stores, Spares & Tools	288.05	225.87
Power & Fuel	181.25	121.38
Machining/Erection Charges	244.02	70.55
Designing & Consultancy	29.56	20.77
Cane Development Expenses	56.86	98.72
Repairs & Maintenance:		
- Plant & Machinery	268.29	224.66
- Building	28.24	30.75
- General	28.76	19.82
Factory/Operational Expenses	64.60	45.25
Packing & Forwarding	197.61	142.25
	1,387.24	1,000.02
Less : Amount Capitalised	-	0.02
	1,387.24	1,000.00

schedules to accounts (contd.)

	(₹ in Million)	
	30.09.2010	30.09.2009
20. PERSONNEL		
Salaries, Wages & Bonus	1,354.51	1,174.03
Compensation under VRS	44.98	-
Gratuity	59.97	34.18
Contribution to Provident & Other Funds	109.88	96.37
Welfare	97.80	89.88
	1,667.14	1,394.46
Less : Amount Capitalised	-	2.99
	1,667.14	1,391.47
21. ADMINISTRATION		
Travelling & Conveyance	159.37	145.95
Rent	43.59	56.07
Insurance	16.49	20.51
Rates & Taxes	54.07	24.53
Directors' Fee	1.25	1.14
Directors' Commission	5.75	6.25
Loss on Sale/Write off of Fixed Assets (Net)	22.90	-
Loss on Sale/Write off of Stores & Spares (Net)	-	2.13
Provision for Bad & Doubtful Debts/Advances	-	7.11
Warranty Expenses	35.78	38.96
Liquidated Damages	(19.00)	(0.70)
Loss due to Impairment of Fixed Assets	-	1.21
Provision for Slow/Non Moving Inventory	-	1.69
Prior Period Adjustments (Net)	10.33	3.37
Office & Other Administration Expenses	348.93	322.12
	679.46	630.34
Less : Amount Capitalised	-	10.00
	679.46	620.34
22. FINANCING		
Interest on		
- Debentures	124.50	96.53
- Fixed Loans	502.09	708.89
- Others	197.75	329.44
Other Finance charges	21.62	19.61
	845.96	1,154.47
Add : Exchange Rate Fluctuation on Foreign Currency Denominated Loan	3.75	4.13
	849.71	1,158.60

schedules to accounts (contd.)

(₹ in Million)

	30.09.2010	30.09.2009
23. SELLING		
Commission	76.49	123.46
Royalty	24.86	11.91
Packing & Forwarding	130.81	85.47
Rebate & Discount	7.43	4.97
After Sales Expenses & Others	20.20	19.79
	259.79	245.60
24. AMORTISATION		
Voluntary Retirement Scheme	13.01	13.35
Capitalised Lease Assets	13.49	14.94
Intangible Assets	44.60	32.30
	71.10	60.59
25. PROVISION FOR TAXATION		
For Current Year		
- Current Tax	236.33	499.46
(includes Wealth Tax ₹ 0.75 Million (Previous Year ₹ 1.04 Million))		
- Deferred Tax	119.00	333.18
- Fringe Benefit Tax	-	8.57
	355.33	841.21
For Earlier Years (Net)		
- Current Tax	(18.42)	12.44
(includes Wealth Tax ₹ Nil (Previous Year ₹ 0.04 Million))		
- Deferred Tax	11.34	(7.55)
- Fringe Benefit Tax	0.01	-
	(7.07)	4.89
	348.26	846.10
Less : MAT Credit Entitlement	88.04	113.38
	260.22	732.72

schedules to accounts (contd.)

26. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

A) Basis and Principles of Consolidation

- i) The consolidated financial statements have been prepared on a going concern basis to comply with the requirements of Clause 32 of the Listing Agreement and in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements, Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard (AS) 3 "Cash Flow Statements".
- ii) The consolidated financial statements comprise the financial statements of Triveni Engineering & Industries Ltd. (Holding Company) incorporated in India, its 100% subsidiaries, all incorporated in India, namely Triveni Turbine Ltd., Upper Bari Power Generation Ltd., Triveni Engineering Ltd, Triveni Energy Systems Ltd. and GE Triveni Limited. The consolidated financial statements also incorporate proportionate accumulated income/(expenses) of Associates, TOFSL Trading & Investments Ltd, The Engineering & Technical Services Ltd and Triveni Entertainment Ltd., based on their respective audited financial statements for the year ended March 31, 2010.
- iii) The consolidated financial statements have been prepared based on a line-by-line consolidation using uniform accounting policies. The effects of inter company transactions are eliminated in consolidation.
- iv) 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.
- v) Investments other than in associates have been accounted as per Accounting Standard (AS) 13 "Accounting for Investments".

B) Basis of preparation of Financial Statements

These financial statements have been prepared to comply in all material respect with all the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

C) Fixed Assets

- i. Fixed assets are stated at cost of acquisition (except in case of revaluation of certain assets where these are stated at revalued amounts) less accumulated depreciation. Cost includes taxes, duties (excluding excise duty, service tax and VAT for which Cenvat/VAT credit is available), freight and other incidental expenses relating to acquisition and installation. In respect of new

projects, all direct expenses including borrowing costs incurred upto the date of commencement of commercial production or when related asset is put to use are capitalized.

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

D) Recognition of Income/Expenditure

- i. Income from sale of products and services is recognised on despatch of goods or when the services are rendered. Gross sales are stated at contractual realisable values inclusive of excise duty and export incentive and net of sales tax and trade discounts.
- ii. Income from carbon credits is recognized on the delivery of the carbon credits to the customers' account as evidenced by the receipt of confirmation of execution of delivery instructions.
- iii. Revenue from fixed price construction contracts is recognized on the percentage of completion method, measured by the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract cost. Contract costs for this purpose include :
 - a. Costs that relate directly to the specific contract;
 - b. Costs that are attributable to contract activity in general and can be allocated to the contract; and
 - c. Such other costs as are specifically chargeable to the customer under the terms of contract.

Foreseeable losses, if any, are provided for immediately.

- iv. Off-season expenses relating to sugar and bagasse based co-generation units, other than interest, selling and non-operating expenses/income earned during off-season, are deferred and are absorbed over the duration of the ensuing operating season.
- v. Income/Expenditure relating to prior periods and prepaid expenses which do not exceed ₹ 10,000/- in each case, are treated as Income/Expenditure of current year.
- vi. Compensation under Voluntary Retirement Scheme (VRS) incurred till September 30,2009, is amortised over 36 months or over the duration till 30th September,2010 from the date of its incurrence, whichever period is shorter. VRS compensation and all other termination benefits, if any, incurred during the year, are recognized as expenses.

schedules to accounts (contd.)

E) Foreign Currency Transactions

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

F) Inventories

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

Raw Materials & Components

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

Stores and Spares

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

- ii. Finished goods and Work-in-progress are valued at lower of cost and net realisable value. The cost of finished goods and work-in-progress includes raw material costs, direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition. Excise duty is included in the value of finished goods.
- iii. Patterns, Loose tools, Jigs and Fixtures are written off equally over three years.
- iv. By-products (excluding those used as raw materials) and scrap are valued at estimated net realisable value.

G) Depreciation

- i) Depreciation on fixed assets is provided on the straight line method at the rates specified in Schedule XIV of the Companies Act, 1956 other than the following assets which are depreciated at higher rates on the straight line basis over their estimated useful economic life as follows:

	Rates adopted	
a) Plant & Machinery used in Co-Generation Plants (including captive Co-Generation plants) installed after 1.4.2004	-	6.33%
b) Certain machineries at Turbine unit	-	9.48% to 12.65%
c) Mobile phone costing above ₹ 5,000/-	-	50%
d) Certain assets relating to cane development	-	40%

- ii) Cost of Leasehold Land is amortised over the lease period.
- iii) Fixture and Fittings and improvements to leasehold buildings not owned by the Company are amortised over the lease period or estimated life, whichever is lower.
- iv) The additional depreciation, on increase in cost on account of revaluation is adjusted against the Revaluation Reserve and is thus not charged to Profit & Loss Account for the year.

H) Research & Development

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

I) Investments

Investments are valued at cost inclusive of expenses incidental to their acquisition. Long term investments are carried at cost. Provision is made for diminution in value, if such diminution is, in the opinion of the management, other than temporary in nature. Current investments are valued at lower of cost and fair value.

J) Employee Benefits

1) Short Term Employee Benefits:

All employee benefits payable wholly within 12 months after the end of the period in which the employees render the related services are classified as short term employee benefits and are recognized as expense in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid (including compensated absences) in exchange for services rendered as a liability.

schedules to accounts (contd.)

2) Long Term Employee Benefits:

a) Defined Contribution Plans

Defined contribution plans are retirement benefit plans under which the Company pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Company's contribution to defined contribution plans is recognized in the Profit & Loss account in the financial year to which they relate.

The Company operates the following defined contribution plans.

i) Provident Fund Plan & Employee Pension Scheme:

The Company makes specified monthly contributions towards Employee Provident Fund/ Employee Pension Scheme to fund administered and managed by the Government of India / funds (set up by the Company and administered through Trusts). The rate notified by the Government is also adopted by the Trusts. The Company has an obligation to make good the shortfall, if any, between the return on investments of the Trusts and notified interest rate.

ii) Employee State Insurance

The Company makes specified monthly contributions towards Employees State Insurance Scheme.

iii) Superannuation Scheme

The Company has taken Group Superannuation Policies with Life Insurance Corporation of India for superannuation payable to specific employees. Contribution towards aforesaid fund is charged to the Profit & Loss account in the financial year to which it relates.

b) Defined Benefit Plans

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

i) Gratuity

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

ii) Earned Leaves / Sick Leaves

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

3) Employee Stock Options:

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

K) Borrowing costs

Borrowing costs attributable to the acquisition of qualifying assets are capitalised upto the period such assets are ready for its intended use. All other borrowing costs are charged to Profit & Loss Account.

L) Government Grants

Recognition

Government grants are recognised where:

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

Presentation in Financial Statements:

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

M) Accounting for 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 "Fixed Assets". Lease rentals of other assets, acquired before 1st April 2001 are charged off in the period in which these accrue.

N) Taxes on Income

- i) Current tax on income is determined on the basis of taxable income computed in accordance with the applicable provisions of the Income Tax Act, 1961.
- ii) Deferred tax is recognised for all timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

schedules to accounts (contd.)

- iii) Deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized, except in the case of unabsorbed depreciation or carry forward of losses under the Income Tax Act, 1961, deferred tax asset is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- iv) Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will be in a position to avail of such credit under the provisions of the Income Tax Act, 1961.

O) Intangible Assets

Intangible assets are recognised as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" and are amortised on straight line basis as follows:

	Period of amortisation
Computer Software	36 months
Design & Drawings	72 months
Technical Know-how fees	72 months

P) Impairment of Asset

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

Q) Provisions, Contingent liabilities and Contingent assets

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

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

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

Contingent Liability is disclosed in the case of

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

Contingent Assets are neither recognised nor disclosed.

schedules to accounts (contd.)

2. Contingent liabilities (to the extent not provided for)

The contingent liabilities of the group are mainly that of the parent Company. The group, besides the contingent liabilities of the parent disclosed hereunder, is also contingently liable for ₹ 1.19 Million (₹ 1.43 Million) in respect of Associates, pro-rata to the investments in Associates, excluding the cases where the amount is not quantifiable.

a) Claims against the Company not acknowledged as debts

(₹ in Million)

		As on 30.09.10	As on 30.09.09
i) Claims which are being contested by the Company and in respect of which the Company has paid amounts aggregating ₹ 85.57 Million (₹ 84.35 Million) under protest pending final adjudication of the cases:		250.86	242.17
Sl. No.	Particulars	Amount of Contingent Liability	Amount Paid
01.	Sales Tax	48.00 (32.74)	22.98 (22.10)
02.	Excise Duty	151.12 (167.01)	58.88 (58.59)
03.	Others	51.74 (42.42)	3.71 (3.66)
The outflow arising from these claims is uncertain and is after adjusting likely reimbursement of ₹ 12.02 Million (₹ 12.02 Million) from customers in respect of Central Excise demands on account of denial of benefit under Notification No.6/2000.			
ii) The Company is contingently liable in respect of short provision against disputed income tax liabilities of ₹ 464.78 Million (₹ 21.85 Million) against which ₹ 365.84 Million stands paid, mostly through adjustment and the balance amount has been stayed till disposal of first appeal. The disputed income tax liability includes ₹ 374.51 Million towards unrealized incentives. In the event such liability finally materialises, ₹ 353.61 Million will be adjusted against the corresponding capital reserve. In case the said incentives are ultimately not realized, a deduction from taxable income to that extent would be available to the Company in subsequent years.		464.78	21.85
iii) Differential cane price for the sugar season 2007-08 pending disposal of the matter by the Hon'ble Supreme Court, As against price of ₹ 1250/MT advised by the State Government, the Company had accounted for and discharged its liability at ₹ 1100/MT in accordance with the interim order passed by the Supreme Court.		789.56	789.56
iv) Indeterminate liability arising from claims/ counter claims/ Interest in arbitration/ court cases, claims alleging infringement of technical know-how/copyrights, 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.		-	-

b) Guarantee/surety given on behalf of associate company ₹ 4.00 Million (₹ 4.00 Million).

c) The amounts shown in item 2(a) represent the best possible estimates arrived at on the basis of available information. The uncertainties, possible payments and reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants, as the case may be, and therefore can not be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal position against such disputes.

The amounts shown in item 2(b) above represent guarantees given in the normal course of these companies operations and are not expected to result in any loss to the Company on the basis of such companies fulfilling their ordinary commercial obligations.

schedules to accounts (contd.)

3. Estimated amount of Contracts remaining to be executed on Capital account and not provided for : ₹ 209.80 Million (₹225.49 Million) after adjusting advances paid amounting to ₹ 85.72 Million (₹ 58.67 Million).

4.a) The Company had, in respect of eligible projects, accounted for capital subsidy and remissions and reimbursement of certain statutory levies and expenses, in accordance with and as prescribed under U.P. Sugar Industry Promotion Policy 2004 ("Policy") issued by the State Government of Uttar Pradesh. Till September 30, 2009, the Company had accounted for recoverable incentives of ₹ 1400.25 Million (including capital subsidy) and had availed of remissions of ₹ 125.46 Million under the Policy.

On premature termination of the Policy by the State Government with effect from June 4, 2007, the Company has challenged the action of the State Government in withdrawing the said Policy and not granting the incentives to the Company, in the Lucknow Bench of the Allahabad High Court. Pending final adjudication in the matter, the High Court vide its interim order dated 09.05.2008 has

permitted limited protection of remissions which were being enjoyed on the date when the Policy was revoked.

The Company has been legally advised that it continues to be entitled to all the benefits under the Policy. However, during the current year, the Company has accounted for only remissions of ₹ 48.10 Million as permitted by the High Court in the interim order and further eligible reimbursements of ₹ 133.81 Million will be accounted for in accordance with the final order of the High Court.

b) The Company had availed of a loan amounting to ₹ 943.20 Million (₹ 943.20 Million) under the "Scheme for Extending Financial Assistance to Sugar Undertakings 2007" notified by the Government of India. Under the said scheme interest subvention @ 12% per annum is granted by the Government on such loan. The outstanding loan as at the end of the year amounts to ₹ 681.76 Million (₹ 943.20 Million)

5. The Company has made provision for employee benefits in accordance with the Accounting Standard (AS) 15 "Employee Benefits". The long term employee benefits in the nature of defined benefit plans have been accounted on the basis of actuarial valuation at the year end.

6. Pursuant to compliance of Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements" the company has accounted investments in Associates under the equity method. The relevant information of the investment in Associates is provided herebelow:

(₹ in 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	141.35
The Engineering & Technical Services Ltd	India	47.60%	1.00	*1 (0.43)	232.10
Triveni Entertainment Ltd	India	49.97%	4.35	*1 0.44	(1.70)
Total			9.35	0.19	371.75

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

7. The breakup of net deferred tax liability is provided below :

(₹ in Million)

Particulars	Deferred tax liability/ (Deferred tax asset)	
	As on 30.09.10	As on 30.09.09
Difference in written down values of Fixed Assets as per books & tax	1,373.71	1,358.88
Share Issue Expenses	-	(8.22)
Expenses deferred in books but claimed in tax	69.57	33.99
Other Provisions disallowable u/s 43-B	(245.88)	(233.91)
Unabsorbed Tax Depreciation	-	(80.23)
Others (net)	(134.44)	(137.88)
Net deferred tax liability	1,062.96	932.63

schedules to accounts (contd.)

8. Earning per Share has been computed as follows :

	2009-2010	2008-2009
1 Net profit after tax as per Profit & Loss Account (₹ in Million)	697.50	1,743.56
2 No. of Equity Shares of ₹ 1/- during the year (weighted average)	25,78,80,150	25,78,80,150
3 Earning per equity share of ₹ 1/- each Basic/Diluted (1)/(2) (in Rupees)	2.70	6.76

9. Pursuant to the Employees Stock Option Scheme (ESOP 2009) framed by the Company during the year, 2,00,000 stock options have been granted to eligible employees of the Company, the details of which are as under:

(A) Employee Stock Option Scheme:

No. of Options Granted	200,000
Method of Accounting	Intrinsic Value
Vesting Plan	Graded Vesting as under: 50% after 12 months 50% after 24 months
Normal Exercise Period	Within 2 years from the date of vesting
Grant Date	April 30, 2010
Grant Price (₹ per share)	108.05
Market Price on the date of grant of option (₹ per share)	108.05

(B) Movement of Options Granted

Outstanding at the beginning of the year	Nil
Granted during the year	200,000
Exercised during the year	Nil
Lapsed during the year	Nil
Outstanding at the end of the year	200,000
Unvested at the end of the year	200,000
Exercisable at the end of the year	Nil

(C) Fair Valuation

The fair value of options used to compute proforma net income and earning per equity share has been done by an independent firm of Chartered Accountants on the date of grant of options using Black Scholes Model.

The key assumptions in Black Scholes Model for calculating fair value as on the date of grant are :

(a) Risk free rate	6.15%
(b) Option life	Vesting period + Average of Exercise period (1 year)
(c) Expected volatility	84.31%
(d) Expected dividend	80%

The weighted average fair value of the option, as on the date of grant, works out of ₹ 55.63 per stock option.

Had the compensation cost for the stock options granted under ESOP 2009 been determined based on fair value approach, the Company's net profit and earning per share would have been as per the proforma amounts indicated below:

	(₹ in Million)
Net Profit (as reported)	697.50
Add : Compensation expense under ESOP considered in the net profit	Nil
Less : Compensation expense under ESOP as per fair value	3.38
Net Profit (fair value basis)	694.12
Basic earning per share (as reported) – ₹ /Share	2.70
Basic earning per share (fair value basis) – ₹ /Share	2.69
Diluted earning per share (as reported) – ₹ /Share	2.70
Diluted earning per share (fair value basis) – ₹ /Share	2.69

schedules to accounts (contd.)

10. The Board of Directors of the Company have approved a Scheme of Arrangement ("Scheme") framed under the provisions of section 391-394 of the Companies Act, 1956, whereby it is proposed to demerge the Steam Turbine business ("Demerged Undertaking") of the Company to its wholly owned subsidiary company, M/s Triveni Turbine Ltd. ("Resulting Company"). With effect from the appointed date on 01.10.2010, the Demerged Undertaking shall stand vested with the Resulting Company and all the assets and liabilities pertaining to the Demerged Undertaking shall

stand transferred to the Resulting Company. The legal process regarding the sanction of the Scheme by the Hon'ble High Court of Allahabad, is under progress. As per the Scheme, In consideration for the transfer of the Demerged Undertaking, the shareholders of the Company shall be issued one fully paid-up equity share in the Resulting Company for every one equity share held by them in the Company, on the record date to be fixed for this purpose.

11. Disclosures regarding Provisions are as under :

i) Movement in provisions:

(₹ in Million)

Sl. No.	Particulars of disclosure	Nature of Provision	
		Warranty	Liquidated Damages
1.	Balance as at October 1, 2009	83.93 (66.63)	113.91 (118.03)
2.	Provision made during the year	41.25 (48.35)	24.43 (28.09)
3.	Provision used during the year	11.81 (9.87)	- (-)
4.	Provison reversed no longer required	17.32 (21.18)	47.22 (32.21)
5	Balance as at September 30, 2010	96.05 (83.93)	91.12 (113.91)

ii) Nature of provisions :

Warranties : The Company gives warranties on certain products and services, undertaking to repair the items that fail to perform satisfactorily during warranty period. Provision made as at the end of year represents the amount of the expected cost of meeting such as obligations of rectification/replacement. The timing of the outflows is expected to be within a period of one to two years.

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

12. Information regarding Related Party Transactions :

a) Related party where control exists

Mr D.M. Sawhney, Chairman & Managing Director (Key Management person).

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

- i) Associates (Group A)
 - TOFSL Trading & Investments Limited (TOFSL)
 - The Engineering & Technical Services Limited (ETS)
 - Triveni Entertainment Limited (TENL)
 - Carvansera Limited (CL)*
 - * ceased to be an associate company during the year
- ii) Key Management Persons (Group B)
 - Mr D M Sawhney, Chairman & Managing Director (DMS)
 - Mr Tarun Sawhney Executive Director – Whole time (TS)
 - Mr Nikhil Sawhney Executive Director – Whole time (NS)
- iii) Key Management person relatives (Group C)
 - Mrs Rati Sawhney (Wife of DMS) (RS)
- iv) Companies/Parties in which key management person or his relatives have substantial interest/significant influence (Group D)
 - Kameni Upaskar Limited (KUL)
 - Tirath Ram Shah Charitable Trust (TRSC T)

schedules to accounts (contd.)

c) Details of transactions with the related parties during the year ended 30.09.2010 :

(₹ in Million)

Sl. No.	Nature Of Transaction	Group - A				Group - B			Group - C		Group - D		TOTAL
		TOFSL	ETS	TENL	CL	DMS	TS	NS	RS	KUL	TR SCT		
1	Sales and Rendering Services	0.08 (0.08)	0.06 (0.06)	0.06 (0.06)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.20 (0.20)
2	Rent Paid	- (-)	- (-)	- (-)	- (-)	0.84 (0.84)	- (-)	- (-)	- (-)	3.30 (1.62)	- (-)	- (-)	4.14 (2.46)
3	Expenses incurred (Net)	- (-)	- (-)	- (0.01)	- (0.40)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.00 (0.41)
4	Interest Received	- (-)	- (-)	- (-)	- (-)	- (-)	0.14 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.14 (-)
5	Interest Paid	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.03 (0.03)	- (-)	- (-)	- (-)	0.03 (0.03)
6	Remuneration *	- (-)	- (-)	- (-)	- (-)	38.15 (48.28)	15.26 (14.03)	14.80 (13.66)	- (-)	- (-)	- (-)	- (-)	68.21 (75.97)
7	Sale of Investment in Shares	- (-)	- (-)	- (-)	- (-)	246.20 (123.10)	- (-)	- (-)	196.96 (49.24)	- (-)	- (-)	- (-)	443.16 (172.34)
8	Charity & Donations	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	10.00 (10.00)	- (-)	10.00 (10.00)
9	Outstanding balances as on 30.09.2010												
	A. Receivable	0.04 (0.04)	0.03 (0.03)	0.05 (0.03)	- (-)	0.02 (0.02)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.14 (0.12)
	B. Payable	- (-)	- (-)	- (-)	- (-)	2.20 (7.54)	0.11 (-)	0.02 (0.02)	- (2.46)	- (-)	- (-)	- (-)	2.33 (10.02)
	C. Guarantees / Surety Outstanding	4.00 (4.00)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	4.00 (4.00)
	D. Fixed Deposit	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	0.25 (0.25)	- (-)	- (-)	- (-)	0.25 (0.25)

* For TS & NS gratuity is not included as it is provided on actuarial valuation for the entire Company.

schedules to accounts (contd.)

13. Information on Segment Reporting of the Group for the year ended 30.09.2010

(₹ in Million)

	SUGAR						ENGINEERING						OTHERS		Consolidated Total								
	Sugar		Co-generation		Distillery		Total Sugar		Steam Turbines		Gears		Water		Total Engineering		Other Operations		Eliminations				
	30.09.10	30.09.09	30.09.10	30.09.09	30.09.10	30.09.09	30.09.10	30.09.09	30.09.10	30.09.09	30.09.10	30.09.09	30.09.10	30.09.09	30.09.10	30.09.09	30.09.10	30.09.09	30.09.10	30.09.09			
REVENUE																							
External Sales	13394.83	12136.67	707.05	366.34	895.11	544.85	14986.99	13046.86	5910.02	4898.31	818.16	600.96	1607.38	995.19	8335.56	6494.46	121.54	316.04	-	-	23454.09	19857.36	
Inter-segment Sales	1,252.61	983.97	760.33	582.94	0.23	0.06	2013.17	1566.97	5.23	8.19	281.99	191.24	2.93	2.16	290.15	201.59	5.99	23.40	(2,309.31)	(1,791.96)	-	-	
Total Sales	14647.44	13120.64	1467.38	948.28	895.34	544.91	17010.16	14613.83	5915.25	4906.50	1100.15	792.20	1610.31	997.35	8625.71	6696.05	127.53	339.44	(2308.31)	(1791.96)	23454.09	19857.36	
Income from Associates	26.96	14.33	1.47	0.48	0.76	0.26	29.19	15.07	43.99	10.08	4.05	1.80	(0.63)	3.39	47.41	15.27	2.60	1.01	-	-	18.87	57.47	
Total Revenue	14674.40	13134.97	1468.85	948.76	896.10	545.17	17039.35	14628.90	5959.24	4916.58	1104.20	794.00	1609.68	1000.74	8673.12	6711.32	130.13	340.45	(2309.31)	(1791.96)	23552.16	19946.18	
RESULT																							
Segment result	(573.29)	2022.92	270.05	201.44	80.97	92.18	(222.27)	2316.54	1304.26	1155.80	345.28	243.92	219.47	148.25	1869.03	1547.97	(44.76)	(73.73)	32.47	28.42	1634.47	3819.20	
Unallocated expenses (Net)																					(231.30)	(356.49)	
Operating profit																						1403.17	3462.71
Interest expense																						(849.71)	(1138.60)
Interest Income																						45.41	34.96
Dividend Income and Surplus on disposal of investments (Net)																						358.85	137.21
Income taxes (including deferred tax)																						(260.22)	(732.72)
Net profit																						687.50	1743.56
OTHER INFORMATION																							
Segment assets	14018.87	14333.28	2071.06	2025.82	1254.54	1359.09	17344.47	17718.19	3005.58	2949.11	799.74	649.49	1626.02	919.77	5431.34	4518.37	30.27	92.16			22806.08	23282.72	
Unallocated assets																						2337.13	2517.98
Total assets																						25143.21	24846.70
Segment liabilities	880.39	970.94	77.67	51.42	32.68	76.97	990.74	1099.33	2513.42	2148.60	164.64	153.45	815.88	476.03	3483.94	2778.08	4.02	19.68			4488.70	3897.09	
Unallocated liabilities																						10657.42	11434.24
Total liabilities																						15146.12	15331.33
Capital expenditure	197.27	210.60	114.58	7.04	12.67	40.54	324.52	258.18	237.43	207.97	69.75	139.70	33.79	20.51	340.97	368.18	0.22	3.98					
Depreciation	496.18	465.08	141.82	142.92	56.60	694.19	664.60	85.32	47.73	37.98	28.37	7.42	4.61	130.72	80.71	1.59	4.32						
Amortisation	42.72	35.97	2.29	0.91	1.83	1.02	46.84	37.90	16.21	16.78	1.76	1.14	2.44	1.61	20.41	19.53	0.53	0.83					

Notes :

(i) In accordance with the Accounting Standard (AS) 17 "Segment Reporting", the Group's operations have been categorized into 6 major business segments, which constitute 99.48% (98.41%) of the total turnover of the Group. These business segments are classified under the two major businesses in which the Group is engaged in, and are briefly described hereunder :

Sugar & Allied Businesses

- Sugar : The Group is a manufacturer of white crystal sugar, having an aggregate sugarcane crushing capacity of 61,000 TCD (tonnes crushed per day) spread over seven manufacturing plants situated in the State of Uttar Pradesh. After meeting the captive requirements, the Group also sells the surplus molasses and bagasse, which are produced as a by-product in the manufacture of sugar.
- Co-generation : The business segment, apart from meeting some power and steam requirement of sugar unit, also exports power to the State grid. It has installed capacity of 68 MW spread over Khatauli and Deoband sugar mills.
- Distillery : The 160 kilo-liters per day capacity distillery located at Muzaffarnagar, Uttar Pradesh, uses the molasses produced in manufacture of sugar as the principal raw material in production of various categories of alcohol.

Engineering Businesses

- Steam Turbines : This segment is engaged in the manufacture of steam turbines at manufacturing facilities located at Bangalore, Karnataka.
- High Speed Gears : This business segment manufactures high speed gears and gear boxes at the manufacturing facility located at Mysore, Karnataka.

c) Water/Wastewater Treatment : This business segment operates from Noida, Uttar Pradesh and provides engineering to order process equipment and comprehensive solutions in the water and wastewater management.

(ii) The 'Other Operations' mainly include operations of Retail Stores at various rural and semi-urban locations pursued by Triveni Turbine Ltd. (Formerly known as Triveni Retail Ventures Limited) a wholly owned subsidiary and trading of various packaged fast moving consumer goods (under the Group's brand name), including sugar. Other subsidiaries have not yet commenced business.

(iii) There are no geographical segments as the volume of exports is not significant and the major turnover of the Group takes place indigenously. There is no major reliance on a few customers or suppliers.

(iv) Inter-segment transfer are priced based on competitive market prices or determined to yield a desired margin or agreed on a negotiated basis. These are then eliminated on consolidation.

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

(vi) Segment results of previous year excludes off-selling impact of changes pertaining to earlier years in Sugar and Co-generation segments pursuant to revision in transfer pricing between them.

schedules to accounts (contd.)

14. The requisite financial information in respect of the subsidiaries, as per approval under Section 212 (8) of the Companies Act, 1956 accorded by Government of India, Ministry of Corporate Affairs, vide its Letter No.47/680/2010-CL-III dated 25/08/2010 for the financial year ended September 30, 2010 is given below.

(₹ in Million)

Subsidiary Companies	Triveni Turbine Ltd	Upper Bari Power Generation Ltd	Triveni Engineering Ltd	Triveni Energy Systems Ltd
Capital	100.00 (100.00)	0.50 (0.50)	0.50 (0.50)	0.50 (0.50)
Reserves	-259.15 (-218.25)	0.04 (0.03)	-1.66 (-1.58)	-0.38 (-0.37)
Total Assets	10.01 (64.50)	0.57 (0.53)	0.06 (0.08)	0.13 (0.14)
Total Liabilities	169.16 (182.74)	0.01 (0.01)	1.23 (1.17)	0.01 (0.01)
Investments (except in subsidiaries)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Turnover (Net)	14.92 (202.99)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Profit/(Loss) before Taxation	-45.44 (-76.49)	0.03 (0.03)	-0.08 (0.07)	-0.00 (0.01)
Provision for Taxation	-4.54 (1.01)	0.01 (0.01)	NIL (NIL)	0.00 (0.00)
Profit/(Loss) after Taxation	-40.90 (-77.50)	0.01 (0.02)	0.08 (0.07)	-0.01 (0.01)
Proposed Dividend	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)

Note: Does not include information in respect of GE Triveni Limited incorporated on 28th May, 2010

15. On account of the net realizable value of sugar stocks being lower than their cost of production, the sugar inventories held by the Company on 30.9.2010 have been valued at their net realizable value. The consequent write-down of inventories has adversely impacted the profitability of the year by ₹ 558.15 Million.
16. Exceptional / Non-Recurring Income (net) of ₹ 263.56 Million (Previous Year : Net charge of ₹ 55.73 Million) comprises of the following:
- Profit of ₹ 352.26 Million (₹ 136.79 Million) on the sale of long term trade investment in an erstwhile associates.
 - Provision of ₹ 88.70 Million (₹ 114.21 Million) made against amounts recoverable in disputed matters, mostly relating project/sugar machinery business earlier carried out by the Company.
 - ₹ Nil (₹ 78.31 Million) paid for consultancy charges to assess feasibility of new businesses synergistic to the existing engineering business.
17. Previous year figures have been rearranged wherever necessary to make them comparable with the current year's figures. Figures given in brackets relate to the previous year.
18. Schedule "1" to "26" form an integral part of the Balance Sheet and Profit & Loss Account.

Place : Noida (U.P.)
Date : November 19, 2010

Dhruv M. Sawhney
Chairman &
Managing Director

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

Geeta Bhalla
Company
Secretary

Suresh Taneja
Vice President
& CFO

consolidated cash flow statement

consolidated financial statements of
triveni engineering & industries limited and its subsidiary companies

(₹ in Million)

For the Year Ended	30.09.2010	30.09.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	957.72	2,476.28
Add : Depreciation	839.81	761.46
: Amortisation		
- Machinery Lease Rentals	13.49	14.79
- Intangible Assets	44.60	32.30
- Miscellaneous Expenditure	13.01	13.35
Less : Incomes/(Losses) from Associates	18.87	57.47
Less : Incomes/Expenses treated separately		
Dividend Income	6.59	0.28
Profit/(Loss) on sale of assets	(22.90)	1.20
Provision for Impairment of Fixed Assets	-	(1.21)
Profit on sale of Investments	352.26	136.93
Interest Expenses	(850.46)	(1,158.84)
Interest Income	45.41	35.07
Deferred Revenue Expenditure Incurred	-	7.18
Operating Profit before Working Capital changes	2,318.86	4,220.10
Changes in Working Capital		
Changes in Inventories	(315.28)	878.42
Changes in Receivables	(362.55)	(292.23)
Changes in Other Current Assets	(285.22)	(167.20)
Changes in Other Trade Receivables	178.84	(173.89)
Changes in Current Liabilities	(1,039.64)	1,235.13
Direct Taxes Paid (Net) including Wealth Tax	(481.65)	(323.57)
Net Changes in Working Capital	(2,305.50)	1,156.64
Cash Flow from Operating Activities	13.36	5,376.74
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed/Intangible Assets	(674.78)	(619.81)
Sale of Fixed/Intangible Assets	45.37	6.71
Purchase of Investments	(2,356.74)	(455.10)
Sale / Redemption of Investments	2,955.00	472.48
Interest Income	92.69	74.09
Dividend Income	6.59	0.28
Net Cash Flow in Investment Activities	68.13	(521.35)

consolidated cash flow statement (contd.)

(₹ in Million)

For the Year Ended	30.09.2010	30.09.2009
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/ (Decrease) in Short Term Borrowings (Net)	(15.90)	(139.06)
Increase/ (Decrease) in Long Term Borrowings (Net)	(1,113.89)	(285.60)
Increase/ (Decrease) in Cash Credit	2,130.91	(2,918.69)
Interest Paid	(841.18)	(1,155.37)
Redemption of Preference Shares (including premium)	(0.11)	(0.13)
Dividend Paid (Including Tax on Distributed Profit)	(331.70)	(272.98)
Net Cash Flow used in Financing Activities	(171.87)	(4,771.83)
Net Increase/ (Decrease) in Cash & Cash Equivalents	(90.38)	83.56
Opening Cash & Cash Equivalents	241.89	158.33
Closing Cash & Cash Equivalents	151.51	241.89
Add : Bank Balances under Lien	31.02	25.00
Bank Balances under Unclaimed Dividend / Preference Capital Redemption	10.27	10.59
Cash & Cash Equivalents as per Schedule 9 of Balance Sheet	192.80	277.48

Notes to Accounts Schedule 26.

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

Partner

Place : Noida (U.P.)

Date : November 19, 2010

Dhruv M. Sawhney

Chairman &

Managing Director

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

Director & Chairman

Audit Committee

Geeta Bhalla

Company

Secretary

Suresh Taneja

Vice President

& CFO

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- 16A
Noida 201 301(U.P.)
STD Code: 0120
Phone: 4308000
Fax: 4311010-11

Share department/investors' grievances

'Express Trade Towers', 8th Floor
15-16, Sector- 16A
Noida 201 301(U.P.)
STD Code: 0120
Phone: 4308000
Fax: 4311010-11
Email: shares@trivenigroup.com

Registrar and share transfer agents

For Equity shares held in physical and
electronic mode
(Correspondence Address)
M/s Karvy Computershare Pvt. Ltd.,
Unit: Triveni Engineering & Industries Limited
Plot No. 17 to 24, Vittal Rao Nagar,
Madhapur, Hyderabad-500 081.
Tel. 040-23420815-825, Fax 040-23420814
Email: einward.ris@karvy.com

Turbine business group

12-A, Peenya Industrial Area,
Peenya, Bangalore-560 058
STD Code: 080
Phone: 22164000
Fax: 28395211

Gear business group

1,2,3 Belagola Industrial Area,
Metagalli Post, K.R.S. Road,
Mysore-570 016
STD Code: 0821
Phone: 4280501, 4280502
Fax: 2582694

Fixed deposit section

Accounts Department

'Express Trade Towers', 8th Floor
15-16, Sector- 16A
Noida 201 301(U.P.)
STD Code: 0120
Phone: 4308000, Fax: 4311010-11
Email: hoacct@trivenigroup.com

Khatauli sugar unit

Khatauli, District- Muzaffarnagar,
Uttar Pradesh-251 201
STD Code: 01396
Phone: 272561 & 272562
Fax: 272309

Deoband sugar unit

Deoband, District-Saharanpur
Uttar Pradesh-247 554
STD Code: 01336
Phone: 222497, 222185, 222866
Fax: 222220

Ramkola sugar unit

Ramkola, District-Kushinagar
Uttar Pradesh-247 305
STD Code: 05567
Phone: 256021, 256071-2, 256182
Fax: 256248

Sabitgarh sugar unit

P.O. Karora, Tehsil Khurja
District-Bulandshahar,
Uttar Pradesh
STD Code: 05738
Phone: 228894, Fax: 228893

Rani Nangal sugar unit

Rani Nangal, Tehsil Kurdwara
District- Moradabad
Uttar Pradesh
STD Code: 0595
Phone: 2564350, 2564627 Fax: 2565002

Milak Narayanpur sugar unit

Milak Narayanpur, P.O. Dadiyal
District-Rampur
Uttar Pradesh- 244 925
STD Code: 0595
Phone: 2564350, 2564627, 2564215
Fax: 2565002

Chandanpur sugar unit

P.O. Chapna, Tehsil-Hasanpur,
District- J.P. Nagar
Uttar Pradesh-244255
STD Code: 05924
Phone: 295040
Fax: 254006

Water business group

Plot No.44, Block-A, Phase II Extension,
Hosiery Complex, Noida,
District Gautam Budh Nagar, U.P.
STD Code: 0120
Phone: 4748000
Fax: 4243049
Email: wbg@projects.trivenigroup.com

Co-generation Khatauli

Khatauli, District- Muzaffarnagar,
Uttar Pradesh-251 201
STD Code: 01396
Phone: 272561 & 272562, Fax: 272309

Co-generation Deoband

Deoband, District-Saharanpur
Uttar Pradesh-247 554
STD Code: 01336
Phone: 222497, 222185, 222866
Fax: 222220

Alco-chemical Unit

Village Bhikki Bilaspur,
Jolly Road, District- Muzaffarnagar,
Uttar Pradesh-251 001
STD Code: 0131
Phone: 2600659, 2600684, Fax: 2600569

Branded sugar business

'Express Trade Towers', 8th Floor
15-16, Sector- 16A
Noida 201 301(U.P.)
STD Code: 0120
Phone: 4308000,
Fax: 4311010-11

Subsidiary companies

GE Triveni Limited

12-A, Peenya Industrial Area,
Peenya, Bangalore-560 058
STD Code: 080
Phone: 22164000, Fax: 28395211

Triveni Engineering Limited

'Express Trade Towers', 8th Floor
15-16, Sector- 16A, Noida 201 301(U.P.)
STD Code: 0120
Phone: 4308000, Fax: 4311010-11

Triveni Turbine Limited

(Formerly Triveni Retail Venture Limited)
Plot No.44, Block-A, Phase II Extension,
Hosiery Complex, Noida,
District Gautam Budh Nagar, U.P.
STD Code: 0120
Phone: 4748000, Fax: 4243049

Triveni Energy Systems Limited

'Express Trade Towers', 8th Floor
15-16, Sector- 16A
Noida 201 301(U.P.)
STD Code: 0120
Phone: 4308000, Fax: 4311010-11

Upper Bari Power Generation Limited

Rockwood Estate, The Mall,
Shimla, Himachal Pradesh-171 001

Corporate information

Chairman and Managing Director

Mr. Dhruv M. Sawhney (DIN-00102999)

Executive Directors

Mr. Tarun Sawhney (DIN-00382878)
Mr. Nikhil Sawhney (DIN-00029028)

Directors

Dr. F.C. Kohli (DIN-00102878)
Lt. Gen. K.K. Hazari (Retd.) (DIN-00090909)
Mr. K.N. Shenoy (DIN-00021373)
Mr. M.K. Daga (DIN-00062503)
Mr. Amal Ganguli (DIN-00013808)
Mr. Shekhar Datta (DIN-00045591)
Mr. R.C. Sharma (DIN-00107540)

Company Secretary

Ms. Geeta Bhalla

Bankers

Axis Bank Ltd.
Canara Bank
Central Bank of India
Citi Bank N.A.
HSBC Bank Ltd.
ICICI Bank Ltd
IDBI Bank Ltd.
Indusind Bank Ltd.
Oriental Bank of Commerce
Punjab National Bank
State Bank of India
State Bank of Patiala
Yes Bank Ltd

Auditors

M/s J.C. Bhalla & Co.

Branch Auditors

M/s Virmani & Associates

Triveni Group website

www.trivenigroup.com



8th Floor, Express Trade Towers, Plot No. 15 & 16,
Sector 16 - A, Noida - 201 301, Uttar Pradesh

www.trivenigroup.com