Triveni ENGINEERING & INDUSTRIES LTD.

NOTICE

NOTICE is hereby given that the 77th Annual General Meeting of the Members of Triveni Engineering & Industries Limited will be held on Tuesday, the 19th day of February, 2013 at 1.30 P.M. at the Company's Guest House at Deoband Sugar Unit Complex, Deoband, District Saharanpur, Uttar Pradesh - 247 554 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at September 30, 2012, the Statement of Profit and Loss Account for the financial year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended September 30, 2012.
3. To appoint a Director in place of Mr Nikhil Sawhney, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr Shekhar Datta, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint M/s J.C. Bhalla & Co., Chartered Accountants (registration number FRN:001111N) as Statutory Auditors to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

By Order of the Board

Place : Noida
Date : 21st November, 2012

Geeta Bhalla
Company Secretary

NOTES:

1. The relevant details pursuant to the provisions of Clause 49 of the Listing Agreement executed with Stock Exchanges are annexed hereto.
2. **A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. Proxy in order to be effective must be deposited at the Registered Office or Corporate Office of the Company not less than forty eight (48) hours before the commencement of the meeting. A blank proxy form is enclosed.**
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Books of the Company shall remain closed during the Book Closure period i.e from Thursday, the 14th February, 2013 to Tuesday, the 19th February, 2013 (both days inclusive) for the purpose of payment of dividend on the equity shares for the financial year ended 30th September, 2012. The dividend as recommended by the Board of Directors, if declared at the Meeting, will be paid to those Members holding shares in physical and demat forms, whose names appear in the Company's Register of Members/Beneficial Owners as at the close of business hours on 13th February, 2013. The dividend in respect of demateralised shares will be payable as per the details furnished by the Depositories viz. National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.
5. Members who have not yet encashed dividend warrants for the year 2005-2006 and for any subsequent year are advised to send the same to the Company for revalidation. Dividend amount remaining unclaimed for a period of seven years from the dates they became first due for payment shall be transferred to the "Investor Education and Protection Fund" (IEPF) of Central Government in terms of Section 205C of the Companies Act, 1956. Members are requested to note that no claim shall lie against the Company or IEPF in respect of any unclaimed dividend amount transferred to IEPF.

6. The Members holding equity shares in physical form are requested to notify/send the following to the Registrar and Transfer Agent (RTA) of the Company, M/s Karvy Computershare Pvt. Ltd., Plot No.17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad-500 081 quoting their folio numbers:

   (i) Particulars of their bank account and email-id, in case the same has not been sent earlier.

   (ii) Any change in their address/email-ID/ECS mandate/Bank details.

   (iii) Share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account.

7. The Members holding equity shares in dematerialized form are requested to notify to their Depository Participants (DP):

   (i) their email-id

   (ii) any change with respect to their address, email id, ECS mandate and bank details.

8. The Securities and Exchange Board of India has notified that the shareholders/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified true copy of their Income Tax Permanent Account Number (PAN) card to the Company/RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/transferee of shares (including joint holders) in physical form are requested to furnish a certified true copy of their PAN card to the Company/RTA while transacting in the securities market including transfer, transmission or any other corporate action.

9. Members holding shares in physical form are advised, in their own interest to avail of the nomination facility by filing Form 2B and deposit the same with the Company or its RTA. Members holding shares in demat form may contact their respective DP for recording nomination in respect of their shares.

10. The equity shares of the Company are under Compulsory Demat Trading. Members who are holding equity shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose.

11. The Members desirous of obtaining any information/clarification are requested to address their questions, if any, in writing to the Company Secretary at the Corporate office of the Company at least 10 days before the date of the Annual General Meeting, so that the information may be made available at the Annual General Meeting.

12. The Members are informed that in the case of joint holder(s) attending the meeting, only such joint holder which is higher in the order of names will be entitled to vote.

13. The Members are requested to bring their attendance slip duly completed and signed, to be handed over at the entrance of the meeting venue.

14. As a measure of economy, copies of Annual Reports will not be distributed at the venue of the Annual General Meeting. Members are therefore requested to bring their own copies of the Annual Reports to the meeting.

15. *The Ministry of Corporate Affairs (MCA), Govt. of India, has undertaken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by companies through electronic mode, vide its circulars dated April 21, 2011 and April 29, 2011. To take part in the above 'Green Initiative', soft copy of the Annual Report for the year ended September 30, 2012 has been sent to all the members whose email address is registered with the Company/Depository Participants(s) unless any members has requested for a hard copy of the same. All those members, who have not yet registered their email address with the Company or DP are requested to do the same at the earliest as your Company proposes to send communications/documents including Notices for General Meetings and Annual Reports from time to time in electronic mode to those members who have provided their e-mail addresses to the Company or their DP..*

    The members holding shares in Demat form may update their e-mail address with their respective DPs and where the shares are held in physical form, please get your e-mail address updated in the records of the Company by sending an email at shares@trivenigroup.com. Even after registration for e-communication, Members are entitled to receive such communication in physical form, upon receipt of request for the same, by post/courier free of cost.

    The Annual Report for 2012 (including the notice of the 77th Annual General Meeting) will also be available on the Company's website www.trivenigroup.com for download by the members. The physical copies of the aforesaid documents will also be available at the Company's registered office/corporate office for inspection during business hours upto the date of Annual General Meeting.

16. **The Members/Proxies are welcome at the Annual General Meeting of the Company. However the Members/Proxies may please note that no gifts/gift coupons will be distributed at the Annual General Meeting.**

<u>Annexure</u>

Details of Directors seeking appointment/re-appointment at the Annual General Meeting scheduled to be held on February 19, 2013

(Pursuant to Clause 49 of the Listing Agreement)

Mr. Nikhil Sawhney

Mr. Nikhil Sawhney, aged about 36 years, has been on the Board of Company since November 19, 2008. He is one of the Promoters of the Company. Mr. Nikhil Sawhney was initially appointed as the Executive Director of the Company on November 19, 2008 for a period of 5 years. Upon his appointment as Joint Managing Director of Triveni Turbine Ltd., a listed Company on the National Stock Exchange and Bombay Stock Exchange, he had stepped down as the Executive Director of the Company. However he continues to be the Non-Executive Director of the Company, who is liable to retire by rotation w.e.f. May 10. 2011. He possesses Bachelors and Masters degrees in Arts from Emmanuel College, University of Cambridge, UK – one of the oldest academic institutions in the world and is regarded as one of the best undergraduate institutions globally and a Masters degree in Business Administration from The Wharton School, University of Pennsylvania, USA., a premier academic Institution. He has work experience in the fields of finance, consumer goods, engineered products and capital markets. Mr. Nilkhil Sawhney also holds directorships in the other group/associate companies of Triveni Group.

List of other Directorship held	Chairman/Member of the committees of the other Board of the Companies on which he is a Director*	Details of shareholding in the Company
Joint Managing Director Triveni Turbine Ltd. **Director** Triveni Energy Systems Ltd. GE Triveni Ltd. **Designated Partner** Acquire Venture Holdings LLP	**Audit Committee** Triveni Turbine Ltd. – Member GE Triveni Ltd. – Member **Share Transfer & Investor Grievance Committee** Triveni Turbine Ltd. – Member	15277653 equity shares of Re 1/- each

Mr. Shekhar Datta

Mr. Shekhar Datta aged about 75 years, has been on the Board of the Company since 25th April, 2009. Mr. Shekhar Datta is a Graduate in Mechanical Engineering from London and is a Fellow of All India Management Association. Mr. Datta has been Business Consultant to a number of Indian companies and former member of International Business Advisory Council of UNIDO. Mr Datta has been President of Confederation of Indian Industry (CII), Bombay Chamber of Commerce & Industry and Indo-Italian Chamber of Commerce & Industry. He has been honoured with the citation of 'Commendatore' (1995) in the Order for Merit of the Italian Republic, by the President of Italy; as 'Companion' of the Institution of Mechanical Engineers, U.K. and awarded 'Winner' of the Indo-British Trophy (1997) conferred by Her Majesty Queen Elizabeth II. Mr. Datta was Managing Director and President of Greaves Cotton Ltd. and was responsible for the spectacular growth of the company during his tenure as Managing Director. Mr Datta has held directorships in a number of reputed companies like Bharat Heavy Electricals Ltd., Industrial Development Bank of India Ltd., Crompton Greaves Ltd.. He was also Chairman of the Bombay Stock Exchange Ltd.

List of other Directorship held	Chairman/Member of the committees of the other Board of the Companies on which he is a Director*	Details of shareholding in the Company
Director Triveni Turbine Ltd. Wockhardt Ltd. Vesuvius India Ltd.	**Audit Committee** Wockhardt Ltd. – Chairman Vesuvius India Ltd. – Member **Share Transfer & Investor Grievance Committee** Wockhardt Ltd. – Chairman Vesuvius India Ltd. – Member	10000 equity shares of Re 1/- each

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

ENGINEERING & INDUSTRIES LTD.

Regd. Office: Deoband, District Saharanpur, Uttar Pradesh - 247 554
Corporate Office: 8th Floor, Express Trade Towers, 15-16, Sector 16-A, Noida - 201301, U.P., India

ADMISSION SLIP

FOLIO NO.. NO. OF SHARES.................................

DP ID/CLIENT ID* ....

NAME OF THE MEMBER/

AUTHORISED REPRESENTATIVE..

NAME OF THE PROXY..

I hereby record my presence at the 77th Annual General Meeting of the Company being held on Tuesday, the 19th February, 2013 at 1:30 P.M. at Company's Guest House at Deoband Sugar Unit Complex, Deoband, District Saharanpur, Uttar Pradesh-247 554.

Signature of the Member/ Authorised Representative	Signature of the Proxy

*** Applicable for investors holding shares in demat form.**

.... TEAR HERE ....

ENGINEERING & INDUSTRIES LTD.

Regd. Office: Deoband, District Saharanpur, Uttar Pradesh - 247 554
Corporate Office: 8th Floor, Express Trade Towers, 15-16, Sector 16-A, Noida - 201301, U.P., India

PROXY FORM

FOLIO NO. .... NO. OF SHARES.................................

DP ID/CLIENT ID*..

I/We...of...being a member/members of Triveni Engineering & Industries Limited hereby appoint .... of....................................or failing him/her..of.. as my/our proxy to attend and vote for me/us on my/our behalf at the 77th Annual General Meeting of the Company to be held on Tuesday, the 19th February, 2013 at 1:30 P.M. and/or at any adjournment thereof.

Affix
Re.1/-
Revenue
Stamp

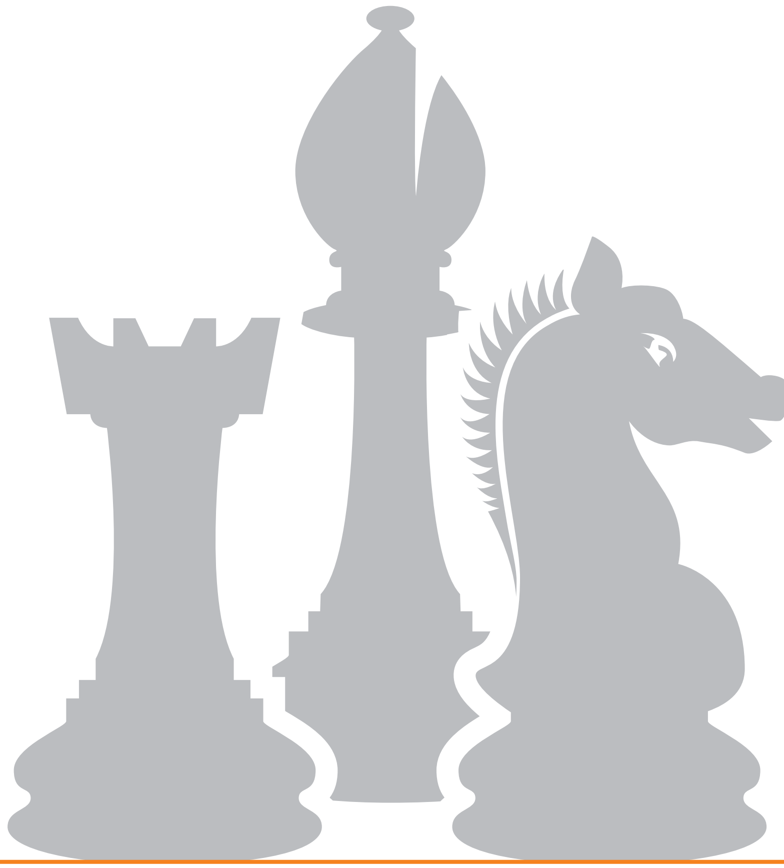
Signed this......................Day of ...., 2013 Signature

Note: The Proxy in order to be effective should be completed, stamped and signed and must be deposited either at the Regd. Office of the Company or at the Corporate Office of the Company at 8th Floor, Express Trade Towers, 15-16, Sector 16A, Noida - 201 301, Uttar Pradesh at least forty eight hours before the schedule time of the meeting.

*** Applicable for investors holding shares in demat form.**

Triveni
ENGINEERING & INDUSTRIES LTD.

Annual Report 2011-12



Definitive Actions

Forward looking statement

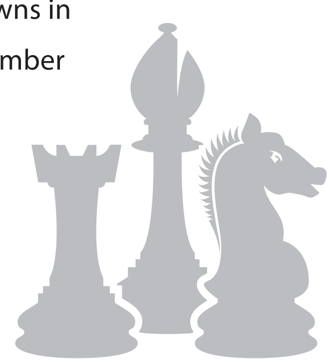
This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations of projections about the future, including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

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

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

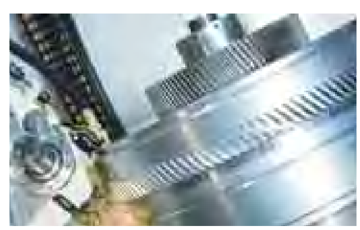
Contents

At a time when most of the business enterprises are attributing the slump in their growth to the macro-economic environment, Triveni has instead chosen to focus on what is in its control and best leverage them towards favourable business outcomes. Having witnessed and successfully weathered many slowdowns in the past, the Company has maintained optimism, taken a number of strategic initiatives including the expansion of its product portfolio and geographic coverage, thus creating a solid foundation for growth.



In doing so, Triveni is poised to grow and these initiatives are captured in just two words:

Definitive Actions.



Making Strategic Moves

In a challenging business environment, it is imperative for a business to strategise and invest its earnings in related businesses to strengthen its topline.

At Triveni, we undertook a number of strategic initiatives to enhance our revenues.

Technology partnership

We entered into a long term technology agreement with Aqwise Wise Water Technology Limited, Israel, which is a global leader in the development and implementation of water and wastewater treatment solutions for industrial and municipal markets. We invested USD 5.42 million to acquire a significant minority stake in Aqwise as part of a strategic investment to have greater access to world-class technologies on preferred commercial terms, while focusing near-term and future scientific research developments on solutions for the Indian water and wastewater market.

Sugar refinery

We set up a sugar refinery with a capacity of 600 TPD at Sabitgarh sugar unit for manufacturing refined sugar which will enable us to improve our realisations and product quality leading to higher profitability.

Co-generation units

We installed incidental co-generation plants at our Chandanpur and Milak Narayanpur sugar units which will facilitate export of surplus power to Uttar Pradesh Power Corporation Limited (UPPCL) for which Power Purchase Agreements (PPAs) have already been signed. The revenue accretion will start from the next financial year.

Expanding Business Spectrum

In a highly competitive business environment, it becomes essential for a business to improve its offerings and explore newer geographies for expanding the reach of its products.

At Triveni, we embarked on offering niche products and improved our footprint in the exports market.

Product extension

We have expanded our product portfolio by entering into niche low speed gear products under license from Lufkin. We have started getting enquiries for low speed gears from the marine sector, iron and steel sectors, which are expected to materialise in 2013, and subsequently add to our revenues. Further, we have signed long term MoU with BHEL for supply of load and accessory gearboxes for gas turbine application.

Geographic expansion

We have expanded our footprint in the Gear business to South East Asia by appointing a Thai executive for the Thailand market and exporting our products to the Indonesian and Malaysian markets. We have received few orders from these markets and are confident that we will add more geographies going further.

Strengthening the Bond

In a business environment where the community and people are an essential part of the business, it is important for a business to strengthen its relationship with these stakeholders and look for inclusive growth.

At Triveni, we initiated various measures to enhance the community in which we operate and engage the people of the Company in various activities for building a strong foundation.

Cane development programme

We continued our efforts to improve the quality and availability of cane through our cane development activities by improving manufacturing efficiencies, controlling cane cultivation costs, enhancing yields, protecting crops and improving yield per acre. As a result, the area under promising new high yield and high sugared varieties has increased by 25% in our catchment areas. Sustainable Sugarcane Initiative (SSI), a major initiative in this direction, has been carried forward by enabling farmers in nursery raising activity so that they are self dependent for seed plantlets. Other initiatives undertaken during the year were Trench Planting, Spacing and Furrow Irrigated Raised Bed (FIRB) method of cane planting. The results of these initiatives are very encouraging in terms of improvement in yields and Cost Benefit Ratio. FIRB method promises to be a good model of relay cropping of sugarcane in standing wheat crop without affecting wheat production and at the same time having very significant impact on cane yields.

Developing focused minds

We nurture the skills of our employees, build capabilities and engage them across all levels. We foster a high performance culture by providing regular training, organising seminars on latest happenings, conducting performance planning sessions and adopting cross functional team approach for problem solving among others.

Beyond business

Our community development initiatives are focused on five key areas - education, family & community wellness, environment, community enhancement and sports & recreation.

Triveni in Brief

About us

We are a ` 1,85,945 lacs Company having core competencies in the areas of sugar and engineering. We have presence in the areas of sugar, power generation, distillation, gears & gearboxes and water & wastewater treatment.

Our businesses

Sugar business

- We are one of the largest sugar manufacturers in India with seven sugar mills in operation at Khatauli, Deoband, Sabitgarh, (all in western Uttar Pradesh), Chandanpur, Rani Nangal and Milak Narayanpur (all in central Uttar Pradesh) and Ramkola (eastern Uttar Pradesh).
- We have two state-of-the-art co-generation facilities at two of our major sugar units in Khatauli and Deoband.
- We have one of the largest single stream molasses based distilleries in Muzaffarnagar.

Gear business

- We are in the business of design, manufacture and marketing of customised gears and gearboxes (both high speed and niche low speed gears) having a state-of-the-art design and manufacturing facility at Mysore conforming to international standards.
- We have approximately 70% market share in high speed gear market. We manufacture high speed gears and gear boxes up to 70 MW capacity and speed of 70,000 rpm.

Water business

- We are a leading player in the high technology water and wastewater management business in India, having our manufacturing facility at Noida.
- We provide a wide range of products and offer end-to-end services in the technology spectrum of water and wastewater treatment.
- We have technology association with world's leading technology providers for various products, process and solutions.

Information on Company's business locations

REGISTERED OFFICE
Deoband, District - Saharanpur
Uttar Pradesh - 247554
STD Code: 01336
Phone: 222185, 222866, Fax: 222220

CORPORATE OFFICE
'Express Trade Towers', 8th Floor
15-16, Sector - 16A, Noida - 201301(U.P.)
STD Code: 0120
Phone: 4308000, Fax: 4311010-11

SHARE DEPARTMENT/INVESTORS' GRIEVANCES
'Express Trade Towers', 8th Floor
15-16, Sector - 16A, Noida 201301(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 - 500081.
Tel. 040-23420815-825, Fax 040-23420814
Email: einward.ris@karvy.com

FIXED DEPOSIT SECTION
ACCOUNTS DEPARTMENT
'Express Trade Towers', 8th Floor
15-16, Sector - 16A
Noida - 201301(U.P.)
STD Code: 0120
Phone: 4308000, Fax: 4311010-11
Email: hoaccts@trivenigroup.com

GEAR BUSINESS GROUP
1,2,3 Belagola Industrial Area,
Metagalli Post, K.R.S. Road,
Mysore, Karnataka - 570016
STD Code: 0821
Phone: 4286501, 4286502
Fax: 2582694, 4286531

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

SUGAR BUSINESS GROUP
Khatauli sugar unit
Khatauli, Village Sheikhpura,
Post Box No. 28,
District - Muzaffarnagar,
Uttar Pradesh - 251201
STD Code: 01396
Phone: 9897544464, 9897133335, 9997302221, 9897409999, Fax: 272347, 272309

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

Ramkola sugar unit
Ramkola, District - Kushinagar
Uttar Pradesh - 274305
STD Code: 05567
Phone: 256021, 256182, 9936300473
Fax: 256248, 256657

Sabitgarh sugar unit
P.O. Karora, Tehsil Khurja
District - Bulandshahar
Uttar Pradesh - 203129
STD Code: 05733
Phone: 228893, 9557794246, 9557794247
Fax: 228894, 228895

Rani Nangal sugar unit
Rani Nangal, P.O. Aliabad Pipli
Tehsil Thakurdwara
District - Moradabad
Uttar Pradesh - 244401
STD Code: 0591
Phone: 3011316, Fax: 3011307

Milak Narayanpur sugar unit
Milak Narayanpur,
District - Rampur
Uttar Pradesh
STD Code: 0595
Phone: 2564215, 2564350, 2564627, 2564825
Fax: 2565002

Chandanpur sugar unit
P. O. Chhapna, Tehsil - Hasanpur
District - Amroha
Uttar Pradesh - 244255
STD Code: 05924
Phone: 267004, 267005, 7830220828
Fax: 267001

Co-generation Khatauli
Khatauli, Village Sheikhpura
P. O. Box No. 28, District- Muzaffarnagar
Uttar Pradesh - 251201
STD Code: 01396
Phone: 9897544464, 9897133335
Fax: 272347, 272309

Co-generation Deoband
Deoband, District - Saharanpur
Uttar Pradesh - 247554
STD Code: 01336
Phone: 222185, 222866, Fax: 220882

Alco-chemical Unit
Village & P.O. Bhikki Bilaspur,
Tehsil & District - Muzaffarnagar
Uttar Pradesh
STD Code: 0131
Phone: 7895900631-36, Fax: 2600569

Branded sugar business
'Express Trade Towers', 8th Floor
15-16, Sector - 16A
Noida - 201301 (U.P.)
STD Code: 0120
Phone: 4308000, Fax: 4311010-11

SUBSIDIARY COMPANIES

Triveni Engineering Limited
'Express Trade Towers', 8th Floor
15-16, Sector - 16A
Noida - 201301(U.P.)
STD Code: 0120
Phone: 4308000, Fax: 4311010-11

Triveni Energy Systems Limited
'Express Trade Towers', 8th Floor
15-16, Sector - 16A
Noida - 201301(U.P.)
STD Code: 0120
Phone: 4308000, Fax: 4311010-11

CORPORATE INFORMATION

Chairman and Managing Director
Mr. Dhruv M. Sawhney (DIN-00102999)

Joint Managing Director
Mr. Tarun Sawhney (DIN-00382878)

Directors
Mr. Nikhil Sawhney (DIN-00029028)
Dr. F.C. Kohli (DIN-00102878)
Lt. Gen. K.K. Hazari (Retd.) (DIN-00090909)
Mr. M.K. Daga (DIN-00062503)
Mr. Shekhar Datta (DIN-00045591)
Mr. R.C. Sharma (DIN-00107540)

Company Secretary
Ms. Geeta Bhalla

Bankers
Axis Bank Ltd.
Canara Bank
Central Bank of India
IDBI Bank Ltd.
Indusind Bank Ltd.
Oriental Bank of Commerce
Punjab National Bank
State Bank of India
State Bank of Patiala
Yes Bank Ltd.

Auditors
M/s J.C. Bhalla & Co.

Branch Auditors
M/s Virmani & Associates

Triveni Group website
www.trivenigroup.com

Message from the Chairman

Dhruv M. Sawhney , *Chairman and Managing Director*

Dear Shareholders,

I would like to share with you the annual review of our operations for the year 2011-12. In a year which was besieged with external challenges both economic and business, I am glad to observe that your Company remained focused on making strategic moves and taking definitive actions.

Sugar Sustainability

As the second largest producer and consumer of sugar globally, the Indian sugar industry plays a substantial role in determining the sugar balance and prices globally. The Indian sugar industry is valued at over ` 80,000 crore and it impacts the earning capability of some

50 million sugarcane farmers and their dependants. Located in the rural heartland, Indian sugar industry directly contributes to rural economic development and employment. Today the key challenge faced by the sugar industry is sustained availability of quality sugarcane at a reasonable price. Our concerted efforts to improve the quality and availability of cane through our Cane Development Programme helped us bring in additional area under promising high yield and high sugared varieties and thus will help us in producing more sugar.

An opportunity lies in enhancing efficiencies in sugar manufacturing, co-generation and distillation. We are strengthening our capabilities by adding two incidental co-generation facilities at the Chandanpur and Milak Narayanpur units, and upgrading our processing facility at Sabitgarh to manufacture refined sugar.

However, the much needed and long awaited catalyst for the industry has to come from the Union Government. It was heartening to note that in January 2012, the Government set up a committee under the Chairmanship of Dr. C. Rangarajan, the Chairman of Economic Advisory Council to the Prime Minister, to look into all the issues of deregulation of sugar sector. The committee has recently submitted its report which has recommended developing a sugarcane pricing mechanism linked with sugar prices, doing away with command area concept for cane reservation by providing freedom to farmers to supply cane to a sugar mill of their choice. It has also recommended the abolition of the levy sugar mechanism and regulated release of sugar. These reforms once implemented by the Union and State Government will bring investment into this sector and help the industry to prosper and grow. We are hopeful that Government and Parliament will accept these recommendations and implement them in a phased manner.

Sugar Business

The Indian sugar production grew at a moderate rate of 7% in 2011-12 compared to the 30% growth achieved in the 2010-11 season. It was a challenging year for the industry in Uttar Pradesh, as sugar prices remained subdued for the most part of the year and cost of cane was substantially higher. There was a substantial cash outflow owing to the Supreme Court's judgment to pay the differential cane prices for the 2007-08 sugar season. Some companies had to make a payment for the 2006-07 season as well. With higher bagasse availability, our co-generation units could export more power to the grid and the most notable performance was of our Distillery business which achieved its highest ever production and sales in FY 12.

Engineering Business

Our Gear and Water businesses mainly supply to the power generation and municipal sectors. The capital goods industry has witnessed a major slowdown during the past year owing to the global recession and sluggish domestic economic and industrial growth. This resulted in lower order inflows and turnover. We have taken various proactive measures such as the launching of niche low speed gear products under license from Lufkin, exploring the export markets of South East Asia, and focusing on the after-market business. We are confident this will help the Gear business to become a prominent player in the high value gear market.

The wastewater management segment has been affected by a host of policy related issues which forced many organisations to delay their projects. Once these policies are put in order, there will be a huge push in private sector investment in recycling and reusing of wastewater for industrial use. We are gearing up to capitalise on these emerging opportunities and we entered into a long-term strategic partnership by investing in Aqwise Wise Water Technologies Limited, an Israel based company. Aqwise is global leader in the development and implementation of water and wastewater treatment solutions for industrial and municipal markets. We intend to leverage their technology and position our business uniquely in the Indian wastewater management space to achieve higher growth.

I would like to thank all our shareholders and stakeholders for their continued trust. We believe that the actions which we have taken during the year under review will enable us to grow and realise our latent potential in the years to come.

With best regards,

Dhruv M. Sawhney
Chairman and Managing Director

Q & A with the Joint Managing Director

Tarun Sawhney, *Joint Managing Director*

Q. How would you describe the performance of the Company in the year under review?

A: FY 12 has been a year where we have initiated important changes, a year when we have built strength for the future. The performance of our Company during the current financial year has been satisfactory given the slowdown in global and domestic economies as well as the fluctuating sugar scenario. The net sales was ` 1,85,945 lacs, an increase of 9% on a consolidated basis. The profit after tax was ` (6,671) lacs versus ` 1,306 lacs for fiscal 2011. In the present environment of economic turmoil, our Company maintained its optimism by taking many strategic initiatives, enhancing its products and geographies, thereby creating a solid foundation for growth.

These Definitive Actions will help us in taking full advantage of the improvement in the business sentiments going forward.

Q. What were the key operational highlights of the Company in the year under review?

A: Operational excellence is a constant focus for all our businesses. Triveni crushed 5.12 million tonnes of sugarcane, an increase of 12% over the previous season. At an average recovery of 9.09%, we produced 0.46 million tonnes of sugar, an increase of 11% as compared to last year. Ramkola unit achieved a record recovery of 10.29%, which is the highest recovery recorded by any sugar unit in the state of Uttar Pradesh. Two of our sugar units, Chandanpur and Rani Nangal, have received the Food Safety System Certification FSSC – 22000:2010, which helped us to supply to major corporates. Owing to our continuous cane development programme, the area under promising new high yield and high sugared varieties has increased by 25% in our catchment areas.

The two other businesses in sugar, co-generation and distillery, performed well during the year with Co-generation business exporting 9% more power while the distillery achieved its highest production and sales at over 4 crore litres, which is a record for us.

One of the most crucial achievements for our Water business in FY 12 has been securing our first contract in the Hydrocarbon Sector from Gas Authority of India Limited (GAIL) for water treatment plant package for their PATA project in Uttar Pradesh. Having secured this job, our Water business will aim for bigger successes in the Hydrocarbon and other sectors in the years to come.

For our Gear business, some of the major milestones were the signing of long term MoU with BHEL for the exclusive supply of gas turbine load gears and gearboxes, the launch as well as vendor approval for niche low speed products under license from Lufkin and the entry into key export markets for < 7.5 MW product range as well as increase of domestic market share in >25 MW range.

Q. How did the business segments perform in the year under review?

A: In FY12, even though sales volume was more or less the same in Sugar business, the price realisation was higher by 14% on a year-on-year basis. Higher SAP for sugarcane in U.P. at ` 240 per quintal for normal variety, which is an increase of 17% compared to previous season, coupled with lower recovery of sugar from cane resulted in higher cost of cane per kg of sugar produced. Sugar prices remained subdued during the major part of the current fiscal and started firming up only in Q4 FY 12. Thus, the output prices were inadequate to absorb

> "In the present environment of economic turmoil, our Company maintained its optimism by taking many strategic initiatives, enhancing its products and geographies thereby creating a solid foundation for growth.

the increase in input prices resulting in losses in sugar operations. Pursuant to the Supreme Court judgment, relating to cane price for 2007-08, payment of ` 7,896 lacs was made causing a further financial burden and the resultant loss in the annual accounts.

The performance of two engineering businesses has been muted on account of economic slowdown & deferment of deliveries / execution by customers. While the order in-flow has been good in Water business on account of securing municipal orders, the order finalisation on the industrial segment has been poor. In the Gear business, the order inflow for the year has been lower than the previous year primarily on account of the delay in finalisation of capex both by power sector & other industrial segments. The outstanding order book of engineering business stood at ` 53,353 lacs.

Q. What were the big strategic actions taken by Triveni in the year under review and how will it help in the long term growth?

A: During the year, we have focused on measures to promote long-term profitable growth. We have undertaken projects at nominal capital cost to improve efficiencies and profitability. These investments include state-of-the-art refinery at our Sabitgarh unit; and two incidental Co-generation plants at Chandanpur and Milak Narayanpur. We have set up the first sugar refinery for the Group with a capacity of 600 TPD at our Sabitgarh sugar unit for manufacturing refined sugar which will enable us to improve our realisations and product quality, leading to higher profitability. The incidental co-generation plants at Chandanpur and Milak Narayanpur sugar units would also be eligible for RECs apart from export of surplus power to UPPCL for which PPAs have already been signed. The revenues from these shall start from FY 13.

Our Company has made a long-term strategic investment by acquiring substantial minority equity stake in Aqwise Wise Water Technologies Limited, leading Israeli technology company providing water & wastewater treatment solutions using proprietary technology. The investment is synergistic to the Water and wastewater business of the Company. Aqwise is a 12-year old company with a substantially growing market in Eurasia. The technology of this company will also assist us in expanding the market by leveraging their technology in biological treatment of water. We expect that this will position our Water business uniquely in the Indian water industry space and also allow us to achieve growth in this line of business in the long run.

In our Gear business, we had incurred capital expenditure during 2011-12 for improving its state-of-the-art manufacturing facility. With the license agreements with Lufkin Industries, we are very well poised in terms of expanding the business not only in India but also in the South Asian market and in the markets that are covered by our license agreement.

All these initiatives clearly are long term and will help in the future growth of our Company as and when the market picks up.

"Our Company has made a long-term strategic investment by acquiring substantial minority equity stake in Aqwise Wise Water Technologies Limited, leading Israeli technology company providing water & wastewater treatment solutions using proprietary technology.

Q. Going ahead, what is the business outlook for the coming year?

A: We expect to crush higher volume of cane during the 2012-13 season. The current sugar pricing and the outlook on the Sugar front is certainly promising for fiscal 2013. We believe that sugar prices will remain firm for this year. This will bode well not just for sugar production but we also expect record output in our Co-generation and Distillery business. The only concern relates to the declaration of sugarcane price by the state government. In addition, further impact to this business can be expected by the implementation of certain recommendations of the Dr. C. Rangarajan Committee report. In our opinion, the low hanging fruit with respect to this report would be abolition of levy and release control mechanism.

On the Engineering front, we believe that the environment may improve in FY 13 for both our businesses which should result in good order inflow. Further, the focus on new products and new geographies in the Gear business together with the focus on the after-market segment should yield growth both in terms of turnover and profitability. Similarly, in the Water business, completion of large projects will qualify the Company to bid for larger projects. Our Company will also benefit strongly from the growth in our sister company Triveni Turbine Limited, which is reported to be growing at a satisfactory pace.

Last year was challenging for the business but I believe that we have faced those challenges with real determination and we have taken decisive actions for the future. By maintaining strong control over costs and being receptive to new business opportunities, we will further strengthen our position in growth markets and in our existing businesses. We have and will continue to focus on doing the right things for our business, for our shareholders, for customers, for employees and last but not the least for the community at large. Finally, I would like to thank our stakeholders for their continued support.

With best regards,

Tarun Sawhney
Joint Managing Director

“We have and will continue to focus on doing the right things for our business, for our shareholders, for customers, for employees and last but not the least for the community at large.

Management Discussion and Analysis

INDIAN SUGAR INDUSTRY

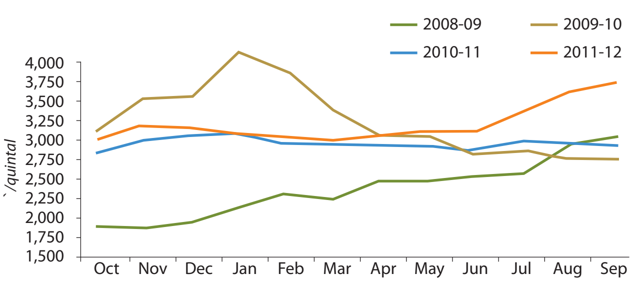
The Indian sugar industry registered a moderate growth of 7% in sugar production during 2011-12 season in comparison to 2010-11 season. This has been significantly lower in comparison to the previous two seasons wherein the growth has been around 29- 30%. The year also saw an increase both in the area under cane cultivation and yield per hectare which resulted in an increase in sugarcane production by 4% at 358 million tonnes. A marginal increase in recovery and an improved drawl rate of cane to sugar mills resulted in increased sugar production in the country to 26.3 million tonnes during 2011-12 from 24.4 million tonnes in 2010-11.

The overall yield of sugar cane in India has shown an improvement during the year at 70.3 tonnes per hectare. Major sugar producing states - Karnataka, Tamil Nadu and Maharashtra have shown a decline in comparison to the previous season whereas states such as Uttar Pradesh, Andhra Pradesh, and Uttaranchal recorded a higher yield during 2011-12 season.

Even though the overall recovery of sugar from cane in the country has gone up to 10.25% from 10.17% during the year, the largest sugarcane producing state of Uttar Pradesh, recorded a marginal decline in recovery at 9.07% as against 9.14% during the previous season. The recovery varies between region to region with East and Central U.P. showing a higher recovery in comparison to West U.P. The lower recovery of sugar from cane in the state of U.P. has to do with the agronomical factors including crop related diseases. The recovery of sugar in the states of Maharashtra and Karnataka has shown improvement over the previous year.

Sugar Prices

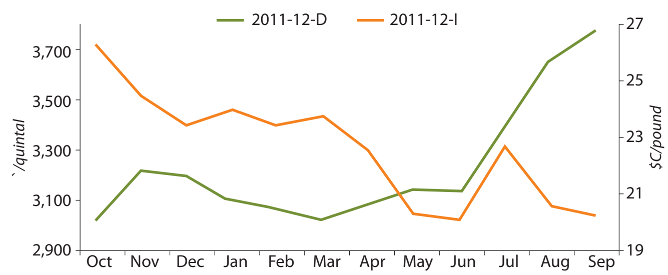
During Oct 2011 - Sept 2012, sugar prices recorded an increase of 9% year-on-year at a yearly average of ` 32,360 per tonne as against ` 29,680 per tonne in 2010-11.



Spot Sugar Prices - NCDEX Muzaffarnagar (including duties)

During sugar year 2011-12, the sugar prices hovered around ` 30,000/MT till about June'12 except for a temporary spurt in December '11 due to tight stock position. The prices thereafter, from July' 12, started firming due to substantial exports of around 3 million tonnes undertaken during the year and due to expected lower production in the next season as a result of deficient rains in Maharashtra and Karnataka. Average free sugar prices in the last quarter (July-September' 12) were at ` 36,050/MT, an increase of 16% over the average prices in the preceding nine months of the year.

Quite contrary to the domestic sugar price movement, international sugar prices were high during the first four months of 2011-12, which subsequently showed a decline. The comparison of sugar price movement for domestic and international market is as under:



Source - USDA Data for International Price (I) and NCDEX data for Domestic sugar prices (D)

As can be seen from the above graph, the sugar price movement nationally and internationally has been diametrically opposite with the domestic sugar prices gaining strength towards the later part of the year while the international prices softened during the same period. The reason for the softening of international prices towards the later part of the year was on account of better sugar production in Brazil in the current year contrary to the earlier estimates.

Sugar Cane Pricing

The Central Government announced Fair and Remunerative Price (FRP) for sugarcane for the 2011-12 season at ` 145.12 per quintal at 9.5% recovery. The Government of Uttar Pradesh has announced the State Advised Price (SAP) of ` 240 per quintal for normal variety, which is an increase of 17% compared to previous season. Historically, the sugarcane price for Uttar Pradesh has been higher than that of the price announced by the Central Government which is applicable to other major sugar producing states like Maharashtra and Karnataka. On account of higher cane price and comparatively lower recovery of the sugar, cane cost per kg of sugar produced in the state of U.P. remains one of the highest in the country.

Higher SAP for sugarcane in U.P. coupled with lower recovery of sugar from cane resulted in higher cost of cane per kg of sugar produced in U.P. by over ` 6 / kg vis-à-vis other States in West and South India. This has put the U.P. sugar mills in a disadvantageous position as despite high incidence of freight expenses, lower cost sugar in large quantities from such regions entered the traditional markets of northern sugar mills and restricted increase in sugar prices. Thus, the output prices were inadequate to absorb the increase in input prices in U.P. resulting in losses in sugar operations.

The Supreme Court, during the year delivered a judgment relating to cane price for 2007-08 and while recognising a conflict in earlier two Supreme Court Judgments on the powers of the Government of U.P. to declare cane price and agreeing to refer the case to the Constitutional Bench for final adjudication, it directed sugar mills to pay the differential cane prices in accordance with the SAP declared for that year. Pursuant to the judgment, cane price of around ` 1,000 crore was paid by the sugar mills in U.P. causing further financial burden on the sugar mills which were already suffering losses due to unrealistic and disproportionate increase in cane prices.

Liberalisation of Indian Sugar Industry

The sugar industry in India is highly regulated. It has enormous potential of contributing to the well-being of the farmer community by augmenting their income through increased productivity in the limited land available, participating in national growth and be a significant player in the world trade. Besides, the industry can also be a significant generator of power through renewable energy sources and reduce dependence on imported oil through the manufacture of Ethanol which can be blended with petrol. All this is possible when there is an objective and equitable balancing of interests of sugar mills and the farmers through right policies and the industry is incentivised to achieve the national objectives.

It was heartening to note that in January 2012, the Government set up a committee under the Chairmanship of Dr. C. Rangarajan, the chairman of Economic Advisory Council to the Prime Minister, to look into all the issues of deregulation of sugar sector. The committee has recently submitted its Report and has inter-alia recommended developing a sugarcane pricing mechanism linked with sugar prices, doing away with controls such as levy obligation, regulated release of sugar and command area concept by providing freedom to the farmers to supply cane to a sugar mill of their choice. The recommendations are aimed at ushering in innovations, investments and improvements in the efficiencies of sugar mills by way of competition among them. The panel also recommended relaxation of regulations over the usage of by-products like molasses, bagasse, ethanol and power co-generation to help the sugar mills enhance the viability of the sector and reduce the cyclical nature of industry. The Report advocated devising a stable trade policy for import and export of sugar to ensure that the industry benefits from the global market. The recommendations are steps in the right direction and if implemented, it will provide win-win opportunities to the mills and farmers.

Indian Sugar Outlook 2012-13

Based on the preliminary estimates, the sugar production for 2012-13 season is to be around 24.0 million tonnes. This is in-spite of the fact that the estimated sugarcane acreage for this season has gone up by over 0.2 million hectares. This has

been primarily due to erratic and uneven rainfall across the country especially in the early part of the monsoon season. The drought like situation in Maharashtra during the early part of the monsoon season resulted in diversion of sugarcane for fodder. Considering these factors, it is estimated that the highest sugar producing state of Maharashtra may have a lower production during 2012-13 at around 6.5 million tonnes, which will be a decline of around 28%. Similar is the expectation from Karnataka, where the estimates are 3.0 million tonnes as against 3.8 million tonnes in the previous season. Most of Uttar Pradesh received adequate rain and the condition of crop is healthy – the production in U.P. is expected to be around 10-15% higher.

The sugarcane pricing announced by the Central Government (FRP) for 2012-13 season is ` 170 per quintal (increase of 17% over previous year) linked to a basic recovery rate of 9.5% subject to a premium of ` 1.79 per quintal for every 0.1 percentage point increase in recovery above that level. The Uttar Pradesh Government is yet to announce the SAP for 2012-13 season, even though the crushing of cane has been started by a large number of mills.

Currently, the import of white /raw sugar is subject to levy obligation as applicable to the sugar mills and custom duty of 10%. At the current price (both at international and domestic) levels, the imports as well as the exports are not viable. The consumption figures have inexplicably remained stagnant or even declined since 2008-09. It is felt that partly it could be due to the pipeline inventories which may have been liquidated to meet the incremental demand subsequent to the introduction of stock holding limits in 2009, thereby suppressing the consumption figures. Hence, we estimate normal consumption of 23.5 million tonnes for the year 2012-13. In view of production and the consumption being almost matching, firm sugar prices are expected. It is hoped that some recommendations by Dr. C. Rangarajan Committee on sugar decontrol will be implemented during the current season. This will also be a positive factor in maintaining a healthy sugar pricing scenario in the country.

Global Sugar Scenario

The global sugar market eventually bottomed out in early June 2012 and prices received steady support since then due to series of bullish fundamental news related to the weather. The major sugar producing nations such as Brazil, India and Australia faced unfavourable weather conditions which worked

in favour of the sugar prices. Most importantly, the sugar market was underpinned by a delayed start of the 2012/13 crushing season in Brazil's Centre/South due to rains. The sugar prices, both the raw and white sugar, touched an all time high in mid July 2012. However, the delayed start resulted in better yields and consequently, there was no loss of sugar production. In view of significant sugar surplus in 2011-12, the global sugar prices started declining. The surplus global sugar witnessed second consecutive year of surplus sugar stocks in the five year period, that too in sizeable quantity.

Global Sugar Outlook 2012-13

Several analysts have started to revise upwards their earlier forecasts of surplus for 2012-13 that as per the latest forecast, it could be substantial, albeit much lower than in 2011-12. The global sugar production for 2012-13 is estimated to reach 177 million tonnes with the sugar surplus at around 4.9 million tonnes. In view of higher production, lower imports are estimated from China and Russia. China, the world's second-biggest consumer, is unlikely to import sugar in the year that starts on 1st October as local production is expected to rise due to high domestic prices and favourable weather for cane. Due to a surplus from last year's crop, Russia may not require sugar imports to meet its domestic demand. Australia, the third-biggest raw sugar exporter, is expected to have increased production by around 20% at 4.6 million tonnes in 2012-13. Sugar output in Brazil's centre-south region, which accounts for 90% of the country's cane output, is expected to rise to 31.7 million tonnes against 31.3 million tonnes in 2011-12. With all these factors, we believe the global sugar pricing scenario to remain subdued.

SUGAR BUSINESS

Triveni is one of the largest sugar manufacturers in India having seven sugar units located across Uttar Pradesh. It has an installed co-generation capacity with exportable power in two of its major facilities while it operates one of the largest single stream distilleries in Muzaffarnagar.

Operational Performance

Sugarcane acreage has increased during the season 2011-12 in the state of U.P. by 2% at 21.62 lacs hectares. The increase in cane area was predominantly due to increase in cane area under ratoon, which was due to better planting in the previous year on account of attractive cane prices paid by the Industry.

The area under Triveni's catchment area also witnessed increase in line with the State's average. In Triveni unit areas, around 1,500 kolhus were operational last year and crushed around 30% of the available cane. The paying capacity of the Kolhus was at par with the sugar factories as there was a negligible difference in price of gur and sugar.

Triveni crushed 5.12 million tonnes of sugarcane, an increase of 12% over the previous season. At an average recovery of 9.09%, the Company produced 0.46 million tonnes of sugar, an increase of 11% as compared to last year.

Four new sugar units of the Company, where intensive cane development efforts were made in the past couple of years, yielded good results with a 33% growth in cane crush and 25 basis point improvement in recovery year-on-year. Ramkola unit achieved a recovery of 10.29%, which is the highest recovery recorded by any sugar unit in the State of Uttar Pradesh.

However, in line with other sugar mills, two old sugar mills in West U.P. registered decline in both crush and recovery. The underperformance of these mills was due to abnormally low yield due to climatic factors as well as due to some crop diseases.

Two of our sugar units, Chandanpur and Rani Nangal, have received the Food Safety System Certification FSSC – 22000:2010, which helped the Company to supply to major corporates.
In order to improve the performance and value addition, the Company has set up sugar refining capacity at its Sabitgarh sugar unit which will be operational in the season 2012-13. This will help the unit to have better realisation of its sugar. Further, the Company is implementing incidental co-generation plants at its existing Chandanpur and Milak Narayanpur sugar units to export surplus power to UPPCL for which PPAs have already been signed. The revenues from these shall start from FY 13.

Recognising that the raw material and output prices are rather beyond the control of the Company, Triveni focuses on improving manufacturing efficiencies, logistics rationalisation, cost controls and undiluted attention on cane development.

Cane Development

The Company continued its efforts to improve the quality and availability of cane through its Cane Development Programme. Bringing additional area under promising high yield and high sugared varieties plantation, yield enhancement, plant protection and reducing cane cultivation costs are the focus areas of its cane development activities. The area under promising new high yield and high sugared varieties has increased by 25% in our catchment areas indicating its wide acceptance by farmers.

PERFORMANCE OF UNITS

UNIT	2011-12			2010-11		
	SUGARCANE CRUSHED	RECOVERY	SUGAR PRODUCTION	SUGARCANE CRUSHED	RECOVERY	SUGAR PRODUCTION
	Million Tonnes	%	Tonnes	Million Tonnes	%	Tonnes
KHATAULI	1.31	8.75	1,14,544	1.30	9.13	1,19,650
DEOBAND	0.87	8.61	74,696	0.98	9.55	93,649
RAMKOLA	0.59	10.29	60,585	0.50	9.82	49,158
SABITGARH	0.70	9.10	63,154	0.55	8.57	46,596
CHANDANPUR	0.58	9.26	53,310	0.49	8.88	43,429
RANI NANGAL	0.54	9.22	50,001	0.39	9.45	37,156
MILAK NARAYANPUR	0.54	9.04	48,378	0.34	8.85	29,750
TOTAL	**5.12**	**9.09**	**4,64,667**	**4.56**	**9.21**	**4,19,388**

Outlook

As per the initial estimates, the area under sugarcane in U.P. has gone up by around 10% for 2012-13 season helped by adequate rainfall across the state. The sugarcane production for the current year is estimated at around 140 million tonnes, a growth of 11%. With diversion expected to be in the normal range, the sugarcane crush in U.P. is expected to exceed last year's crush commensurately. The overall crop condition is better. As per the preliminary estimates, there has been less number of Kolhus in the beginning of this season, which in turn results in more cane availability to sugar mills. In line with the overall improvement in yield and higher production of sugarcane in the state, Triveni also expects to crush higher volume of cane through its seven units and is estimated to produce around 10% more sugar during the 2012-13 season. The increase in crush is expected to be higher than the previous year's crush in the new units, where the Company continues its intensive cane development initiatives. Initial trends also suggest a better recovery of sugar from the cane in the season 2012-13. Further, the operationalisation of refinery in Sabitgarh during the year will help the Company to supply refined sugar, which in turn will have a positive impact both on the realisation and profitability of the unit.

CO-GENERATION BUSINESS

Triveni presently operates three co-generation power plants, one at Deoband and two at Khatauli with combined capacity of 68 MW. Company's co-generation plants are regarded amongst the most efficient co-generation plants in India.

Performance highlights

Due to lower sugarcane crushed in Khatauli and Deoband units during FY 12, the availability of bagasse (biomass fuel for the co-generation plant) remained low constraining optimum operation of the co-generation plants. The co-generation plants generated 215 Million Units (MU) power, higher by 8% over the previous year and exported 142.7 MU power (65% of the generation) to the grid during the year, an increase of 9% year on year.

Deoband and 'Khatauli Phase-I' co-generation plants of the Company are registered as Clean Development Mechanism (CDM) projects with United Nations Framework Convention on Climate Change (UNFCCC). Carbon credits for the period April 2008 to May 2010 for both Deoband & Khatauli plants were issued and transacted. The Company earned revenue of

` 556 lacs from the sale of above carbon credits in FY 12. The carbon credits for the period June 2010 to May 2011 and from June 2011 to February 2012 have been issued for Deoband and are to be transacted. Issuance of the carbon credits for the same period pertaining to Khatauli plant is under progress.

Central Electricity Regulatory Commission (CERC) had notified Regulations on Renewable Energy Certificate (REC) aimed at promoting power generation from renewable sources and developing market for such electricity. The Company's Deoband and Khatauli units are eligible to get REC benefits and have been registered with National Load Dispatch Centre (NLDC) as REC projects.

The issuance of the REC for REC projects had not yet started in Uttar Pradesh, pending resolution of certain issues which are expected to be resolved by CERC shortly paving way for start of the issuance of the RECs and which will start the addition of a new revenue stream for the co-generation business.

Outlook

The sugarcane crushing in Deoband and Khatauli units is expected to be higher in the sugar season 2012-13. On account of expected increased bagasse availability, the operational period and capacity utilisation of co-generation plants is also expected to be higher, thereby improving the revenue and profitability.

The Company continues to align its operations towards maximising capacity utilisation and operational efficiencies. The revenue generated from the sale of power and carbon credits generated from the UNFCCC registered CDM plants as well as revenues from RECs will continue to provide good returns from the Co-generation business.

DISTILLERY 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 a 160 KLPD capacity distillery in Muzaffarnagar district in U.P. The distillery 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 unit extracts bio-gas from the effluent and uses it as main fuel in the boiler.

The distillery has a flexible manufacturing process allowing it to produce Extra Neutral Alcohol (ENA), Rectified Spirit (RS), Special Denatured Spirit (SDS) & Ethanol which are renowned for their high quality.

Performance highlights

The performance of the distillery has been good and it achieved its highest ever production in the year 2011-12. Fermentation and distillation efficiencies of the plant had been excellent and continue to be among the best in class. ENA, which fetches the highest realisation, forms the majority of the product mix. The Company remains a preferred supplier to United Spirits Limited for ENA due to the high quality of its product and service levels. Other customers include the Oil Marketing Companies (OMCs), Jubilant Organosys, India Glycol Ltd. etc. Distillery commands premium for its excellent product quality.

Outlook

The Company is expected to increase its production even higher in the year 2012-13. Distillery business continues to have strong focus on efficiencies, product quality and maintaining excellent relations with its main customers to have premium for its products. The expected announcement by Central Government of the mandatory blending of ethanol in petrol should help strengthen prices of alcohol in other segments also and achieve better financial performance in the coming years.

ENGINEERING BUSINESS

Triveni's Engineering Business comprises of: (a) Gear business and (b) Water and wastewater management business. Both Gear and Water business cater to the requirements of the industrial power sector and the Water business also meets the requirements of the Municipal Sector. As a part of the industry analysis, brief analysis of capital goods sector including power sector and in general about water industry is given below.

Capital Goods Sector

Capital goods refer to products that are used in the production of other products which include machine tools, industrial machinery, process plant equipment, electrical equipment etc. Capital goods are considered as a strategic sector that results in the development of domestic manufacturing/production/generation capabilities from a national self-reliance and security perspective. The growth in capital goods sector has a multiplier effect in the user industries and it also serves as a barometer of state of health and growth of the user industries.

Since the last one year or so, the capital goods sector has been bearing the brunt of slowdown in global economies as well as domestically. The slowdown in infrastructure as well as key user industries has impacted the capital goods industry resulting in sluggish order inflows, delay in taking deliveries/execution of

projects, delayed payments etc. The business sentiments have further weakened in India in the recent months on account of host of factors, such as uncertainty over availability of coal, monetary tightening to fight sustained inflation and consequent hardening of interest rates, lack of clear policies, etc. These in turn have dampened the consumer demand and affected the viability of infrastructure and other projects. On the other hand, shrinking market size has brought about high competitive activity resulting in pressure on margins and cash flows. It is imperative that the industry is confident of the growth prospects and only then, the growth cycle in capital goods industry may be restored.

Future Outlook

With the country in a developmental phase, capital goods sector plays a vital role and in the long term, the sector should grow and generate orders similar to the levels attained in 2005-10 period. The capital goods industry contributes 12% to the total manufacturing activity (which is about 15% of the GDP). The Government of India has plans to achieve 9% growth in GDP during the 12th Five Year Plan and for achieving it, the manufacturing industry should grow at least by 11% to 13% per annum. This would mean that the capital goods sector, which is considered to be the core of manufacturing, should grow at around 17% to 19%. The Government has initiated various measures to improve the investment climate in the country and we expect the sector should show signs of revival during the second half of our next financial year and post higher numbers in the medium term. In a growing economy like India, it is envisaged that the growth trajectory of capital goods industry may be inevitable and may be resumed shortly.

WATER INDUSTRY

India's finite water resources are depleting and the multi-sectoral demands for water from sustained economic growth is driving the increased demand for water. India has 4% of water resources of the world, while it has to support 16% of world population and 15% of livestock. With increasing population, the per capita water availability has reduced to about one third since 1940's. While the total water availability exceeds the requirement by almost 50%, accessibility to clean usable water is only a fraction of the availability. Consequently, water and wastewater treatment domain will continue to offer huge business potential in India over the coming decades. Country's growing industrialisation coupled with stringent environmental norms is opening up newer possibilities in water treatment as well as wastewater treatment.

The Ministry of Water Resources assists the State Governments in availing external assistance from different funding agencies to fill up the resource gap and state of the art technology for water resources development of the country. The World Bank continues to be the primary source of external assistance in the water resources sector. Assistance is also being availed from multilateral/bilateral agencies and countries.

Beyond the Government's push in the betterment of water sanitation and availability, the country is also attracting supplementary financial and technological contributions from the private sector in the development of sustainable water solutions. Various estimates suggest that there is a 'billion-dollar market' in the construction segment and the equipment market is worth approximately USD 280-470 million, and expected to have double-digit growth rates every year. Industrial and municipal segments account for almost 90% of the water treatment market in India.

The Planning Commission has estimated an investment of USD 26.5 billion in the 12th Five Year Plan (2012-2017) for providing safe water to all urban and rural Indians. To tackle its emanating water challenge, India will require consulting and engineering services across water technology including desalination and environment protection for treatment of wastewater, sewage and solid, liquid & chemical waste.

The water industry can be classified into four categories- Municipal, Industrial, Building/Institutional and Residential. The sector includes treatment and purification, pumping and water transportation, process water treatment and

wastewater treatment/recycling. Water scarcity and adherence to environmental standards has led many industries to adopt water-recycling systems.

Wastewater management in India has become an extremely important area of focus due to increasing health awareness and population pressure. Currently, only 60% of industrial water and 26% of domestic water is treated in India. Metros and large cities are treating only about 29.2% of their wastewater; smaller cities treat only 3.7% of their wastewater.

The Indian water treatment market is now evolving from chemical treatment and demineralisation technologies to greater use of membrane technology; thereby enhancing the quality of water available for reuse. India has a long coastline of 7,600 kilometers and is most likely to witness high growth in desalinating water in the future.

The industrial segment uses water for its heating and cooling processes after which 80% of it is discharged as wastewater and effluent. Water availability is critical for power generation as power plants need significant volume of water for steam generation and cooling. Thermal power, petroleum & refinery, textiles, pulp & paper and iron & steel are highly water-intensive sectors where water is primarily used in heat transfer. In power plants, refineries, chemical industries and steel plants, water is the most cost-effective medium to produce steam in boilers to produce electricity. As water availability and quality declines, companies may need to invest in water infrastructure projects to secure supplies, water treatment systems, and/or more advanced cooling systems.

WATER BUSINESS

Water business group (WBG) of Triveni has made strong inroads in the water & wastewater treatment market and is one of the most preferred solution providers across segments, both in Industrial and Municipal, supported by the widest range of equipment and process technologies in the addressable market.

In the last decade, WBG focused on assimilation of technologies and this is paying rich dividends as all these technologies are now part of its regular offerings for even most complex treatment solutions. WBG offer most optimum life cycle solution for specific application which is the key differentiator.

On account of overall economic slowdown, the addressable industrial market for WBG remained weak during the year. Thermal Power, one of the main focus markets for WBG, particularly in private sector, was the most adversely affected sector on account of various events which unfolded during the year.

Performance Review

During FY 12, a number of ongoing projects reached the closure stage, particularly in the second half. This resulted in allocating resources towards such projects where revenue generation was limited but these were critical for orderly closure of the projects. During the year, revenue stood at `16,923 lacs.

Faced with slow down in one of our key Industrial markets, i.e. large Thermal Power sector, WBG's calibrated attempts in Hydrocarbon market under alternate market strategies proved to be quite successful and encouraging. While it will continue to focus on Thermal Power sector but the focus will shift to state utilities like NTPC as private sector projects for large number of Thermal Power plants are yet to get out of government mandated policy hurdles.

Various projects under Municipal sector are active in market but have taken longer than expected for their finalisation and are expected to conclude in FY 13. As mentioned above, water market in industrial sector was also down as the industrial policy was mired in controversies at federal government level. Consequently, order booking during FY 12 was below expectations.

However, one of the key differentiators of WBG has been its unique business proposition of integrating technology with optimally designed solutions with win-win approach where client gets their best value of their money and WBG secures their long term value proposition. This approach has kept WBG business buoyant in spite of challenging market conditions in the overall economic situation during FY 12.

During the financial year 2011-12, WBG received orders worth ` 19,959 lacs and the outstanding order book as on 30th September 2012 stood at ` 48,496 lacs (including operations and maintenance contract of ` 18,704 lacs).

Key Highlights

- Commissioned 20 MLD Sewage Treatment Plant (STP) for Hyderabad Metropolitan Development Authority (HMDA). Provision of the state-of-the-art Ultrafiltration (UF) membrane system is one of the unique features for tertiary filtration for removal of pollutants to very high degree. As on date, this is the largest UF based tertiary treatment system in any STP in India. The plant has been provided with nutrient removal system, which in conjunction with membrane filtration system, is producing high quality treated wastewater to rejuvenate Hussain Sagar lake of Hyderabad city under JICA (Tokyo) funded scheme.
- Commissioned 30 MLD Sewage Treatment Plant for U.P. Jal Nigam at Loni, Ghaziabad. The plant is equipped with latest process technology involving Moving Bed Bio Reactor (MBBR) and is consistently producing treated wastewater well within parameters. On this MBBR technology, this is the first operating plant in India.
- Secured contract for 100 MLD Sewage Treatment Plant for Haryana Urban Development Authority (HUDA) for Gurgaon city. The plant will have state-of-the-art Power generation facility based on the Bio-gas generated from the sewage treatment plant. Part of the treated wastewater is proposed to be used for non-potable use in the Gurgaon city and plant will have tertiary filtration plant to produce requisite quality of treated water.
- One of the most crucial achievements of FY 12 has been securing our first large contract in Hydrocarbon sector. Gas Authority of India Limited (GAIL) awarded to WBG, the Water Treatment Plant package for their PATA project in Uttar Pradesh. The project consists of Condensate Polishing Units (CPU) and also extensive DM Water Treatment Plant for producing Boiler Feed quality water. Having secured this job, WBG will aim for bigger successes in the Hydrocarbon sector in years to come.

Triveni goes Global in their Water business with investment in Aqwise

During FY 12, the Company entered into a long term technology agreement with Aqwise Wise Water Technology Limited, (Aqwise) Israel for Moving Bed Bio reactor (MBBR) technology. Aqwise is a world leader in development and implementation of wastewater treatment solutions for the industrial and municipal markets. Under Municipal projects, the main process application is Biological treatment of Municipal wastewater which needs to be treated for reduction of Biological Oxygen Demand (BOD). Aqwise's proprietary AGAR (Attached Growth Airlift Reactor) technology is considered as the "next-generation" in biological treatment methods, combines a fully open and protected biomass carrier (MBBR) which enhances the reactor efficiency multifold.

WBG is currently undertaking its largest project for setting up of a water treatment plant for U.P. Jal Nigam in Agra and is using the technology provided by Aqwise. WBG started its association with Aqwise while setting up a sewage treatment plant for

U.P. Jal Nigam in Ghaziabad and has found the technology appropriate for Indian market. Treatment of sewage in India is going to be one of the major businesses for WBG and for competing with global players, an appropriate technology on a long term basis is necessary.

Triveni invested USD 5.42 million to acquire a significant minority stake in Aqwise as part of a strategic investment to have greater access to world-class technologies on preferred commercial terms, while focusing near-term and future scientific research developments on solutions for the Indian water and wastewater market.

Outlook

Even though overall economic indicators for short term are not very encouraging but water is linked to livelihood and as such will get priority investment in spite of lower than previous growth projections. While last decade saw huge investment on water supply and related packages, the current decade will have accelerated investment on sewerage network & wastewater treatment. This wastewater market will be much larger than water market of the past.

After a wait of long period, outlook for WBG's equipment business is positive as process schemes in water and wastewater treatment packages are returning back to aerobic processes for large size treatment plants.

Industrial water market is expected to bounce back in medium term once ongoing industry related policy issues are sorted out as huge investment is locked up particularly in private sector. Industrial market will have larger number of packages for sourcing wastewater for their process water needs and WBG is poised to capture theses opportunities.

GEAR BUSINESS

Triveni's Gear business group (GBG) manufactures high-speed gears and gearboxes up to 70MW capacity and speed of 70,000 rpm across all applications and market sectors and niche low-speed gears for Hydel, Marine, Steel & Metals, Rubber & Plastics and Thermal sectors. Triveni is the largest one-stop solutions provider in the high speed sector domestically with approximately 70% overall market share. Triveni has technology license agreements with Lufkin Inc, USA for majority of its products.

Product Range

GBG has two broad product categories namely High-speed Gears and Low-speed Gears.

High Speed Gears

a) Supplies to all major OEMs for Steam Turbines (ST), Compressors, pumps, blowers, Gas Turbines (GT), hydraulic couplings, test rigs etc. Triveni uses its own technology under 7.5 MW range

b) Replacement Solutions for all applications and industry segments.

Low Speed Gears

a) Hydel gears up to 7 MW using own technology

b) New builds for Marine, Steel/Metals, Rubber/Plastics, Thermal - Coal pulverizers

c) Replacement Solutions for all industries including Hydel Power Plants and complete industrial spectrum.

Market Segments

a) Original Equipment Segment (OEM)

GBG has 90% market share in low power (<7.5 MW) range while its market share in the 7.5 MW to 25 MW range has been 85% and overall about 50% in >25 MW range. GBG supplies its gears to all major OEMs in India for various applications.

b) Mini Hydel Segment

GBG has been a selective player in this market catering to all major OEMs. Based on the experience gained over the years, GBG's own designs of hybrid bearing configurations have helped it to establish as a leading supplier of high power gearboxes in this segment.

c) Refurbishment/retrofitting, spares development and troubleshooting support for:

- High speed/small to high power gearboxes for diverse industry applications such as Steam & Gas Turbines, Compressors, Pumps, Blowers and Test Rigs
- Niche low speed Gearboxes in Industry segments such as cement, steel and thermal industries
- Hydel gearboxes.

GBG is a dominant player in the domestic gear market. GBG proactively provides health monitoring services of all types of critical gearboxes, high speed and low speed as well as maintain an inventory of dimension ready sites for immediate solution for meeting the emergency situations. Cost competiveness as compared to all international companies including localised services has been the major driver for capturing majority of opportunities.

Entrepreneurial and proactive marketing, expanding network and relationships too are the key differentiators for spares, repair and replacement markets. Over the years, the business has developed its capability both from engineering and manufacturing to provide quality solution including fast delivery, which led to a positive impact on improving our market share vis–a-vis the original equipment suppliers.

Markets covered under refurbishment segment are India, South Asia and South East Asia. GBG caters to industries like Sugar, Paper and other process industries, Fertilisers, Refineries and Petro-chemicals, Independent Power Producers (IPPs) & Captive Power Plants (CPPs), Cement, Steel & Thermal Power.

d) Loose gearing

GBG has 4 major domestic and international OEMs apart from the group company. This segment demands an availability of capacity of critical machines like hobbing, teeth grinding as well as surface grinding and thus GBG has exercised a limited yet strategic presence into the segment. Focus is now to expand to other manufacturers of similar products.

Niche Low Speed Gears

With the expansion of technology license in Marine, steel/Metals and Rubber/Plastics drives, GBG has made strong entry efforts in engineered products category. GBG has been successful in providing replacement solutions for leveler drives in steel industry, rubber mixers for tyre industry and thermal coal Pulverizors. With economic scenario improvement, GBG is hopeful in new expansion project supplies too.

e) Exports

Products up to < 7.5 MW with own technology is being pushed into complete Asian markets including Japan as well as geographies to the west of India also. The Company's market share in < 7.5 MW STG mainly used in Palm Oil Segments in Indonesia and Malaysia through packagers of OEM turbine manufacturers has improved over the years against stiff price competition in the region. Exposure to Palm oil and agro market direct or indirect through Indian OEMs has given strong reference for future potential.

Key Business Highlights

GBG undertook many replacement / repair jobs during the year and the likes of LM6000 gas turbine load gearbox, Epicyclic gearbox for plastics extrusion, large power (43 MW STG replacement) etc., which enabled the unit to get into new and

challenging areas. During the year, the product development for planetary drives for sugar and right angle drives for Hydel were initiated. These products are planned to be ready during FY 13 and therefore, will enable the business to expand into new product lines.

GBG has also been certified for CE stamping of its products for a period of 5 years. This would be helpful in expanding the market in future.

Performance during the year

In spite of significant slowdown in the capital goods segment, GBG's year on year performance was lower by only 13% in comparison to FY 11.

The business unit has taken many proactive measures in terms of better forecasting of orders, initiation of supply chain activities based on forecast and faster throughput in terms of quick deliveries. These initiatives helped to increase share of business from repair, spares, refurbishing and execute in relatively short span of time. The retrofitting, spares and loose gears share increased from 26% to 39% of turnover as a result of that initiative.

Some of the major milestones were signing of long term MoU with BHEL for gas turbine load gears and gearboxes, launch as well as vendor approval for niche low speed products under license with Lufkin, kick start into Japanese markets for < 7.5 MW product range as well as increase of market share in > 25 MW range.

All these initiatives clearly are long term and will help in the future growth of GBG's portfolio as and when the market picks up.

GBG had made capital investments during 2011-12 in further improving its state of the art manufacturing facility by investing in new heat treatment facility, increasing the assembly & testing facility as well as adding new surface grinding machinery.

During the year, on account of overall economic slowdown and resultant impact on the industrial capex, the order intake has been lower at ` 9,268 lacs and the outstanding order book as on 30th September 2012 stood at ` 4,857 lacs.

Outlook

As far as growth drivers are concerned, infrastructure demand in India is a common driver for all the market segments, be it high speed or low speed gears. The high power requirements are likely to grow for new plants due to economy of scale and technology up gradation to have better return on investment. Domestic capital goods manufacturers are constantly expanding their export network & markets thereby creating more demand for GBG products going to all OEMs in turbines, compressors or pumps. Similarly, mini Hydel products would see growth due to higher long term returns and also on account of its renewable nature.

The South East Asian market is a developing market and has potential for growth, especially for power generation. Indonesia has a power capacity expansion project having opportunities for decentralised low power STG requirements and has continual requirements for power turbines for Palm oil across various regions. Geo thermal and solar energy segments catered by Indian and South East Asian OEMs will have opportunities for gearboxes supplied indirectly.

GBG will continue its focus on its aftermarket business and year on year it has achieved growth and expanded its capabilities in providing solutions to various end-use applications across various markets both domestically and internationally.

Corporate Social Responsibility

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

Education

The Company runs schools at three of its major sugar units namely Khatauli, Deoband and Ramkola. The Company has established Lala Puran Chand Sawhney Memorial Inter College, Deoband as a primary school in the year 1970. Now this school imparts education up to class 12th to the children of the factory employees as well as to the poorest of poor family's children in the vicinity of the factory at a very nominal fee. More than 1,000 students are enrolled in the school out of which around 85% students are from the financially weaker section of the nearby villages. The Company has established a basic Prarambhik Pathshala and Rai Bahadur Ishwardas Sawhney Junior High School under the aegis of Rai Bahadur Ishwardas Sawhney Educational Society, Khatauli. The Company runs Smt. Gopi Devi Girls Junior High School in factory premises of Ramkola unit to facilitate girls' education in the area. These schools encourage activity based learning. For inclusive growth of students, the schools organise various activities like painting & drawing competition, essay writing competition, singing and dancing competition, sports activities etc.

Early childhood care and education is now being universally recognised as a crucial input for overall development of Pre-Primary child. Realising this, many NGOs like Pratham, Mysore have come up with model Preschool centres called Balawadis which advocate and practice play-way methods. The Company has thought it important to support this activity that addresses the Pre-School needs of children in slums and narrow lanes in Mysore so that children can march into schools with confidence. Pratham Mysore's Balawadi programme targets children from low-income families in the age group of 3-5½ years and familiarises them with schooling such that "school-going" becomes a habit. Located either at a municipal school, community space, place of worship or a teacher's home, each class has around 15-20 children with an instructor from the local community and runs for 2-3 hours a day. The Company also sponsored education of under- privileged students studying in schools located in backward villages near Mysore.

Healthcare

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

The Company established dispensaries for the employees and the nearby villagers since the time of commissioning of sugar units at Khatauli, Deoband and Ramkola in 1930s. This initiative was taken to provide free medical facilities to the employees and the villagers of the nearby areas who could not afford medical expenses and first aid facilities. These dispensaries provide free treatment for general ailments. The villagers from the nearby areas come for the first aid and routine checkups in the dispensary and get free medical aid. Each dispensary has full time Medical Officer and nursing facilities are available

round the clock. On an average, around 400 patients are treated everyday at these dispensaries. The sugar units also organise health checkup camps, blood donation and vaccination camps from time to time for the employees and nearby villagers. Sugar Units in association with reputed hospitals like Fortis, Apollo, Batra etc. conducted various medical checkups. Free medical checkup, blood donation and vaccination camps further benefit the local community.

Triveni also provides financial and management support to one of Delhi's oldest and most reputed hospital, 'Tirath Ram Shah Charitable Hospital'. The hospital runs free OPD 6 days a week where around 200 to 250 patients are examined daily. In addition, the investigations are done on highly subsidised rates. The hospital admits patients from the financially weaker section of the society free of cost and treatment including operation is carried out without any charge.

The Company supports Rehabilitation Opportunities, Services & Health for the Neurologically Impaired (ROSHNI), which was founded in 1998 in Gwalior, Madhya Pradesh with the objective of providing direct services for persons with neurological and other impairments, raise awareness about disability, build capacities to increase the numbers and strengthen the knowledge and skills of the lay and the professional, family and community, to enable the inclusion of persons with disability into the community.

Environment, community enhancement and sports & recreation

Various units of the Company also organise sports activities for residents of adjoining villages and support community fairs and festivities with useful contributions towards refreshments, drinking water and first aid facilities. The sugar units distribute blankets amongst underprivileged people of surrounding villages. Triveni recognises its responsibility towards environment protection and realises the importance of awakening and engaging public at large to achieve greater impact. All units of the Company regularly organise tree plantation campaigns throughout the year and ensure participation of local communities into it.

CII-Triveni Water Institute

Triveni has partnered with CII for setting up of CII-Triveni Water Institute (CII-TWI). CII-TWI, the first of its kind in the world where government, industry and civil society have come together to address the water related issues in a holistic manner. The Water Institute works towards water security for end users in industrial, domestic, agricultural and environmental sectors. The scope of the Institute is broad, adopting an integrated approach to all water related issues in India. However, initially the Institute will focus on one of the greatest challenges facing social and economic development: the availability and equitable distribution of limited fresh water resources to secure food, energy and water for future generations.

The Water Institute undertakes the following activities:

- Creating awareness among all stakeholders on water conservation and management.
- Providing recommendations to the government at both Centre and State levels on water policy.
- Offering advisory services to all sectors on water conservation and management.
- Conducting conferences, seminars, workshops and training programs.

Key Achievements of CII-TWI

- Facilitated implementations of five public-private-community partnership projects in Rajasthan under Rajasthan Community Business Alliance on Water
- Sensitised more than 6,000 students in Hyderabad, Jaipur and Bhiwadi on water conservation
- Global Water for sustainability (GLOWS) - Capacity building of Indian Industry on 'Public Private Community Partnership' (PPCP) projects in water with support from USAID
- Trained more than 500 industry personnel on industrial water and wastewater management
- Submitted recommendations on National Water Policy prepared by the CII - National Water Council to the Ministry of Water Resources
- Participated in Working Group on Urban and Industrial Water Supply and Sanitation of Planning Commission of India for 12th Plan

Financial Review

SUMMARISED PROFITABILITY STATEMENT

(` in lacs)

	2011-12	2010-11	Change %
Net Turnover	1,85,945	1,70,776	9
EBITDA	19,545	18,006	9
Depreciation & Amortisation	8,155	8,124	
Finance Cost	12,277	9,481	29
Profit Before Exceptional / Non recurring items &Tax	(887)	401	
Exceptional /Non recurring items(Net)	7,896	(416)	
Tax	(2,112)	(489)	
Profit After Tax	(6,671)	1,306	

The results for the year have been adversely impacted due to (a) provision and payment of cane price of ` 7,896 lacs pertaining to the season 2007-08 pursuant to Supreme Court judgment, and (b) due to high cane price announced by the State Government for the season 2011-12. The differential cane price paid for 2007-08 has been shown as an exceptional item. For the season 2011-12, the cane price increased by 17% and consequently, the increased sugar realisation could not fully meet the increased cost of production. However, taking into consideration the improved performance by Co-generation and Distillery operations, segment profitability of Sugar business (including Co-generation and Distillery) was higher by 51% over the previous year.

In view of economic slowdown and consequent delays in the on-going projects, the performance of the Engineering business (Water and Gear business) with respect to the turnover and profitability both was lower than the previous year. Resultantly, the Engineering Business achieved 11% lower turnover and 35% lower segment profitability.

Overall, the operating profit (EBITDA) of the Company was higher by 9% at ` 19,545 lacs. Finance cost increased by 29% to ` 12,277 lacs on account of higher average working capital utilisation due to increased production resulting in higher inventories. Further, the cost of capital has also increased by 150 basis points due to rising interest rate scenario.

Consequently, there was a loss of ` 8,783 lacs before tax but after considering charge of ` 7,896 lacs on account of the exceptional items. The loss after tax was at ` 6,671 lacs.

RAW MATERIAL AND MANUFACTURING EXPENSES

(` in lacs)

Description	2011-12	2010-11	Change %
Raw material	1,43,125	1,15,128	24
Percentage to sales	77%	67%	
Manufacturing expenses	14,271	13,510	6
Percentage to sales	8%	8%	

Raw material consumption for Sugar business (including Co-generation and Distillery) has increased by 30% due to 12% increase in crush, 17% increase in cane price and 53% increase in production at the distillery. Raw material consumption for the Engineering Business has, however, reduced by 15% due to 11% decline in turnover.

Raw material consumption is at 77% of the turnover in the current year as against 67% in the previous year due to increase in cane price by 17%. In respect of Sugar business (including Co-generation and Distillery) such percentage was 84% as against 73% in the last year and in respect of Engineering Business (including Gear and Water business), the raw material percentage was 45% in the current year as against 47% in the previous year.

Manufacturing expenses remained unchanged at 8%.

PERSONNEL COST, ADMINISTRATION EXPENSES, SELLING EXPENSES AND DEPRECIATION

(` in lacs)

Description	2011-12	2010-11	Change %
Personnel cost	**13,408**	**12,975**	**3**
Percentage to sales	7%	8%	
Administration	**6,816**	**6,241**	**9**
Percentage to sales	4%	4%	
Selling expenses	**2,372**	**2,064**	**15**
Percentage to sales	1%	1%	
Depreciation & Amortisation	**8,155**	**8,124**	
Percentage to sales	4%	5%	

Personnel cost was well controlled and it increased by only 3% in the current year and in view of increase in turnover by 9%, the ratio of personnel cost to sales reduced from 8% in the last year to 7%.

The net administration expenses after excluding various provisions are almost at the same level as the previous year. Selling expenses in Sugar business comprises commission on the sale of free sugar through agents, forwarding expenses and freight wherever the sugar is sold on FOR basis and in respect of engineering business, it includes packing expenses, outward freight, royalty, rebates & discounts and consultancy fees etc. The selling expenses have increased by 30% in Sugar business due to 8% higher free sugar sold and due to freight on higher quantities of sugar sold on FOR basis while in engineering business, the selling expenses have reduced by 16% due to decline in turnover by 11%.

The percentage to turnover of administration expenses, selling expenses and depreciation & amortisation have remained unchanged.

OFF SEASON DEFERRED EXPENSES

(` in lacs)

Description	2011-12	2010-11	Change %
Off-season expenses deferred(net)	538	(455)	

Sugarcane crush for the sugar season commences in October-November and it continues till March-April of the succeeding year. This period is termed as 'season' and the period between March-April to October-November is termed as 'off-season'. As per the accounting policy followed by the Company, all expenses incurred in the off-season relating to the production are deferred and these expenses are then charged over the ensuing season. Actual expenses deferred depend on the length of the off season. During the year, the net charge on this account is ` 538 lacs.

FINANCE COST

(` in lacs)

Description	2011-12	2010-11	Change %
Interest on term loans	6,258	5,220	20
Interest on working capital funds	5,680	3,948	44
Others	339	316	7
Net finance cost	12,277	9,481	29

The finance cost has increased due to higher average utilisation of working capital to fund increased sugar inventories due to higher production and due to increase in cost of capital by 150 basis points on account of rising interest rate scenario, as most of the Company's borrowings are on floating rate basis.

SEGMENT ANALYSIS

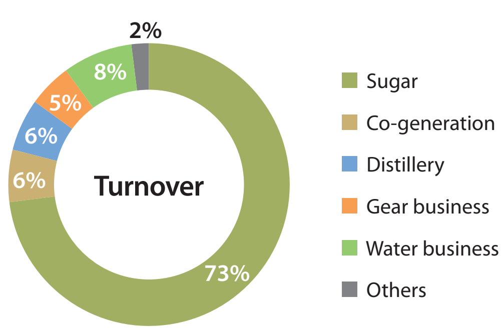
(` in lacs)

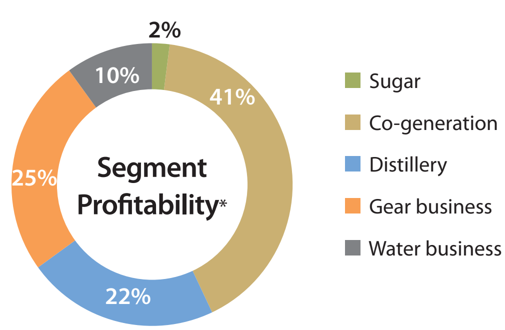
Description	Revenue			PBIT*		
	2011-12	2010-11	Change %	2011-12	2010-11	Change %
Business Segments						
Sugar	1,73,778	1,53,664	13	8,000	5,286	51
Engineering	27,355	30,737	(11)	4,232	6,519	(35)
Others	2,440	1,791	36	12	6	
Unallocated/inter unit adjustment	(17,628)	(15,416)	14	(854)	(1,929)	
Total	**1,85,945**	**1,70,776**	**9**	**11,390**	**9,882**	**15**

*Before exceptional items

The Company has two major business segments: Sugar business and Engineering business. Sugar business comprises of sugar manufacturing operations across seven sugar mills in the State of U.P., three Co-generation plants located at two of its sugar mills and a standalone Distillery. Co-generation plants and Distillery source captive raw material namely bagasse and molasses from the sugar mills. Engineering business comprises of Gear manufacturing at Mysore and Water and Wastewater treatment business operated from Noida, U.P.

The percentage contribution of each business towards segment revenue and segment profitability is provided here below:





*Before exceptional items

The Company derives substantial profitability from Sugar allied businesses as well as from Engineering business and its diversified nature greatly helps to mitigate the cyclicality associated with the sugar operations.

SUGAR BUSINESS SEGMENTS

SUGAR OPERATIONS

(` in lacs)

Description	2011-12	2010-11	Change %
Turnover	1,48,207	1,34,336	10
PBIT*	294	735	(60)
PBIT/Turnover (%)	0.20%	0.55%	
Cane cost (landed) (`/MT)	2,525	2,180	16
Production of sugar (MT)	4,64,667	4,19,388	11
Volume of sugar sold (MT)	4,37,775	4,37,088	
Average realisation price (`/MT)	30,288	26,605	14

*Before exceptional items

Revenue of the sugar operations include sale of sugar and by-products, such as, molasses and bagasse which are sold after meeting captive requirements of the Co-generation plants and the Distillery. During the year, the Company achieved much better operational performance as the sugarcane crushed was higher by 12% and the production of sugar was higher by 11%. The average realisation price of sugar was higher by 14% over the previous year but it was not adequate to meet the increased cost of production due to higher cane cost, by 16%.

As per the extant Government policies, the Company is required to sell 10% of the sugar production much below the cost of production as levy sugar for public distribution. Sugar industry has taken up strongly with the Government to dispense with this requirement and if the request is acceded to by the Government, substantial loss on account of levy sugar could be avoided by the Company/industry.

CO-GENERATION

(` in lacs)

Description	2011-12	2010-11	Change %
Turnover	12,371	11,706	6
Income from carbon credit	556	-	
Total turnover	12,927	11,706	10
PBIT	4,990	3,655	37
PBIT/ Total Turnover (%)	39%	31%	

In view of better cane crush at the sugar units, the performance of Co-generation operations improved substantially and these have operated for longer period as compared to last year. Consequently, power generation was 8% higher at 215 million units. Further, during the year, income of ` 556 lacs from carbon credits was realised and at the year-end, the Company had 58,816 CERs held as inventory, still to be sold /traded. The Company has already received all the CERs for its Khatauli plant up to 31.5.2010 and for the Deoband plant up to 29.02.2012. The Company is in the process of getting the carbon credits accrued verified for the subsequent period.

DISTILLERY

(` in lacs)

Description	2011-12	2010-11	Change %
Turnover	12,644	7,622	66
PBIT	2,716	896	203
PBIT/Turnover (%)	21%	12%	
Avg. realisation price of alcohol [`/litre (net of excise duty)]	30.25	28.70	5

In view of adequate captive availability of molasses due to better sugar cane crushing, there was substantial improvement in the operations of the Distillery and it operated for 254 days as against 178 days in the previous year. Consequently, the production was higher by 53% and average realisation price of its products was also higher by 5%. The Distillery produced ethanol to the extent of 14% of its production and it has been sold to oil marketing companies at a provisional price of ` 27 per litre. The final price of ethanol is yet to be decided by the Government, which if linked to the current oil prices, will work out to be more than ` 30 per litre.

ENGINEERING BUSINESS SEGMENT

GEAR

(` in lacs)

Description	2011-12	2010-11	Change %
Turnover	10,432	12,076	(14)
PBIT	3,005	4,191	(28)
PBIT/Turnover (%)	29%	35%	

Despite economic slowdown resulting in difficult market conditions and decline in turnover by 14%, Gear business has been able to achieve 29% segment profitability margins. During the year, Gear business generated 39% of its total revenue (26% last year) from spares, services, retro-fittings, loose gears etc. The total orders in hand as at the year-end were ` 4,857 lacs. Gear business is in the process of developing markets/customers for new products covered under the License Agreement with Lufkin, USA. As and when the market/economic conditions improve, these products would contribute substantially to the turnover and profitability of the business.

WATER AND WASTEWATER TREATMENT

(` in lacs)

Description	2011-12	2010-11	Change %
Turnover	16,923	18,661	(9)
PBIT	1,227	2,328	(47)
PBIT/Turnover (%)	7%	12%	

The economic slowdown and the policy hurdles facing the power sector have also impacted the water sector. Consequently, the on-going projects have been delayed considerably which is the cause of decline in revenue by 9%. During the year, the Water business received orders of ` 19,959 lacs and the total orders in hand as on 30.9.2012 are ` 48,496 lacs (including Operations and Maintenance contract of ` 18,704 lacs) . The business derives most of its revenue from turnkey projects (industrial as well as municipality).

REVIEW OF BALANCE SHEET

The major changes in the balance sheet items are explained as hereunder:

SHARE CAPITAL

The share capital has remained unchanged at ` 2,579 lacs.

RESERVES

The reserves of the Company have reduced by 7% to ` 93,581 lacs owing to losses during the year. The losses during the year were mainly due to an exceptional charge of ` 7,896 lacs representing the differential cane price for the season 2007-08 which was paid pursuant to Supreme Court Judgment.

LONG TERM BORROWINGS

Total long term borrowings of the Company at the year-end including current maturities are at ` 59,895 lacs. It includes short term borrowings of ` 5,000 lacs which were substituted by long term borrowings during the year. The Long term debt equity ratio at the year end was 0.63.

DEFERRED TAX LIABILITY

Deferred tax liability has reduced from ` 9,641 lacs as on 30.9.2011 to ` 6,609 lacs as on 30.9.2012. This is mainly on account of recognition of deferred tax assets of ` 2,652 lacs in respect of unabsorbed business loss/depreciation.

SHORT TERM BORROWINGS

Short term borrowings have increased from ` 24,283 lacs (excluding ` 5,000 lacs of short term borrowings which have been substituted by long term borrowings during the year) as on 30.9.2011 to ` 42,353 lacs as on 30.9.2012 mainly due to higher utilisation of working capital limits necessitated by higher sugar inventories.

FIXED ASSETS

During the year, there have been additions to the fixed assets to the extent of ` 2,809 lacs, for additional/upgrading/ balancing manufacturing facilities for the Gear business, additional molasses storage capacity and other equipments for enhancing the steam efficiency in the Sugar business. The capital expenditure made on account of refinery and incidental co-generation facilities are in Capital work-in-progress and the same will be capitalised during FY 13.

OTHER CURRENT LIABILITIES

Other current liabilities have increased from ` 21,152 lacs as on 30.9.2011 to ` 24,267 lacs as on 30.9.2012. The increase is mainly on account of increase in current maturities of long term borrowings by ` 3,655 lacs.

NON - CURRENT INVESTMENTS

During the year, the Company has made strategic investment of ` 3,006 lacs for 25.04% stake in an Israeli Company, M/s Aqwise Wise Water Technologies Ltd. The acquisition of the stake is synergistic to the Water business of the Company.

OTHER NON - CURRENT ASSETS

Other Non-Current assets have reduced from ` 2,599 lacs as on 30.9.2011 to ` 762 lacs as on 30.9.2012 which is mainly due to reduction in non current trade receivables by ` 1,883 lacs.

INVENTORIES

Inventories have increased from ` 39,362 lacs as on 30.9.2011 to ` 53,830 lacs on 30.9.2012 due to higher sugar inventories as well as due to increased valuation rate.

OTHER CURRENT ASSETS

Other current assets have reduced from ` 21,418 lacs as on 30.9.2011 to ` 16,362 lacs as on 30.9.2012. This is due to reduction in amounts recoverable from the customer pending billing in respect of Water business. In respect of Water business, billing is carried out at contractual milestones and till the attainment of such milestones, amount incurred is shown as recoverable from the customer.

Risk Review

The Company manages its Sugar and Engineering businesses which have different business profiles and inherent risks. While sugar is an agro based business, which is largely dependent on the climatic factors and Government regulations and policies whereas the Engineering business relates to capital goods sector which is dependent on industrial and economic growth, domestically and globally. The Company has identified key risks with respect to each of its business and has formulated a comprehensive risk management framework and mitigation procedure to manage the incidental risks.

SUGAR BUSINESS GROUP

Most of the major risks are from external sources and these are enumerated as hereunder:

- **Government Policy:** The sugar industry is highly regulated. The government regulates the pricing of sugarcane, allocation of cane areas, levy obligations and release of free sugar. Sugarcane forms more than 80% of the cost of production and thus, it's pricing as fixed by the State and Central Government, is important for the profitability of the sugar operations. Towards levy obligation, a sugar mill is required to sell 10% of its production to the Government agencies for poor people at a price fixed by the Central Government which is substantially below the cost of production. Further, the Central Government regulates the release of sugar and thus, it can influence free sugar prices.
- **Climatic & other Agronomical factors:** Climatic factors, including monsoon, flooding and conducive weather and temperature, are important for the growth of healthy and adequate sugarcane and maintaining sugar content therein. Similarly, sugarcane being an agricultural produce is prone to agronomical factors such as pests, disease etc. If the yield of the sugarcane is lower, it affects the availability and supply of sugarcane to the sugar mills. The viability of a sugar mill diminishes if it is unable to optimally utilise its installed capacity. Higher sugar content in sugarcane results in production of more sugar from sugarcane and it considerably lowers the cost of production of sugar.
- **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 the policies of the government in respect of import or export of sugar.

Risk Mitigation

There are several external risks which are not within the control of the Company and therefore, the Company strives to achieve best possible efficiencies in respect of controllable factors to mitigate the impact of such risks to ensure stability of its earnings. Some of the initiatives of the Company are described here below:

- The Company focuses considerably on planning and management of cane development initiatives: These initiatives aim at increasing the intensity of the cane, enhancing the sugarcane yield and ensuring optimum varietal mix to ensure higher sugar recovery. The cane development initiatives are carried out with the full involvement of farmers and the Company strongly believes that such initiatives should result in a win-win situation for both the farmers and the Company. The Company also educates and provides support to farmers for addressing the issues of crop diseases, soil testing, application of fertilisers and other modern ways of cultivation of crop.
- The Company focuses on best efficiencies in the procurement of cane so as to optimise the cost of procurement as well as to ensure that the sugar content is not lost due to staleness.
- The Company focuses on best efficiencies in manufacturing to ensure that sugar losses are kept at bare minimum comparable with the best in the industry and there is efficient utilisation of utilities like steam and power in the production. This results in better sugar recovery and improved income from the bye-products.
- The Company gives due importance to the quality of sugar and makes appropriate grades of sugar to benefit from the premium associated with such qualities/grades. During the year, the Company has put up a refined facility at one of its sugar plants to benefit from the premium incidental with the refined sugar. Further, considerable sugar manufactured by the Company is sold to institutions or marketed as 'branded sugar' to fetch better realisation price.
- With a view to control costs or to generate incremental income, the Company identifies capital expenditure with low pay back period. During the year the Company has set up incidental Co-generation facilities at two of its sugar manufacturing plants.

- In order to mitigate cyclicality of the Sugar business, the Company has integrated its sugar operations with Co-generation plants of 68 MW capacities and a 160 KLPD distillery. These sugar allied activities have been set up based on captive raw material supplies and have independent revenue streams. These mitigate the cyclicality in sugar operations to a large extent.

ENGINEERING BUSINESS

Both the Gear and Water business relate to the capital goods sector and hence, they are largely dependent on the industrial and economic growth, both domestically and globally. These businesses are exposed to the following major risks:

- **Risk of economic slowdown:** In the event of a slowdown in the economy, capital goods industry/infrastructure sector 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, offer value proposition and be aligned with the prevailing technologies in their respective sectors to have a competitive edge.

RISK MITIGATION

In view of economic slowdown domestically as well as internationally, the performance of both Gear and Water business have been adversely impacted. Further, in view of policy hurdles in respect of power sector, the demand of the Company's products from the power sector has considerably diminished. We believe that it is a temporary phenomenon as India is an emerging market and on medium to long term basis, it is expected to have high industrial, infrastructure and economic growth to achieve its plans. Further, in the case of Water business, there is an enormous potential in view of scarcity of potable water, and feed water required for the industry. Our engineering businesses have requisite strength, experience and technologies to exploit the market when the situation turns normal.

In order to tide over the present difficult conditions, such businesses being inherently resilient, have taken some specific initiatives:

- In view of difficulties in the power sector on account of uncertainty of Government policies, the business is focusing on municipal business and the product business and is exploring alliances and tie ups so that it is pre qualified to participant and secure bigger municipal projects.
- During the year, the Company has acquired 25% stake in an Israeli Company, M/s Aqwise Wise Water Technologies Ltd., which is engaged in development and implementation of Wastewater treatment solutions for the industrial and municipal markets. As a result of its strategic investment, the Company has secured access to their technology for projects in India.
- Water business has strengthened its project management capabilities with a view to implement the project within the contractual timelines and within the budgeted cost.
- Gear business has been continually investing in the state-of-the-art equipments and machines to provide products of superior quality with focus on value engineering and cost reduction thereby ensuring high margins and customer satisfaction.
- In view of its dependability and reliability, the Gear business has been procuring orders even from leading turbine manufacturers, who are in competition with a group company engaged in the manufacture of turbines. The Company has wide range of products available under a License Agreement with Lufkin Inc., USA which is a premier company engaged in manufacturing industrial gears. Apart from high speed gears, the Company has enhanced the range of products as well as geographical reach which will help the Company in broadening its market.
- The Gear business sources around 39% revenue from high margin spares, services, retro-fitment and re-engineering, loose gears etc. which helps it to enhance its margins and tide over difficult business conditions. The percentage of such revenue has progressively increased.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 77th Annual Report and audited accounts for the Financial Year ended 30th September, 2012

(` in lacs)

Particulars	2011-12	2010-11
Sales (Net)	1,85,945.15	1,70,775.88
Operating Profit (EBITDA)	19,545.18	18,006.36
Finance cost	12,276.85	9,480.60
Depreciation & amortisation	8,155.06	8,124.53
Profit before tax (before exceptional items)	(886.73)	401.23
Exceptional items/Non-Recurring items (Net)	7,895.80	(415.65)
Profit before Tax (PBT)	**(8,782.53)**	**816.88**
Tax Charge	(2,111.31)	(488.94)
Profit After Tax (PAT)	**(6,671.22)**	**1,305.82**
Surplus Brought Forward	1,822.44	1,752.82
Available for appropriation	**(4,848.78)**	**3,058.64**
APPROPRIATIONS		
Equity dividend (incl. proposed dividend & dividend distribution tax)	299.72	599.48
Transfer to Debenture Redemption Reserve	0.00	500.00
Transfer to Molasses reserves	27.25	38.72
Transfer to (withdrawn from) General Reserves	(5,175.75)	98.00
Surplus Carried forward	0.00	1,822.44
Earning per equity share of `1 each (in `)	**(2.59)**	**0.51**

PERFORMANCE

SUGAR BUSINESS GROUP

The year under review has been most challenging for the sugar operations. Prior to the State elections, cane prices were raised by as much as 17%. The mismatch between cane price and sugar prices caused substantial losses in the sugar operations, and could not be fully compensated by the profitable operations of the co-generation and distillery units. While total crush improved by 12%, the sugar recovery was affected by adverse weather conditions and declined 12 basis points. We expect a good improvement in both crush and recovery in the coming 2012-13 sugar season.

In January'12, the Supreme Court delivered a judgment on the cane price for 2007-08 and directed sugar mills in Uttar Pradesh to pay the differential between the declared SAP for that year and the interim price declared earlier by the Supreme Court. Further, in view of two earlier conflicting Supreme Court judgments, it referred the issue to the Constitutional Bench to adjudicate on whether the Government of U.P. (GoUP) has the powers to declare State Advised Cane Price (SAP). Consequently, an amount of ` 7,895.80 lacs was paid by our Company (shown as an exceptional charge) towards the differential cane price for 2007-08 and it resulted in further losses to the Company for the year.

Under the directions of the Prime Minister, another report on the sugar industry was prepared by Dr. C. Rangarajan and his committee, and it has again advocated the liberalisation of the industry. The report is in two parts - decontrol of sugar by doing away with levy sugar and the monthly release mechanism, and the gradual decontrol of cane through linking cane price to sugar price and the de-reservation of cane areas. While the latter may require political consensus, there is no reason for the Government not to implement sugar decontrol. This would stop the industry fulfilling Government's role in subsidising the weaker sections of society.

GEAR AND WATER BUSINESS GROUPS

The economic slowdown in the country has been acutely felt in the capital goods industry and particularly the power sector. Both the Gear and Water business groups have a large exposure to this sector. Revival is taking time but we expect a turnaround by April 2013. With our concentration on refurbishment of gears, and the municipal sector for water and wastewater treatment, both the divisions are expecting a better financial performance in FY 13, though margins may be lower in the Water business group.

During the year under report, the Company has made a strategic investment in the share capital of Aqwise Wise Water Technologies Limited, Israel (Aqwise), a leader in development and implementation of wastewater treatment solutions for the industrial and municipal markets, by way of subscribing/ acquiring 25.04% of the equity share capital of Aqwise. As a part of this strategic investment in Aqwise, the Company has secured access to their technology for projects in India.

DIVIDEND

Despite a loss in the year under review, the directors have pleasure in recommending a dividend of 10% (` 0.10 per equity share) on 25,78,80,150 equity shares of ` 1 each for the Financial Year 2011-2012 ended on 30th September, 2012, subject to the approval of members at the ensuing Annual General Meeting. The dividend being declared is in accordance with Companies (Declaration of Dividend out of Reserves) Rules, 1975. The total outgo on account of dividend (including Dividend Distribution Tax) for the Financial Year 2011-2012 will be ` 299.72 lacs (` 599.48 lacs in the Financial Year 2010-2011).

HUMAN RESOURCES

The Company takes special care to nurture and develop its human resources as it believes that they are the most valuable asset of the organisation. Employee engagement has been improved through the introduction of town hall meetings, department level interactions & small group activities. Focused employee development through regular training interventions, and counseling, is a continuing process.

The Gear business group undertook the psychometric profiling of its executives and identified certain gap areas. Efforts were made to bridge these gaps through an intensive intervention – LEAD (Leadership Enhancement for Achievement & Development). The Water business group also undertook a senior leadership enhancement initiative.

Industrial relations remained cordial & harmonious during the year at all our Units.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with Accounting Standard 21 on the 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 under report, Upper Bari Power Generation Private Ltd. ceased to be a subsidiary of the Company.

The Ministry of Corporate Affairs (MCA), General Circular No. 2/2011 dated 8th February, 2011, has granted general exemption to companies from annexing the individual accounts of all the subsidiaries along with the audited financial statements of the Company, subject to fulfillment of conditions stipulated in the said circular. Your Company meets these conditions and, therefore, the financial statements of the subsidiaries are not annexed.

The related information on the Annual Accounts will be made available to the shareholders of the Company/Subsidiary companies, who shall seek such information at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by investors at the Company's Corporate Office as well as the registered offices of the subsidiary companies. However, as per the said circular issued by MCA, financial data of the subsidiaries have been furnished in the consolidated financial statement forming part of the Annual Report.

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

EMPLOYEE STOCK OPTIONS

During the year, neither fresh stock options were issued nor any allotment made under the Triveni Employees Stock Option Scheme 2009 (ESOP 2009). The required disclosures of the ESOP 2009 are provided in Annexure 'D'.

CORPORATE GOVERNANCE

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

Comments on the Auditors' Report

In respect of the comments of the Auditor in Para 10 of the Annexure to Auditor's Report, as explained in Note 29 to the audited financial statements, the Company has incurred cash losses during the year on account of exceptional charge of ` 7,895.80 lacs relating to differential cane price pertaining to 2007-08 provided and paid pursuant to the Supreme Court Judgment.

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.

COST AUDITOR

In pursuance to Section 233-B of the Companies Act, 1956 read with the directions issued by the MCA, Mr. Rishi Mohan Bansal, Cost Accountant, was appointed as the Cost Auditor to conduct

the Cost Audit of the Sugar units, Distillery (Industrial Alcohol) and Co-generation (Electricity) units of the Company for the financial year 2011-2012 ended on 30th September, 2012.
The Cost Audit Report for the financial year 2010-11 ended on 30th September, 2011 was filed by the Cost Auditor with respect to the sugar units of the Company on 9th March, 2012, which is well within the due date of 28th March, 2012.

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 30th September, 2012 and of the loss of the Company for the year ended 30th September, 2012
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.

DIRECTORS

In accordance with the provisions of the Companies Act and the Articles of Association of the Company, Mr. Shekhar Datta and Mr. Nikhil Sawhney retire by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible offer themselves for reappointment. The Board has recommended their re- appointment.

PUBLIC 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 the terms of the deposit.

As on 30th September, 2012 fixed deposits stood at ` 20.12 lacs. Deposits amounting to ` 20.12 lacs remain unpaid, as the claim in respect thereof were not lodged with the Company and since then, ` 0.45 lacs have since been repaid as on date.

APPRECIATION

Your Directors wish to take the opportunity to express their sincere appreciation to the Central, Uttar Pradesh and Karnataka Governments, banks, financial institutions, farmers, and all other stakeholders for their whole-hearted support and co-operation. We look forward to their continued support and encouragement.

For and on behalf of the Board of Directors,

Place: Noida, (U.P) **Dhruv M. Sawhney**
Date: 21st November, 2012 Chairman and Managing Director

ANNEXURE-A

CONSERVATION OF ENERGY

(a) Energy Conservation Measures

- **Gear business group**
  - On Load Tap Changer (OLTC) reactivated for maintaining constant voltage across plant consequently resulted in avoiding power losses in the system.
  - Installed CFL lamps/LED lights for lighting systems wherever normal light is enough, like street light, yard lights and passage bays etc.
  - Reinforced awareness in the employees on conservation of electric power, like fine tuning of temperature setting; switch off machine/lights/ fans/ computer when not in use.
  - Fine-tuned compressor cut in /cut out settings and optimised loading and unloading cycle to result in power savings.
  - UPS back up is now provided to Test-rig lubrication system to ensure uninterruptible power supply during gearbox testing. Earlier during gearbox testing, DG set was operated to ensure uninterruptible power supply. This has resulted in saving of diesel cost.
- **Sugar and Co-Products business group**
  - Installation of VFDs on ID fan / SA fan and other application to save power at Khatauli, Deoband and Rani Nangal units.
  - Automation of new quad set injection water system at Ramkola unit. It resulted into saving of approximately 110 KW injection pump operations.
  - Adopting system of daily shut down of DG set during off-season at Sabitgarh, Chandanpur and Rani Nangal units to save energy.
  - Installed capacitors banks with APFC system at all APFCs to improve the power factor from 0.80 to 0.93 at Sabitgarh and Rani Nangal units.
  - Extensive insulation at Quad / Juice Heater and Clarifier to save heat energy at Chandanpur and Sabitgarh units.
  - Readjustment in location of pumps to reduce pumping power of Magma / Melt Pumps at Chandanpur unit.
  - Conversion of evaporator configuration from quad to quintuple set to reduce steam consumption in process at Deoband unit.
  - Ceramic lining done in the cooling tower water circulation pump, thus reduced the frictional losses and saved electric power at Alco unit.
  - Installed L.T. Capacitor in the turbine incomer and increased power factor at Alco unit.

(b) Additional Investment and Proposals for Reducing Energy Consumption

- **Gear business group**
  - Bus coupler for power distribution system planned which helps to load 2 X 1 MW Diesel Generators effectively, based on plant load.
  - Power Quality analysis planned to ascertain the level of harmonic's and noise in the power system.
- **Sugar and Co-Products business group**
  - Extensive installation of VFDs in sugar units for various application to save power.
  - Installation of Capacitor banks with APFC system at Power House at Khatauli unit.
  - Automatic slip regulator for 750 KW motor at cane cutter in place of old grid type resistance at Khatauli unit and installation of new pump 25 T, 20 kg/cm sq with 22 KW motor for de- superheating system in place of feed pump with 90 KW motor at Khatauli unit.
  - Installation of VFD in the boiler ID fan and bagasse feeder, to reduce power consumption in boiler at Alco unit.
  - Replacement of cooling tower fan blades with FRP instead of conventional aluminium blades to save electrical power in Alco unit.

(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, majority of power is generated through bagasse, a renewable source of energy.

FORM A

Disclosure of particulars with respect to conservation of Energy

	Particulars	2011-12	2010-11
I.	**Power & Fuel Consumption**		
	Electricity		
a)	**Purchased**		
	Units (000's KWH)	4,041	4,541
	Total amount (` in lacs)	263.06	279.96
	Rate (`/Unit)	6.51	6.17
b)	**Own generation**		
	i) Through Diesel Generators		
	Units (000's KWH)	3884	4,062
	Units per litre of diesel oil	2.97	2.93
	Cost/Unit (`)	14.57	13.81
	ii) Through Steam Turbine/Generator by use of own bagasse		
	Units (000's KWH)	3,77,525	3,40,005
II.	**Electricity consumption per unit of production**		
	Sugar (KWH/MT)	336.84	328.25
	Rectified Spirit (KWH/KL)	247.83	274.40
	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)

No specific activity relating to research and development has been undertaken by the Company during the year.

(B) Technology absorption, adaptation and innovation

Information regarding technology imported during the last five years:

Technology imported	Year of import	Has technology been fully absorbed
High Speed – Gas turbine load gears	2011	Under process
Slow speed Gear and Gearboxes	2011	Under process

(C) Foreign Exchange Earning & Outgo

(` in lacs)

	Technology imported	Year of import
1)	**Earning in Foreign Exchange**	
	Value of exports on FOB basis	418.96
	Others	555.82
2)	**Foreign Exchange Outgo***	6,955.38

*Including investment in a foreign company dealing in technological products relating to Water business.

ANNEXURE-C
STATEMENT PURSUANT TO SECTION 212 OF COMPANIES ACT, 1956

(` in lacs)

	SUBSIDIARY COMPANIES	TRIVENI ENGINEERING LTD	TRIVENI ENERGY SYSTEMS LTD
1.	Financial Year ended	31st March 2012	31st March 2012
2.	Extent of holding Company's interest at the end of financial year of the subsidiary	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 31.3.2012 of the subsidiary company	--	--
	b) For the previous financial years of the subsidiaries since these became the holding Company's subsidiary	--	--
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	(0.79)	(0.41)
	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	(17.10)	(3.86)
5.	Changes in the holding Company's interest in the subsidiary between the end of the financial year of the subsidiary and holding Company	NA	NA
6.	Material changes which have 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
	ii) Its investments	NA	NA
	iii) The money lent by it	NA	NA
	iv) The funds borrowed by the subsidiary	NA	NA

* Accounting year of the holding Company ends on 30th September 2012

Upper Bari Power Generation Pvt. Ltd. has ceased to be the subsidiary of the Company during the year.

ANNEXURE-D TO THE DIRECTORS' REPORT
DETAIL OF THE STOCK OPTION PLAN
TEIL - ESOP 2009

Nature of disclosure		Particulars
a)	Options granted	2,00,000
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	1,20,000
d)	Options exercised	Nil
e)	The total number of shares arising as a result of exercise of options	Nil
f)	Options lapsed	80,000
g)	Variation of terms of options	None
h)	Money realised by exercise of options	Nil
	Total number of options in force	1,20,000
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'	(-) ` 2.59
k)	Method of calculation of employee compensation cost	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 2011-12 is Nil.
	Difference between the employee compensation cost computed using the intrinsic value of the stock options and the employee compensation cost that shall have been recognised if the fair value of the options had been used and its impact on profits and EPS of the Company.	Had fair value method been adopted instead of the intrinsic value method, the impact would be : **a)** the ESOP compensation charge debited to the P&L a/c would have been lower by ` 26.85 lacs and consequently the loss of the Company would have been lower by ` 26.85 lacs. **b)** Basic as well as Diluted EPS would have increased from (-) ` 2.59 per share as reported to (-) ` 2.58 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 : ` 56.60
	(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

Note: The disclosures made above are without considering the effect of any modification / adjustment which may be required to be made to ESOP 2009 to give effect to the demerger of the steam turbine division. For details refer Note No. 33 of the audited financial statements.

Details of options granted to senior managerial personnel and outstanding as on 30.09.12

S. No.	Name	No. of Options granted
1.	Mr. Suresh Taneja	40,000
2.	Mr. Bharat Mehta	20,000
3.	Mr. Sameer Sinha	20,000
4.	Mr. B.K. Agarwal	20,000
5.	Mr. Rajiv Rajpal	20,000
	Total	**1,20,000**

ANNEXURE-E
CORPORATE GOVERNANCE REPORT

Company's philosophy on code of governance

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

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

Your Company not only adheres to the prescribed corporate governance practices as per Clause 49 of the Listing Agreement but is also consistently working for the betterment of the governance system executed with the Stock Exchanges. We are committed to doing things in the right way which includes but not limited to compliance with its applicable legal requirement.

The highlight of the Corporate Governance system includes:

1. The Board of Directors of the Company is well represented with Executive, Non-Executive and Independent Non-Executive Directors with the Executive Chairman and Managing Director. The Independent & Non-Executive Directors form nearly 63% of the Board of Directors.
2. The Board has constituted several Committees viz. Audit Committee, Remuneration Committee, Compensation Committee, Investors' Grievance and Share Transfer Committee, Executive Sub Committee and Nomination Committee for more focused attention. The Board is empowered to constitute additional functional Committee from time to time, depending on the business needs.
3. The Company has established a Code of Conduct and Corporate Disclosure Policy for prevention of Insider Trading for Directors and Employee of the Company.
4. Whistle Blower Policy wherein the Employee may have the direct access to the Chairman and Managing Director of the Company and Chairman of Audit Committee.
5. Risk Management framework to identify the risk for its business and to assess the probability of its occurrence. Its mitigation plans and information placed before the Audit Committee periodically.

Board of directors

The Company is managed and guided by the Board of Directors ("Board"). The Board formulates the strategy, regularly reviews the performance of the Company, determine the purpose and values of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. The Chairman and Managing Director with the support of the Joint Managing Director and senior executives overseeing the functional matters 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 specialisation and bring a wide range of skills and experience to the Board.

Independent Directors

The definition of independence of directors is derived from Clause 49 of the listing Agreement executed with the stock exchanges. All the independent Directors of the Company make declaration to the Company annually regarding their independence status. All such declarations were placed before the Board.

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

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

Name of Director and DIN	Designation	Category	No. of Directorships in other companies ##	No. of Committee positions held in other companies # ##	
				Chairman	Member
Mr. Dhruv M. Sawhney# DIN-00102999	Chairman & Managing Director	Promoter & Executive Director	5	1	None
Mr. Tarun Sawhney# DIN-00382878	Joint Managing Director	Promoter & Executive Director	4	None	None
Mr. Nikhil Sawhney# DIN-00029028	Director	Promoter & Director	4	None	3
Dr. F.C. Kohli DIN-00102878	Director	Independent Non-Executive Director	3	None	None
Lt. Gen. K.K. Hazari (Retd.) DIN-00090909	Director	Independent Non-Executive Director	2	2	None
Mr. M. K. Daga DIN-00062503	Director	Independent Non-Executive Director	2	None	2
Mr. Shekhar Datta DIN- 00045591	Director	Independent Non-Executive Director	3	2	2
Mr. R.C. Sharma DIN-00107540	Director	Independent Non-Executive Director	None	None	None

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

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

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

b. 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. All material information is incorporated in the agenda for facilitating meaningful and focused discussion at the meeting. Where it is not practical to attach or send the relevant information as a part of agenda papers, the same are tabled at the Meeting.

- 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 to 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.

- Availability of Information to Board Member includes:
  - Performance of each line of business, business strategy going forward, new initiatives being taken/ proposed to be taken and business plans of the Company.
  - Annual operating plans and budgets including capital expenditure budgets and any updates.
  - Quarterly results of the Company and its operating divisions or business segments.
  - Minutes of the meetings of Executive Sub-Committee, Audit Committee, Remuneration Committee, Investors' Grievance and Share Transfer Committee, Compensation Committee of the Board.
  - The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.

- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in the financial obligations to and by the Company, or substantial non-payment for goods sold / services provided by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as nonpayment of dividend, delay in share transfer etc.
- Statutory compliance report of all laws applicable to the Company.
- Details of the transactions with the related parties.
- General notices of interest of directors.
- Appointment, remuneration and resignation of Directors

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

c. Attendance Record of the Directors

The Board of Directors met 4 times during the financial year 2011-12 ended on 30th September, 2012. The interval between any two successive meetings did not exceed four months. Board Meetings were held on 28th November, 2011, 7th February, 2012, 9th May, 2012 and 27th July, 2012. The attendance record of all Directors at Board meetings and the last Annual General Meeting (AGM) during the year are as under:-

Name of Director	No. of Board Meetings		Attendance at last AGM held on 10.02.2012
	Held	Attended	
Mr. Dhruv M. Sawhney	4	4	Yes
Mr. Tarun Sawhney		4	Yes
Mr. Nikhil Sawhney		4	Yes
Dr. F. C. Kohli		3	No
Lt. Gen. K.K. Hazari (Retd.)		4	Yes
Mr. M. K. Daga		3	No
Mr. Shekhar Datta		4	No
Mr. R. C. Sharma		4	Yes

d. Re-appointment of Directors

Mr. Nikhil Sawhney and Mr. Shekhar Datta shall retire by rotation as Directors at the ensuing Annual General Meeting of the Company. 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 is provided in the notice for the AGM.

Board committees

The Board of directors has constituted following Committees with adequate delegation of powers to discharge business of the Company.

1. Executive Sub-Committee
2. Audit Committee
3. Remuneration Committee
4. Compensation Committee
5. Investors' Grievance and Share Transfer Committee
6. Nomination Committee

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

(I) Executive Sub-Committee

Composition

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.

Meetings and Attendance

The Executive Sub-Committee met 6 times during the financial year 2011-12 on 27th October 2011, 5th December 2011, 21st January 2012, 19th March 2012, 4th June 2012 and 30th July 2012.

The attendance of each Executive Sub-Committee's member is as under:

Name of the Members	No. of meetings	
	Held	Attended
Lt. Gen. K.K. Hazari (Retd.)	6	6
Mr. R.C. Sharma		5
Mr. Tarun Sawhney		5
Mr. Nikhil Sawhney		6

Function and term of reference:

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.

(II) Audit Committee

Composition

The Audit Committee comprises of following Directors, namely:

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

(ii) Mr. R.C. Sharma

(iii) Mr. Tarun Sawhney

The Company Secretary is the Secretary to the Audit Committee.

Meetings & Attendance

The Audit Committee met 4 times during the financial year 2011-12 on 26th November, 2011, 6th February, 2012, 9th May 2012 and 26th July 2012. 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.)	4	4
Mr. R. C. Sharma		4
Mr. Tarun Sawhney		4

The Chairman of the Audit Committee attended the AGM held on 10th February, 2012 to answer the shareholders query.

Function and term of reference:

The function 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:-

a) Statutory Auditors

To recommend to the Board for the appointment and/ or re-appointment of the Statutory Auditors, fixation of audit fee and to approve payment for any other services rendered by the statutory auditors.

b) Review independence of statutory auditors

Reviewing the information provided by the management relating to the independence of firm, including, among other things, information relating to the non audit services provided and expected to be provided by the Statutory Auditors.

c) Review the performance of the Internal and External Auditors

Review with the management the performance of the statutory and internal auditors and adequacy of the internal control systems.

d) Review Financial Statements

1. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956

b. Changes, if any, in accounting policies and practices and reasons for the same

c. Major accounting entries involving estimates based on the exercise of judgment by management.

d. Significant adjustments made in the financial statements arising out of audit findings.

e. Compliance with listing and other legal requirements relating to financial statements.

f. Disclosure of any related party transactions.

g. Qualifications, if any in the draft audit report.

2. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

e) Review of other Information

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operation.
2. Statement of significant related party transaction submitted by the management.
3. To look into the reasons for substantial defaults in the payment to the creditors.
4. To review the functioning of the Whistle Blower mechanism.
5. Seek legal or professional advice, if any

(III) Remuneration Committee

Composition

The Remuneration Committee comprises of following Directors, namely:

(i) Dr. F.C. Kohli (Chairman)

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

(iii) Mr. R.C. Sharma

Meetings and Attendance

Necessity did not arise to hold any meeting of the Remuneration Committee during the year, hence no meeting held.

Function and term of reference:

The broad terms of reference of the Committee are to evaluate performance, determine & recommend to the Board on specific remuneration packages for the 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 EDs, within the ceilings on net profits prescribed under Section 198 and 309 of the Companies Act, 1956.

Remuneration Policy

The Remuneration paid to the Executive Directors of the Company is approved by the Board of Directors on the recommendation of the Remuneration Committee. The Remuneration Committee makes annual appraisal of the performance of the Executive Directors based on a detailed performance evaluation and recommends the compensation payable to them, to the Board for their approval.

Remuneration to Executive Directors

During the year financial year 2011-12, the Company had two Executive Directors viz. Mr. Dhruv M Sawhney, Chairman & Managing Director (CMD) and Mr. Tarun Sawhney, Joint Managing Director (JMD).

The Company had made necessary applications to the Central Government (Ministry of Corporate Affairs) seeking their approval for waiver of excess remuneration paid to CMD, JMD and ED- Mr. Nikhil Sawhney (ceased to be Executive Director w.e.f. 10th May, 2011) during the Financial Year 2010-2011 and for the remuneration paid/payable to CMD and JMD during their respective remaining tenure, in excess of the limits provided under the Companies Act 1956.

The Central Government has vide its letters dated 11th June, 2012 and 25th June, 2012 granted its approval to the waiver of excess remuneration paid to CMD and JMD during FY 2010-2011 and the remuneration paid/payable for a period 3 years and 2 years respectively commencing from the FY 2011-2012.

The Central Government has also vide its letter dated 08th June, 2012 granted its approval to the waiver of excess remuneration paid to ED during part of the FY 2010-2011 (i.e. up to 09th May, 2011) with the recovery of about ` 7.17 lac which has been recovered accordingly.

The details of remuneration paid/payable to CMD and JMD during the financial year 2011-12 within the limits approved by the Central Government (Ministry of Corporate Affairs) are as under:

Name of the Executive Director	Mr. Dhruv M. Sawhney CMD	Mr. Tarun Sawhney JMD
Service Period	31.03.2010 to 30.03.2015	19.11.2008 to 18.11.2013
Salary (in `)	1,92,00,000	1,13,13,621
Performance Bonus/Commission	Nil	Nil
Other Perquisites (in `)	20,36,287	21,73,673
Total* (in `)	**2,12,36,287**	**1,34,87,294**

* does not include contribution to Provident Fund, Gratuity, Pension Fund and Leave Encashment at the end of the tenure.

- **Remuneration to Non-Executive Directors**

  The Company pays sitting fee to its Non-Executive Directors 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 the financial year 2011-12 to Non-Executive Directors are as under:-

Name of the Non-Executive Director	Sitting fess for the year ended 30th September, 2012 (`)	Commission for the year ended 30th September, 2011(`)
Dr. F.C. Kohli	60,000	3,00,000
Lt. Gen. K. K. Hazari (Retd.)	2,40,000	1,00,000
Mr. M.K. Daga	60,000	1,00,000
Mr. R. C. Sharma	2,30,000	1,00,000
Mr. Shekhar Datta	80,000	3,00,000
Mr. Nikhil Sawnhey	60,000	-

None of the Independent Non-Executive Director, have any pecuniary relationship or transactions with the Company, its promoters and its senior management, its subsidiaries and associate companies except for the payment of remuneration as stated above. Lt. Gen. K. K. Hazari (Retd.) and Mr. Shekhar Datta are also on the Board of Directors of Triveni Turbine Limited and may have received remuneration by way of sitting fee/commission as a Director/Committee Member of that Company.

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: After considering the financial parameters of the Company for the financial year 2011-12, the Board of directors of the Company decided not to pay any commission to the Non-Executive Director and performance bonus to the Executive Director for the financial year 2011-12.

(IV) Investors' Grievance and Share Transfer Committee

Composition

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.

Meetings & Attendance

The Investors' Grievance and Share Transfer Committee met 4 times during the financial year 2011-12 ended on 30th September, 2012 on 26th November, 2011, 6th February, 2012, 9th May, 2012 and 26th July 2012. The attendance of each Committee Member is as under:-

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

Function and term of reference

The Committee is authorised 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.

Complaints received / resolved

During the financial year 2011-12 ended on 30th September, 2012, the Company received 28 complaints from various shareholders/investors directly and/or through the Stock Exchanges/SEBI relating to non-receipt of dividend/ redemption money, demat of shares, implementation of the scheme of arrangement etc. All of them were resolved/ replied suitably by furnishing the requisite information/ documents.

Pending Complaint/Share Transfers

There was no investor complaint pending for redressal as on 30th September, 2012. Further there was no pending share transfers and requests for dematerialisation as on 30th September, 2012.

(V) Compensation Committee

Composition

The Committee comprises of following Directors, namely:

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

(ii) Mr. Dhruv M. Sawhney

(iii) Mr. R. C. Sharma

(iv) Mr. M. K. Daga

Meetings and Attendance

Necessity did not arise to hold any meeting of the Compensation Committee during the year, hence no meeting was held.

Function and term of reference:

The broad terms of reference of the Committee are finalisation, 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.

(VI) Nomination Committee

Composition

The Nomination Committee was constituted by the Board of Director in its meeting held on 01st October, 2012.

The Nomination Committee comprises of following Directors, namely:

(i) Mr. Shekhar Datta (Chairman)

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

(iii) Mr. R. C. Sharma

Function and term of reference

- The Committee would be required to work with the entire Board to determine the appropriate characteristics, skills and experience for the Board as a whole, as well as individual members.
- Recommendation and nomination of Directors on the Board of the Company which are broadly based on the independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions.
- Independent Directors are expected not to serve on the Board/committees of competing Companies. Other than this, there is no limitation on the Directorship/Committee memberships except those imposed by law and good corporate governance.
- Succession planning of the Board of Directors and reporting to the Board once a year
- Reviewing the Company's Corporate Governance guidelines periodically and recommending such amendments to the Board as it deems necessary.
- Review the adequacy of this terms of reference and recommend any proposed change to the Board for its approval.

General body meetings

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

Year	Date & Day	Location	Time	Special Resolution
2010-11	10th February, 2012, Friday	Company's Guest House at Deoband Sugar Unit Complex, Deoband, District Saharanpur, U.P.	1.30 P.M.	1. Revision in the remuneration of Mr. Dhruv M. Sawhney, Managing Director (designated as Chairman and Managing Director). 2. Re-designation of Mr. Tarun Sawhney as Joint Managing Director of the Company. 3. Payment of remuneration by way of commission to all or any of the Directors of the Company, who is/are neither in the whole-time employment nor managing director
2009-10	18th February, 2011, Friday	Company's Guest House at Deoband Sugar Unit Complex, Deoband, District Saharanpur, U.P.	12.30 P.M.	None
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.

There was no Extra-Ordinary General Meeting held during the financial year 2011-12 ended on 30th September, 2012.

Postal Ballot

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

During the financial year 2011-12 ended on 30th September, 2012, 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

I. **Related Party Transactions**

Related Party transactions are defined as transactions of the Company of a material nature, with Promoters, Directors or their relatives and associate/subsidiary companies etc. that may have potential conflict of interest with the Company at large.

The details of related party information and transactions are being placed before the Audit Committee/Board of Directors from time to time. The details of the related party transactions during the year have been provided in Note No. 37 to the financial statements.

II. **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

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.

III. **Disclosures of Accounting Treatment**

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

IV. **Whistle Blower Policy**

In pursuit to maintain the highest ethical standards in the course of its business, the Company has put in place a mechanism for reporting of instances of conduct which is not in conformity with its Code. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations, unethical conduct, misuse of authority, financial irregularities etc. by way of e-mail directly to the Chairman and Managing Director, and Joint Managing Director of the Company. The whistle blowers may also have direct access to the Chairman of Audit Committee. The Company has provided a dedicated e-mail address whistleblower.teil@gmail.com for reporting such complaints. The whistle blower policy aims:

1. To create a window for the employees, who observe an unethical practice either organisationally or individually, to be able to raise it without any fear of victimisation or reprisal.
2. To encourage timely, safe and open reporting of alleged wrong doings or suspected impropriety.
3. To ensure consistent and timely institutional response.
4. To ensure appropriate reporting of whistleblower investigations; and
5. To encourage ethical and lawful conduct.

The Directors and management personnel maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discrimination. No employee was denied access to the Audit Committee.

V. Details of the compliance with mandatory requirement and adoption of the non-mandatory requirement of this clause.

The details of Mandatory requirements are mentioned in this Report and adoptions of the non-mandatory requirement are mentioned below:

a. Audit Qualification

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

b. Risk Management

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

c. Dividend Policy

To bring transparency in the matter of declaration of dividend and to protect the interest of investors, the Company has a dividend policy in place.

d. Subsidiary Companies

There are two unlisted Indian subsidiary companies viz. Triveni Engineering Limited, & Triveni Energy Systems Limited. None of the subsidiaries is the "Material Non-Listed Subsidiary" in terms of Clause 49 of the Listing Agreement.

e. Remuneration Committee

The Company has constituted Remuneration Committee to recommend/review remuneration of the Executive Directors based on the performance and defined assessment criteria. The detail of the constitution of the Committee has been described in the report elsewhere.

f. Nomination Committee

The Company has constituted Nomination Committee on 01st October, 2012 to determine the appropriate characteristics, skills and experience for the Board as a whole, as well as its individual members. The details of the constitution of the Committee has been described in the report elsewhere.

g. Training of Board/Committee Members

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

h. Meeting of Independent Directors

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

i. Independence of Statutory Auditors

The Board ensures that the statutory auditors of the Company are independent and have arm's length relationship with the Company.

Means of communication

(a) **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 leading National Hindi and English Newspapers. The Investor brief on the detailed segment wise analysis of the Results are also sent to Stock Exchanges.

(b) **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.

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

(d) **Exclusive email ID for investors:** The Company has designated the email id **shares@trivenigroup.com** exclusively for investor servicing, and the same is prominently displayed on the Company's website **www.trivenigroup.com**.

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

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

(g) **Intimation to the 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.

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** . All Board members and senior management personnel affirm compliance with the code of conduct annually. The Chairman & Managing Director has given a declaration that all the Directors and senior management personnel 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 along with the financial statements for the year ended 30th September, 2012. The said certificate is provided elsewhere in the Annual Report.

Corporate Governance- Voluntary Guidelines-2009 - The Ministry of Corporate Affairs had issued certain Voluntary Guidelines for further improvement of Corporate Governance standards and practices. These guidelines broadly focus on the area like board of directors, responsibility of the Board, Audit Committee functions, roles and responsibilities, appointment of auditors, compliance, a mechanism for whistle blower support. The Company is in the process of implementing compliance of these guidelines.

Financial calender for the financial year 2012-13 (tentative)

Financial Reporting for the quarter ending 31st December, 2012	By mid of February 2013
Financial Reporting for the quarter / half year ending 31st March 2013	By mid of May 2013
Financial Reporting for the quarter / nine months ending 30th June, 2013	By mid of August 2013
Financial Reporting for the annual audited accounts for the financial year ending 30th September, 2013	By the end of November 2013

General shareholder information

a) **General Information**

Annual General Meeting

Date & Day	19th February, 2013, Tuesday
Time	1:30 p.m.
Venue	Company's Guest House at Deoband Sugar Unit Complex, Deoband, Distt. Saharanpur, U.P. – 247554.
Dates of Book Closure	14th February, 2013 to 19th February, 2013 (both days inclusive)
Dividend Payment Date	Within 30 days of declaration by the shareholders.
Financial Year	October to September

b) **Unclaimed Dividend**

Pursuant to Section 205C of the Companies Act, 1956, all unclaimed dividends up to the financial year 2004-05 have been transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government.

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

Financial Year/ Period	Whether Interim/ Final	Date of declaration of Dividend	Due date for transfer to IEPF
2005-2006	Final Dividend	30.06.2006	29.06.2013
2006-2007	1st Interim Dividend	16.10.2006	15.10.2013
2006-2007	2nd Interim Dividend	25.05.2007	24.05.2014
2006-2007	Final Dividend	24.12.2007	23.12.2014
2007-2008	Final Dividend	29.12.2008	28.12.2015
2008-2009	Interim Dividend	25.04.2009	24.04.2016
2008-2009	Final Dividend	29.12.2009	28.12.2016
2009-2010	Interim Dividend	08.05.2010	07.05.2017
2009-2010	Final & Special Dividend	18.02.2011	17.02.2018
2010-2011	Final Dividend	10.02.2012	09.02.2019

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 25,78,80,150 equity shares of ` 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

e) **Fees**

The Company has paid listing fees for the Financial Year 2012-13 to both the aforesaid Stock Exchanges. The Company has also paid the annual custodial fee for the year 2012-13 to both the depositories namely NSDL & CDSL.

f) **Distribution of Equity Shareholding as on 30th September, 2012**

Group of Shares	Number of Share-holders	% to total Share-holders	Number of Shares held	% to Total Shares
1-500	37,615	84.09	53,22,616	2.06
501-1000	3,238	7.24	26,61,717	1.03
1001-2000	1,720	3.85	25,71,530	1.00
2001-3000	614	1.37	15,68,873	0.61
3001-4000	312	0.70	11,28,121	0.44
4001-5000	265	0.59	12,44,765	0.48
5001-10000	426	0.95	31,79,429	1.23
10001 & higher	542	1.21	24,02,03,099	93.15
Total	**44,732**	**100.00**	**25,78,80,150**	**100.00**

g) **Shareholding Pattern of Equity Shares as on 30th September, 2012**

Category	Number of Shares held	% to total shares
Indian Promoters	17,59,57,229	68.23
Mutual Funds/UTI	54,45,350	2.11
Banks, Financial Institutions, Insurance Cos.	6,53,516	0.25
FIIs	3,09,59,247	12.01
Bodies Corporate	99,77,023	3.87
Indian Public(*)	3,13,54,540	12.16
NRIs/OCBs	28,17,579	1.09
Others - Clearing Members & Trust	7,15,666	0.28
Total	**25,78,80,150**	**100**

(*) Includes (i) 800 equity shares held by Mr. M. K. Daga, Director, (ii) 10000 equity shares held by Mr. Shekhar Datta , Director, (iii) 12,78,082 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.

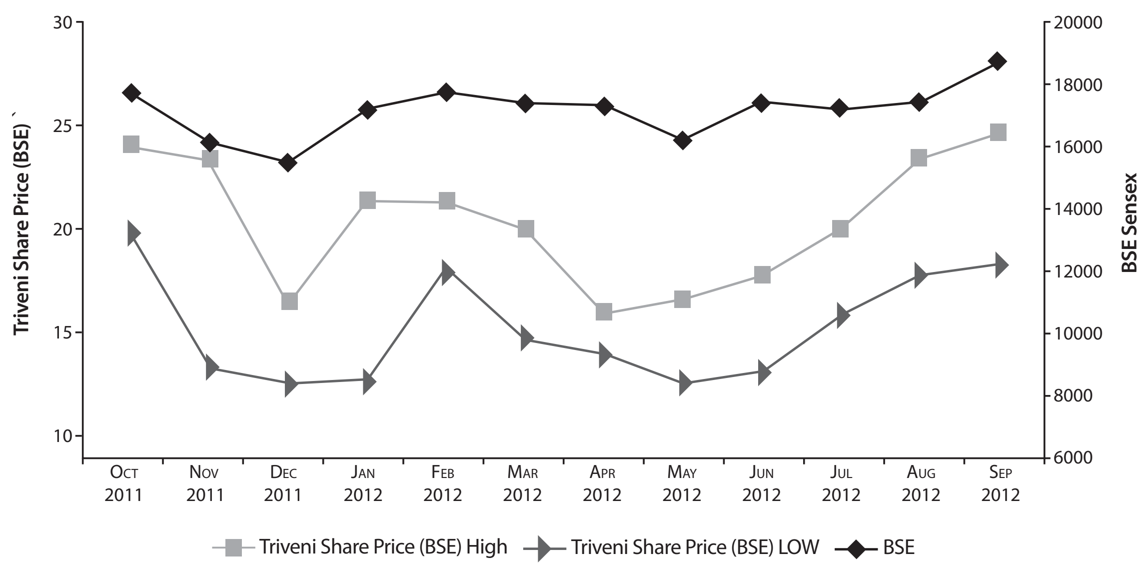
h) Stock Price Data/Stock Performance: Year 2011-2012

During the year under report, the trading in Company's equity shares was from 1st October 2011 to 30th September, 2012. 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, 2011	24.10	19.90	24.20	19.85
November, 2011	23.40	13.35	23.25	13.30
December, 2011	16.50	12.60	16.50	12.60
January, 2012	21.45	12.65	21.40	12.80
February, 2012	21.40	18.00	21.50	18.00
March, 2012	20.00	14.75	21.00	14.05
April, 2012	16.00	14.05	16.70	14.30
May, 2012	16.60	12.61	16.55	12.65
June, 2012	17.80	13.16	17.20	13.10
July, 2012	20.00	15.90	20.00	15.00
August, 2012	23.50	17.90	23.50	18.00
September, 2012	24.70	18.30	23.40	18.45

i) Stock Performance:



j) Dematerialisation 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 dematerialised is as under:

- Share Certificate(s) along with Demat Request Form (DRF) is to be submitted by the shareholder to the Depository Participants (DP) with home 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 30th September, 2012, 99.89% of total equity share capital of the Company were held in dematerialised form (including 100% of the promoter holding). The ISIN allotted by NSDL/CDSL is INE256C01024. Confirmation in respect of the requests for dematerialisation of shares is sent to NSDL and CDSL within the stipulated period.

k) Share Transfer System

The Company's share transfer authority has been delegated to the Company Secretary/Registrar and Share Transfer Agent 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.

l) 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 30th September, 2012 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 dematerialised shares held with NSDL and CDSL.

m) 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**

n) Locations

Registered Office

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

Share Department

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

Address for correspondence

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

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

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

o) Compliance Certificate on Corporate Governance from the Auditor

The certificate dated 21st November, 2012 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 21st November, 2012.

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 2012 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 : 21st November, 2012

DECLARATION BY CHAIRMAN & 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
Dhruv M. Sawhney
Chairman & Managing Director

Place : Noida (U.P.)
Date : 21st November, 2012

CEO / CFO CERTIFICATION

To
The Board of Directors
Triveni Engineering & Industries Ltd.
Sub: CEO/CFO certification under Clause 49 of the Listing Agreement

We, Dhruv M. Sawhney, Chairman & 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, 2012 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.

Suresh Taneja
Vice President & CFO

Dhruv M. Sawhney
Chairman & Managing Director

Place : Noida (U.P.)
Date : 21st November, 2012

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 2012, the Statement of Profit and Loss 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, Statement of Profit & Loss and Cash Flow Statement 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, Statement of Profit and Loss 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 2012 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, 2012 ;

b) In the case of the Statement of Profit and Loss of the loss 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 21, 2012

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, 2012 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 granted unsecured loan to a party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ` 1792.11 lacs and the year end balance of loan granted to such party was ` Nil.

   (b) In our opinion, the rate of interest and other terms and conditions of such loan are not, prima facie, prejudicial to the interest of the company.

   (c) The party has repaid the principal amount as stipulated and has also been regular in the payment of interest.

   (d) In respect of aforesaid loan there was no amount outstanding at the end of the year.

   (e) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (e) to (g) of the Order are not applicable to the Company.

4. According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. **(a)** 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) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of Rupees five lakhs or more in respect of any party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except that transactions in respect of sale of goods, rendering of services, receipt of rent, purchase of stores & spare parts, receiving services and payment towards sales and marketing cost with a party for which no comparable quotations are available. We are informed by the management that the price and charges so received and paid for such transactions, are reasonable having regard to the volume of business, quality and the specialised nature of goods and services involved.

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.

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 2012 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of wealth tax, service tax and cess which have not been deposited on account of any dispute. Disputed income tax, sales tax, excise duty and custom duty which have not been deposited on account of matters pending before appropriate authorities are as under:

S. No.	Name of Statute	Forum where dispute is pending	Nature of dues	Amount* (` in lacs)	Year
1	Income Tax Act, 1961	Appellate Tribunal Commissioner Income Tax (Appeals)	Penalty Income Tax	29.99 812.93	1999-2000 2006-2007
2	Central Sales Act & Sales/ Trade Tax Acts of various states	Commissioner (Appeals)	Sales Tax Penalty Interest	117.14 52.20 74.24	1977-1978, 1991-1992 to 1994-1995, 2002-2003, 2004-2005, 2008-2009
		Appellate Tribunal	Sales Tax	96.84	1987-1988, 2006-2007, 2007-2008
		High Court	Sales Tax Penalty	10.66 0.21	1979-1980, 1980-1981, 1986-1987, 1994-1995 to 1996-1997
3	Excise Act, 1944	Commissioner (Appeals)	Excise Duty Penalty Interest	32.16 28.38	1995-1996, 2006-2007 to 2011-2012
		Appellate Tribunal	Excise Duty Penalty Interest	592.79 435.42 292.27	1995-1996 to 1996-1997, 2003-2004 to 2011-2012
		High Court	Excise Duty Penalty Interest	11.89 12.90 5.01	1996-1997 to 2005-2006
4	Customs Act, 1962	Commissioner (Appeals)	Custom Duty	3.36	2007-2008
5	UP Sugar Promotion Policy 2004	High Court	Entry Tax Sales Tax	746.91 36.24	2006-07 to 2011-12

* Net of amounts paid under protest or otherwise and includes demand aggregating to ` 70.62 lacs for which appeals will be filed with the prescribed time, as informed to us.

10. The company does not have any accumulated loss as at the end of the financial year. The Company has incurred cash losses in the current financial year but has not incurred cash losses in the immediately preceding financial year.

11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.

12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

14. In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, provisions of Clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are 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.

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.

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 21, 2012

Balance Sheet as at 30th September 2012

(` in Lacs)

Particulars	Note No.	30.09.2012	30.09.2011
I **EQUITY AND LIABILITIES**			
1. Shareholders' funds			
Share capital	2	2,578.82	2,578.82
Reserves and surplus	3	93,581.37	1,00,584.81
		96,160.19	**1,03,163.63**
2. Non - current liabilities			
Long-term borrowings	4	43,286.53	40,350.09
Deferred tax liabilities (net)	5	6,608.57	9,640.81
Other long term liabilities	6	361.43	444.00
Long-term provisions	7	2,158.33	1,548.98
		52,414.86	**51,983.88**
3. Current liabilities			
Short-term borrowings	8	42,353.09	29,283.27
Trade payables	9	10,223.63	10,415.14
Other current liabilities	10	24,266.68	21,152.04
Short-term provisions	7	3,617.91	4,614.13
		80,461.31	**65,464.58**
Total		**2,29,036.36**	**2,20,612.09**
II **ASSETS**			
1. Non-current assets			
Fixed assets			
(i) Tangible assets	11	1,01,647.86	1,06,852.85
(ii) Intangible assets	12	307.40	357.57
(iii) Capital work-in-progress		735.38	1,505.71
Non-current investments	13	4,103.24	1,102.53
Long-term loans and advances	14	25,248.85	25,816.48
Other non-current assets	18	761.65	2,598.79
		1,32,804.38	**1,38,233.93**
2. Current assets			
Inventories	15	53,829.62	39,362.42
Trade receivables	16	20,964.78	17,096.35
Cash and bank balances	17	1,048.98	1,112.58
Short-term loans and advances	14	4,026.72	3,388.52
Other current assets	18	16,361.88	21,418.29
		96,231.98	**82,378.16**
Total		**2,29,036.36**	**2,20,612.09**
Summary of Significant Accounting Policies	1		

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

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

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

Sudhir Mallick
Partner
Membership No. 80051
Place : Noida (U.P.)
Date : November 21, 2012

Dhruv M. Sawhney	**Lt.Gen.K.K.Hazari (Retd)**	**Geeta Bhalla**	**Suresh Taneja**
Chairman & Managing Director	Director & Chairman Audit Committee	Company Secretary	Vice President & CFO

Statement of Profit and Loss for the year ended 30th September 2012

(` in Lacs)

Particulars	Note No.	30.09.2012	30.09.2011
Continuing operations			
INCOME			
Revenue from operations (gross)	19	1,92,030.67	1,77,263.01
Less : Excise duty		6,085.53	6,487.13
Revenue from operations (net)		1,85,945.14	1,70,775.88
Other Income	20	1,841.31	1,963.70
Total revenue		**1,87,786.45**	**1,72,739.58**
EXPENSES			
Cost of raw material and components consumed	21	1,43,124.71	1,15,127.65
Purchase of traded goods	22	1,115.67	4,057.97
(Increase)/decrease in inventories of finished goods and work-in-progress	23	(13,457.94)	1,157.02
Employee benefit expenses	24	13,407.85	12,975.42
Other expenses	25	23,988.73	21,360.51
Prior period items (net)	26	62.26	54.65
Total		**1,68,241.28**	**1,54,733.22**
Earnings before exceptional items, extraordinary item, interest, tax, depreciation and amortisation (EBITDA)		**19,545.17**	**18,006.36**
Depreciation and amortisation expenses	27	8,155.06	8,124.53
Finance costs	28	12,276.85	9,480.60
Profit/(loss) before exceptional items, extraordinary item & tax		**(886.74)**	**401.23**
Exceptional items	29	7,895.80	(415.65)
Profit/(loss) before extraordinary item & tax		**(8,782.54)**	**816.88**
Extraordinary item		0.00	0.00
Profit/(loss) before tax		**(8,782.54)**	**816.88**
Tax expense	30	(2,111.32)	(488.94)
Profit/(loss) after tax from continuing operations (A)		**(6,671.22)**	**1,305.82**
Discontinued operations			
Profit/(loss) from discontinued operations before tax		0.00	0.00
Tax expense for discontinued operations		0.00	0.00
Profit/(loss) from discontinued operations after tax (B)		0.00	0.00
Profit/(loss) for the year (A+B)		**(6,671.22)**	**1,305.82**
Earning per equity share of ` 1/ each	31		
Basic and diluted (in `)		(2.59)	0.51
Summary of Significant Accounting Policies	1		

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

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

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

Sudhir Mallick
Partner
Membership No. 80051
Place : Noida (U.P.)
Date : November 21, 2012

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 for the year ended 30th September 2012

(` in Lacs)

	Particulars	30.09.2012	30.09.2011
A.	**Cash Flow from Operating Activities**		
	Profit before tax	**(8,782.54)**	**816.88**
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation / amortisation on continuing operation	8,154.64	8,142.62
	Loss / (profit) on sale of fixed assets	72.33	(393.66)
	Provision for diminution in value of investments in subsidiary company	0.48	8.90
	Net gain on sale of long term investments	(0.42)	0.00
	Interest Expense	12,331.91	9,480.60
	Interest Income	(100.11)	(237.47)
	Dividend Income	(493.06)	(2.36)
	Operating profit before working capital changes	**11,183.23**	**17,815.51**
	Movements in working capital :		
	Change in Liabilities	(695.90)	3,458.62
	Change in Inventories	(14,467.19)	1,339.91
	Change in Trade Receivables	(1,984.73)	1,591.51
	Change in Loans and Advances	(225.60)	1,124.20
	Change in Other Current Assets	4,995.67	(7,111.77)
	Cash generated from / (used in) operations	**(1,194.52)**	**18,217.98**
	Direct taxes paid (net of refunds)	(350.79)	(1,373.04)
	Net cash flow from / (used in) operating activities (A)	**(1,545.31)**	**16,844.94**
B.	**Cash Flow from Investing Activities**		
	Purchase of fixed assets	(2,711.57)	(3,660.08)
	Proceeds from sale of fixed assets	72.13	505.31
	Proceeds of non-current investments		
	From disposal of subsidiary	5.42	0.00
	From others	0.00	0.02
	Purchase of non-current investments	(3,006.19)	0.00
	Interest received	115.73	238.18
	Dividends received	493.06	2.36
	Net cash flow from / (used in) investing activities (B)	**(5,031.42)**	**(2,914.21)**
C.	**Cash Flow from Financing Activities**		
	Proceeds from long-term borrowings	19,606.00	16,122.17
	Repayment of long-term borrowings	(13,015.01)	(16,736.11)
	Increase / (Decrease) in short-term borrowings	13,069.82	(2,449.84)
	Interest paid	(12,537.64)	(9,534.38)
	Dividend paid on equity shares	(515.30)	(903.90)
	Tax on equity dividend paid	(83.67)	(149.92)
	Net cash flow from / (used in) financing activities (C)	**6,524.20**	**(13,651.98)**
	Net increase / (decrease) in cash and cash equivalents (A + B+ C)	(52.53)	278.75
	Cash and cash equivalents at the beginning of the year	977.72	1,494.53
	Cash and cash equivalents transferred prusuant to the scheme of arrangement	0.00	(795.56)
	Cash and cash equivalents at the end of the year	**925.19**	**977.72**

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
FRN : 001111N

Sudhir Mallick
Partner
Membership No. 80051
Place : Noida (U.P.)
Date : November 21, 2012

Dhruv M. Sawhney
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Director & Chairman Audit Committee

Geeta Bhalla
Company Secretary

Suresh Taneja
Vice President & CFO

Notes to Financial Statements for the year ended 30th September, 2012

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.

B) Adoption of revised Schedule VI of the Companies Act,1956

For the year ended September 30th, 2012, the revised Schedule VI, notified under the Companies Act 1956 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement of principles followed for preparation of its financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

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

C) Use of Estimates

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

D) Fixed Assets

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

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

E) Recognition of Income/Expenditure

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria are applied for revenue recognition:

i. Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and therefore these are not economic benefits flowing to the Company and accordingly they are excluded from revenue.

ii. In contracts involving the rendering of services, revenue is recognised as and when the services are rendered. The Company collects service tax on behalf of the government and therefore, it is not an economic benefit flowing to the Company and is accordingly excluded from revenue.

iii. Income from sale of certified emission reductions (CERs/carbon credits) is recognised on the delivery of the carbon credits to the customers' account as evidenced by the receipt of confirmation of execution of delivery instructions.

iv. Revenue from construction contracts is recognised on the percentage of completion method, measured by the proportion that contract costs incurred for work performed till the reporting date bear to the estimated total contract cost. Contract costs for this purpose include :

a. Costs that relate directly to the specific contract;

b. Costs that are attributable to contract activity in general and can be allocated to the contract; and

c. Such other costs as are specifically chargeable to the customer under the terms of contract.

Foreseeable losses, if any, are provided for immediately.

v. 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.

vi. Income/Expenditure relating to prior periods and prepaid expenses which do not exceed ` 0.10 lacs in each case, are treated as Income/Expenditure of current year.

vii. Compensation under Voluntary Retirement Scheme and all other termination benefits, if any, incurred during the year, are recognised as expense in the statement of profit and loss.

F) Foreign Currency Transactions

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

ii. Foreign currency monetary items (including forward contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculative purposes) are translated at year end rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

iii. The premium or discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculative purposes is amortised as expense or income over the life of the contracts.

iv. In respect of derivative contracts relating to firm commitments or highly probable forecast transactions, provision is made for mark to market losses, if any, at the balance sheet date. Gains, if any, are not recognised till settlement.

G) Inventories

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

Raw Materials & Components

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

Stores and Spares

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

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

iii. Unsold certified emission reductions are recognised as inventory in accordance with the Guidance Note on Accounting for Self-generated Certified Emission Reductions (CERs), issued by the Institute of Chartered Accountants of India. Inventory of CERs is valued at lower of cost and net realisable value. The cost incurred on verification/certification of CERs is considered as the cost of inventories of CERs.

iv. Patterns, Loose tools, Jigs and Fixtures are written off equally over three years.

v. By-products (excluding those used as raw materials) and scrap are valued at estimated net realisable value.

H) Depreciation

i) Depreciation on fixed assets is provided on the straight line method 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 :

Particulars	Rates adopted
a) Plant & Machinery used in Co-generation Plants (including captive Co-generation Plants) installed after 1.4.2004	6.33%
b) Mobile phone costing above ` 0.05 lacs	50%
c) 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 useful life of such fixture, fittings and improvements, whichever is lower.

iv) The additional depreciation on increase in cost on account of revaluation of certain assets, is adjusted against the Revaluation Reserve and is thus not charged to the statement of profit and loss.

I) 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.

J) Investments

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

K) Employee Benefits

1) Short Term Employee Benefits:

All employee benefits payable wholly within 12 months after the end of the period in which the employees render the related services are classified as short term employee benefits and are recognised as expense in the period in which the employee renders the related service. The Company 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:

i) Defined Contribution Plans

Defined contribution plans are retirement benefit plans under which the Company pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Company's contribution to defined contribution plans is recognised in the statement of profit and loss in the financial year to which they relate.

The Company operates the following defined contribution plans.

- Provident Fund Plan & Employee Pension Scheme:

  The Company makes monthly contributions on prescribed basis 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.

- Employee State Insurance

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

- Superannuation Scheme

  The Company contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policies entered into by such fund with the Life Insurance Corporation of India. Contribution towards aforesaid fund is charged to the statement of profit and loss in the financial year to which it relates.

ii) 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. The Company operates following defined benefit plans:

- Gratuity

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

- Earned Leaves / Sick Leaves

  The Company provides for the liability at year end on account of 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.

L) Borrowing costs

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

M) Operating leases

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

N) Government Grants

Recognition

Government grants are recognised where:

i) There is reasonable assurance of complying with the conditions attached to the grant.

ii) Such grant/benefit has been earned and it is reasonably certain that the ultimate collection will be made.

Presentation in Financial Statements:

i) Government grants relating to specific fixed assets are adjusted with the value of such fixed assets.

ii) Government grants in the nature of promoters' contribution, i.e. which have reference to the total investment in an undertaking or by way of contribution towards total capital outlay, are credited to capital reserve.

iii) Government grants related to revenue items are either adjusted with the related expenditure/revenue or shown under "Other Income", in case direct linkage with cost/income is not determinable.

O) Taxes on Income

i) Current tax on income is determined on the basis of taxable income computed in accordance with the applicable provisions of the Income Tax Act, 1961.

ii) Deferred tax is recognised for all timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

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

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

P) 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:

Particulars	Period of amortisation
Computer Software	36 months
Technical Know-how fees	72 months

Q) 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".

R) Provisions, Contingent liabilities and Contingent assets

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

i) the Company has a present obligation as a result of a past event;

ii) a probable outflow of resources is expected to settle the obligation; and

iii) the amount of the obligation can be reliably estimated.

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

Contingent liability is disclosed in the case of

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

ii) a possible obligation, unless the probability of outflow of resources is remote.

Contingent assets are not recognised.

2. Share Capital

(` in Lacs)

Particulars	30.09.2012	30.09.2011
AUTHORISED		
50,00,00,000 Equity shares of ` 1/- each	5,000.00	5,000.00
2,00,00,000 Preference shares of ` 10/- each	2,000.00	2,000.00
	7,000.00	**7,000.00**
ISSUED		
25,78,88,150 Equity shares of ` 1/- each	2,578.88	2,578.88
	2,578.88	**2,578.88**
SUBSCRIBED AND PAID UP		
25,78,80,150 Equity shares of ` 1/- each	2,578.80	2,578.80
Add :Paid up value of 8,000 Equity shares of ` 1/- each forfeited	0.02	0.02
	2,578.82	**2,578.82**

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

Equity Shares

Particulars	As at 30.09.2012		As at 30.09.2011	
	No of Shares	` in lacs	No of Shares	` in lacs
At the beginning of the year	25,78,88,150	2,578.88	25,78,88,150	2,578.88
Changes during the year	-	-	-	-
Outstanding at the end of the year	25,78,88,150	2,578.88	25,78,88,150	2,578.88

b) Terms/rights attached to equity shares

The Company has only one class of equity shares with a par value of ` 1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares are entitled to receive the remaining assets of the Company, after meeting all liabilities and distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at 30.09.2012		As at 30.09.2011	
	No of Shares	% holding	No of Shares	% holding
Dhruv M. Sawhney	3,83,91,756	14.89	3,61,24,645	14.01
Nalanda India Fund Limited	2,57,88,000	10.00	2,57,88,000	10.00
Umananda Trade & Finance Limited	2,09,91,589	8.14	2,01,57,589	7.82
Rati Sawhney	2,03,58,164	7.89	1,88,24,914	7.30
Tarnik Investments & Trading Limited	1,86,80,527	7.24	1,86,80,527	7.24
Subhadra Trade & Finance Limited	1,69,07,375	6.56	1,63,07,375	6.32
Nikhil Sawhney	1,52,77,653	5.92	1,50,71,557	5.84
Dhankari Investments Limited	1,47,14,901	5.71	1,40,49,045	5.45
Tarun Sawhney	1,46,95,375	5.70	1,42,66,775	5.53

d) Shares reserved for issue under options

Refer Note No. 33

3. Reserves and Surplus

(` in Lacs)

Particulars	30.09.2012	30.09.2011
Capital Reserve		
Balance as per the last financial statements	13,325.85	10,482.89
Add: Excess of liabilities over assets of demerged undertaking (turbine business) as on 01/10/2010 transferred to resulting company Triveni Turbine Ltd.	0.00	2,842.96
Less: Amount utilised	0.00	0.00
Closing Balance	**13,325.85**	**13,325.85**
Securities Premium		
Balance as per the last financial statements	26,538.49	26,538.49
Add: Amount transferred	0.00	0.00
Less: Amount utilised	0.00	0.00
Closing Balance	**26,538.49**	**26,538.49**
Revaluation Reserve - Fixed Assets		
Balance as per the last financial statements	1,588.89	1,621.38
Less: Amount utilised *	32.50	32.49
Closing Balance	**1,556.39**	**1,588.89**
* Includes ` 32.49 lacs (` 32.49 lacs) transferred to the statement of profit and loss and ` 0.01 lacs (` Nil) adjusted on disposal of revalued assets.		
General Reserve		
Balance as per the last financial statements	53,777.84	53,128.36
Add/ (Less): Amount transferred from surplus/ (to deficit) in the statement of profit and loss	(5,175.75)	98.00
Add: Amount arising on re-assessment of deferred tax assets and liabilities as on 01/10/2010 as per the Scheme of Arrangement.	0.00	551.48
Add: Amount transferred from Revaluation Reserve - Fixed Assets (current year : ` 344/-)	-	0.00
Less: Amount utilised	0.00	0.00
Closing Balance	**48,602.09**	**53,777.84**
Capital Redemption Reserve		
Balance as per the last financial statements	397.40	397.40
Add: Amount transferred	0.00	0.00
Less: Amount utilised	0.00	0.00
Closing Balance	**397.40**	**397.40**
Amalgamation Reserve		
Balance as per the last financial statements	926.34	926.34
Add: Amount transferred	0.00	0.00
Less: Amount utilised	0.00	0.00
Closing Balance	**926.34**	**926.34**
Debenture Redemption Reserve		
Balance as per the last financial statements	2,000.00	1,500.00
Add: Amount transferred from surplus in statement of profit and loss	0.00	500.00
Less: Amount utilised	0.00	0.00
Closing Balance	**2,000.00**	**2,000.00**

(` in Lacs)

Particulars	30.09.2012	30.09.2011
Molasses Storage Fund Reserve		
Balance as per the last financial statements	207.56	168.84
Add: Amount transferred from surplus in statement of profit and loss	27.25	38.72
Less: Amount utilised	0.00	0.00
Closing Balance	**234.81**	**207.56**
Surplus/(deficit) in the statement of profit and loss		
Balance as per the last financial statements	1,822.44	1,752.82
Add: Net profit/(loss) after tax transferred from statement of profit and loss	(6,671.22)	1,305.82
Amount available for appropriation (A)	**(4,848.78)**	**3,058.64**
Appropriations:		
Transfer to (withdrawn from) General Reserve	(5,175.75)	98.00
Transfer to Molasses Storage Fund Reserve	27.25	38.72
Transfer to Debenture Redemption Reserve	0.00	500.00
Dividend adjustment of previous year (current year - ` 51/-)	-	0.04
Tax on Dividend of previous year (current year - ` 8/-)	-	0.01
Dividend proposed on equity shares	257.88	515.76
Provision for tax on proposed dividend on equity shares	41.84	83.67
Total appropriations (B)	**(4,848.78)**	**1,236.20**
Net surplus/(deficit) in the statement of profit and loss (A-B)	**0.00**	**1,822.44**
Total reserves and surplus	**93,581.37**	**1,00,584.81**

4. Long-Term Borrowings

Particulars	Non- Current portion		Current maturities	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Bonds/Debentures	7,000.00	10,000.00	3,000.00	0.00
Term loans from banks	33,393.92	25,849.02	12,142.94	11,249.96
Term loans from others (Sugar Development Fund, Govt. of India)	2,892.61	4,501.07	1,465.59	1,550.84
Deposits (Public)	0.00	0.00	0.00	153.18
	43,286.53	40,350.09	16,608.53	12,953.98
The above amount includes				
Secured loans	43,050.44	39,877.91	16,372.44	12,564.71
Unsecured loans	236.09	472.18	236.09	389.27
	43,286.53	40,350.09	16,608.53	12,953.98
Less: Amount disclosed under the head "other current liabilities" (Refer Note No. 10)			16,608.53	12,953.98
	43,286.53	**40,350.09**	**0.00**	**0.00**

Details of Securities and other terms :-

Name of the Bank / Others	Total loan outstanding (` in Lacs)	Repayment terms of loan outstanding	Rate of interest	Nature of Security
A) 1,000 (1,000) Non-Convertible Debentures of ` 10.00 lacs each issued to Life Insurance Corporation of India	10,000.00 (10,000.00)	Redeemable in three annual instalments at the end of 4th, 5th & 6th year in the ratio of 30:30:40 from the deemed date of allotment i.e. 26th December 2008.	12.45% p.a. fixed payable quarterly.	Secured by first pari-passu charge created/ to be created by equitable mortgage on immovable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.
B) Term loans				
From banks (Indian Rupee Loan)				
1. Bank of Maharashtra	937.50 (1,687.50)	5 (9) equal quarterly instalments up to October 2013.	At Banker's base rates plus applicable spread. The total interest rate as on 30.09.2012 range between 10.37% to 13% per annum.	Secured by first pari-passu charge created/ to be created by equitable mortgage on immovable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.
2. Canara Bank	834.60 (1,669.33)	4(8) equal quarterly instalments up to September 2013.		
3. Central Bank of India	4,443.08 (6,985.14)	7 (11) equal quarterly instalments up to June 2014.		
4. Kotak Mahindra Bank	1,090.91 (2,181.82)	4 (8) equal quarterly instalments up to August 2013.		
5. Oriental Bank of Commerce	1,000.00 (1,996.50)	4 (8) equal quarterly instalments up to September 2013.		
6. State Bank of India	Nil (250.00)	Nil (1) equal quarterly instalment.		
7. State Bank of Patiala	1,498.46 (2,998.46)	4 (8) equal quarterly instalments up to August 2013.		
8. Axis Bank	5,000.00 (Nil)	12 (Nil) equal quarterly instalments up to August 2017.		
9. Axis Bank	980.00 (1,960.00)	4 (8) equal quarterly instalments up to September 2013.		
10. State Bank of Patiala	7,500.00 (7,500.00)	12 (12) equal quarterly instalments up to June 2016.		
11. Oriental Bank of Commerce	7,500.00 (7,500.00)	12 (12) equal quarterly instalments up to July 2016.		
12. Yes Bank	7,500.00 (Nil)	16 (Nil) equal quarterly instalments up to June 2018.		
13. Punjab National Bank	7,106.00 (Nil)	31 (Nil) equal monthly instalments up to April 2015.		Secured by first pari-passu charge on current assets and residual charge on the fixed assets of the Company
14. Punjab National Bank (Excise Duty Loan)	Nil (2,076.12)	Nil (In equated monthly instalments up to August 2012)	Interest Free Loan	Secured by subservient/residual charge created/to be created over the assets of the Company.
15. Vehicle Loans		In equated monthly instalments ranging from 8 to 36 months (20 to 34 months)	At fixed rates ranging from 9.35% to 10.35% p.a.	Secured by hypothecation of vehicle acquired under the respective vehicle loans.
Axis Bank	120.09 (67.05)			
ICICI Bank	26.22 (24.94)			

Name of the Bank / Others	Total loan outstanding (` in Lacs)	Repayment terms of loan outstanding	Rate of interest	Nature of Security
From banks (Foreign Currency Loan)				
1. BNP Paribas - ECB Loan	Nil (202.12)	Nil (1) equal half yearly instalment.	6m JPY Libor (fixed in advance at 6 monthly inter-vals)+ 80 basis points	Secured by first pari-passu charge created / to be created by equitable mortgage on immovable assets and hypothecation of all moveable assets, both present and future of the Company excluding assets purchased under vehicle loans.
C) Other Loans - SDF	3,886.02 (5,343.64)	5 & 10 equal yearly and half yearly instalments up to September 2018.	2% below the Bank Rate at present 4%	Secured by exclusive second charge created over moveable/immovable assets of Khatauli and Deoband units.
D) Other Loans - SDF	472.18 (708.27)	2 (3) equal yearly instalments up to January 2014.	2% below the Bank Rate at present 4%	Unsecured
E) Deposits (Public)	Nil (153.18)	Nil (On maturity, extending till July 2012)	Fixed rates ranging from 9.25% to 9.50% p.a.	Unsecured
Total	**59,895.06 (53,304.07)**			

Figures in brackets relate to previous year.

Note: Upon demerger of the steam turbine undertaking of the Company and its vesting in Triveni Turbine Ltd., under a Scheme of Arrangement, pending execution of necessary documents and modification of charge, the term loans extended to the Company, as above, as well as those transferred to Triveni Turbine Ltd., relating to the steam turbine undertaking and outstanding at the year end amounting to ` 1,388.80 lacs (previous year: ` 4,442.30 lacs) are secured, as mentioned above, against the assets of the Company.

5. Deferred Tax Liabilities

(` in Lacs)

Particulars	30.09.2012	30.09.2011
Deferred Tax Liabilities :		
Difference in net book value of fixed assets as per books and tax laws	12,479.67	12,469.49
Expenses deferred in books but claimed in tax	153.73	256.36
Deferred Tax Assets :		
Unabsorbed business loss/depreciation *	(2,651.57)	0.00
Expenses allowable on payment basis	(1,925.71)	(2,056.98)
Others (net)	(1,447.55)	(1,028.06)
Net Deferred Tax Liabilities	**6,608.57**	**9,640.81**

* Represents deferred tax asset in respect of unabsorbed depreciation of ` 2,329.95 lacs and business loss of ` 321.62 lacs which has arisen mainly on account of an exceptional charge in respect of arrears of cane price. The Company is hopeful of earning sufficient taxable income in near future to enable it to avail the benefit of such unabsorbed depreciation and business loss.

6. Other Long term liabilities

Interest accrued but not due	346.60	444.00
Lease Equalisation	14.83	0.00
	361.43	**444.00**

7. Provisions

(` in Lacs)

Particulars	Long-term		Short-term	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Provision for Employee Benefits				
Gratuity (Refer Note No. 39)	1,479.44	1,018.02	212.50	479.20
Compensated Absences (Refer Note No. 39)	678.89	530.96	234.52	275.78
Other Provisions				
Proposed Dividend *	0.00	0.00	257.88	515.76
Tax on Proposed Dividend	0.00	0.00	41.84	83.67
Warranty	0.00	0.00	299.86	670.30
Cost to Completion	0.00	0.00	65.00	42.00
Arbitration/Court case claims	0.00	0.00	224.79	211.23
Administrative charges on molasses	0.00	0.00	323.50	206.78
Loss on Foreign Exchange Derivatives	0.00	0.00	0.00	631.15
Excise duty on closing stock	0.00	0.00	1,958.02	1,435.22
Others	0.00	0.00	0.00	63.04
	2,158.33	**1,548.98**	**3,617.91**	**4,614.13**

* Represents dividend proposed by the Board of Directors at ` 0.10 (previous year : ` 0.20) per equity share of ` 1/- each, which is subject to the approval by the shareholders.

For Movement in provisions - Refer Note No. 42

8. Short-Term Borrowings

Particulars	30.09.2012	30.09.2011
Repayable on demand		
Cash credits from banks	35,568.09	22,971.25
Other borrowings		
From Banks		
Rupee term loans	4,500.00	5,000.00
Foreign currency loans (Buyers' credits)	2,211.87	1,238.89
From Others	73.13	73.13
	42,353.09	**29,283.27**
The above amount includes :		
Secured borrowings	35,568.09	22,971.25
Unsecured borrowings	6,785.00	6,312.02

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

9. Trade Payables

Trade payables (Refer Note No. 34 for details of dues to micro and small enterprises)	10,223.63	10,415.14
	10,223.63	**10,415.14**

10. Other Current Liabilities

(` in Lacs)

Particulars	30.09.2012	30.09.2011
Current maturities of long term borrowings (Refer Note No. 4)	16,608.53	12,953.98
Capital creditors	525.96	849.15
Advance from customers	3,333.19	2,888.14
Security deposits	199.40	190.86
Interest accrued but not due on borrowings	574.78	686.94
Interest accrued and due on borrowings	11.60	7.75
Employee benefits & other dues payable	1,243.43	1,469.59
Statutory dues payable relating to employees	186.19	179.79
Other statutory dues payable	1,063.68	1,322.86
Other payables	385.86	463.56
Unclaimed preference shares redemption	93.13	88.21
Unpaid dividend *	16.90	16.44
Unclaimed matured deposits *	20.12	27.75
Unclaimed interest on deposits *	3.91	7.02
	24,266.68	**21,152.04**

* There are no amounts as at the end of the year which are due and outstanding to be credited to the Investors Education and Protection Fund.

11. Tangible Assets

Particulars	Land Freehold*1	Land Lease Hold	Buildings & Roads	Railway Siding	Plant and Machinery	Office Equipments	Furniture and Fixtures	Vehicles	Computers	Total
Gross block										
As at October 1, 2010	**5,062.93**	**390.76**	**28,618.21**	**0.18**	**1,32,163.47**	**642.22**	**1,185.65**	**563.60**	**1,555.37**	**1,70,182.39**
Less: Transferred pursuant to the Scheme of Arrangement	364.18	0.00	3,325.76	0.00	9,594.93	280.19	391.83	57.40	491.52	14,505.81
Additions	0.00	0.00	792.36	0.00	2,648.30	38.10	54.68	120.46	86.00	3,739.90
Deductions	1.08	0.00	20.17	0.00	166.98	(36.34)	50.08	74.47	15.33	291.77
As at September 30, 2011	**4,697.67**	**390.76**	**26,064.64**	**0.18**	**1,25,049.86**	**436.47**	**798.42**	**552.19**	**1,134.52**	**1,59,124.71**
Additions	39.88	0.00	558.64	0.00	1,831.31	60.14	75.37	164.28	79.06	2,808.68
Deductions	0.00	0.00	12.10	0.18	464.57	(90.40)	75.94	52.18	67.71	582.28
As at September 30, 2012	**4,737.55**	**390.76**	**26,611.18**	**0.00**	**1,26,416.60**	**587.01**	**797.85**	**664.29**	**1,145.87**	**1,61,351.11**
Depreciation										
As at October 1, 2010	**0.00**	**0.07**	**4,063.63**	**0.17**	**41,426.08**	**191.07**	**483.46**	**255.33**	**971.83**	**47,391.64**
Less: Transferred pursuant to the Scheme of Arrangement	0.00	0.00	474.14	0.00	1,831.06	51.08	95.21	31.45	316.17	2,799.11
Charge for the year *2 & *3	0.00	23.89	703.27	0.00	6,871.90	25.17	48.73	45.37	125.74	7,844.07
Deductions	0.00	0.00	11.36	0.00	109.97	(17.74)	0.73	42.87	17.55	164.74
As at September 30, 2011	**0.00**	**23.96**	**4,281.40**	**0.17**	**46,356.95**	**182.90**	**436.25**	**226.38**	**763.85**	**52,271.86**
Charge for the year *2 & *3	0.00	4.65	699.49	0.00	6,961.43	30.49	41.69	50.18	123.61	7,911.54
Deductions	0.00	0.00	5.00	0.17	352.70	(2.46)	27.89	33.27	63.58	480.15
As at September 30, 2012	**0.00**	**28.61**	**4,975.89**	**0.00**	**52,965.68**	**215.85**	**450.05**	**243.29**	**823.88**	**59,703.25**
Net Block										
As at September 30, 2011	**4,697.67**	**366.80**	**21,783.24**	**0.01**	**78,692.91**	**253.57**	**362.17**	**325.81**	**370.67**	**1,06,852.85**
As at September 30, 2012	**4,737.55**	**362.15**	**21,635.29**	**0.00**	**73,450.92**	**371.16**	**347.80**	**421.00**	**321.99**	**1,01,647.86**

Includes

*1 Land costing ` 358.90 lacs (previous year : ` 416.95 lacs) pending transfer in the name of the Company.

*2 Transferred to Revaluation Reserve ` 32.49 lacs (previous year : ` 32.49 lacs).

*3 Depreciation capitalised during the year amounting to ` 5.10 lacs (previous year : ` Nil).

12. Intangible Assets (Other than internally Generated)

(` in Lacs)

Particulars	Computer Software	Design and Drawings	Technical know-how	Total
Gross block				
As at October 1, 2010	**2,088.10**	**431.64**	**30.81**	**2,550.55**
Transferred pursuant to the Scheme of Arrangement	793.67	431.64	0.00	1,225.31
Additions	272.47	0.00	0.00	272.47
Disposals	84.92	0.00	0.00	84.92
As at September 30, 2011	**1,481.98**	**0.00**	**30.81**	**1,512.79**
Additions	231.33	0.00	0.00	231.33
Disposals	203.89	0.00	0.00	203.89
As at September 30, 2012	**1,509.42**	**0.00**	**30.81**	**1,540.23**
Amortisation				
As at October 1, 2010	**1,577.77**	**220.72**	**23.53**	**1,822.02**
Transferred pursuant to the Scheme of Arrangement	693.38	220.72	0.00	914.10
Charge for the year	327.07	0.00	5.14	332.21
Disposals	84.91	0.00	0.00	84.91
As at September 30, 2011	**1,126.55**	**0.00**	**28.67**	**1,155.22**
Charge for the year	279.36	0.00	2.14	281.50
Disposals	203.89	0.00	0.00	203.89
As at September 30, 2012	**1,202.02**	**0.00**	**30.81**	**1,232.83**
Net Block				
As at September 30, 2011	**355.43**	**0.00**	**2.14**	**357.57**
As at September 30, 2012	**307.40**	**0.00**	**0.00**	**307.40**

13. Non-Current Investments

(` in Lacs)

Particulars	30.09.2012	30.09.2011
LONG TERM (At Cost)		
OTHER THAN TRADE		
GOVERNMENT SECURITIES		
UNQUOTED		
National Saving Certificates *1	0.11	0.11
OTHER SECURITIES		
SHARES - Fully paid-up		
QUOTED		
13,500 (13,500) Equity shares of ` 2/- each of Housing Development Finance Corporation Ltd	0.17	0.17
2,500 (2,500) Equity shares of ` 2/- each of HDFC Bank Ltd.	0.05	0.05
4,835 (4,835) Equity shares of ` 10/- each of Punjab National Bank	2.34	2.34
76 (76) Equity shares of ` 10/- each of Central Bank of India	0.08	0.08
UNQUOTED		
1,821 (1,821) Ordinary shares of ` 10/- each of NBI Industrial Finance Co. Ltd.	0.13	0.13
TRADE		
OTHER SECURITIES		
SHARES - Fully paid-up		
SUBSIDIARY COMPANIES (Wholly owned)		
UNQUOTED		
Nil (50,000) Equity shares of ` 10/- each of Upper Bari Power Generation Ltd	0.00	5.00
5,00,000 (5,00,000) Equity shares of ` 1/-each of Triveni Engineering Ltd.	5.00	5.00
Less : Provision for diminution	(5.00)	(5.00)
5,00,000 (5,00,000) Equity shares of ` 1/-each of Triveni Energy Systems Ltd.	5.00	5.00
Less : Provision for diminution	(4.38)	(3.90)
ASSOCIATE COMPANIES		
QUOTED		
7,20,00,000 (Nil) Equity shares of ` 1/- each of Triveni Turbine Ltd. (Refer Note No. 44)	720.07	0.00
UNQUOTED		
28,00,000 (28,00,000) Preference shares of ` 10/- each of Triveni Turbine Ltd.	280.00	280.00
Nil (7,20,00,000) Equity shares of ` 1/- each of Triveni Turbine Ltd.	0.00	720.07
4,34,730 (4,34,730) Equity shares of ` 10/- each of Triveni Entertainment Ltd.	43.47	43.47
99,993 (99,993) Equity shares of ` 10/- each of The Engineering & Technical Services Ltd.	10.00	10.00
4,00,060 (4,00,060) Equity shares of ` 10/- each of TOFSL Trading & Investments Ltd.	40.01	40.01
13,008 (Nil) Equity shares of NIS 0.10 each of Aqwise-Wise Water Technologies Ltd.(Israel) (Refer Note No. 48)	3,006.19	0.00
	4,103.24	**1,102.53**
Aggregate book value of quoted investments	722.71	2.64
Aggregate book value of unquoted investments	3,380.53	1,099.89
Market value of quoted investments	33,280.96	144.37
Aggregate amount of provision made for diminution in value of investments	9.38	8.90

*1 kept as security.

14. Loans and Advances

(` in Lacs)

Particulars	Long-term		Short-term	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Capital advances				
Unsecured, considered good	631.84	223.73	0.00	0.00
Unsecured, considered doubtful	213.04	213.04	0.00	0.00
	844.88	436.77	0.00	0.00
Less: Provision for doubtful advances	213.04	213.04	0.00	0.00
(A)	**631.84**	**223.73**	0.00	0.00
Security deposit				
Unsecured, considered good	362.36	294.72	24.43	7.70
Unsecured, considered doubtful	4.97	0.40	0.00	0.00
	367.33	295.12	24.43	7.70
Less: Provision for doubtful security deposit	4.97	0.40	0.00	0.00
(B)	**362.36**	**294.72**	**24.43**	**7.70**
Loans and advances to related parties *1				
Unsecured, considered good	0.00	1067.75	0.00	724.67
Unsecured, considered doubtful	13.41	12.49	0.00	0.00
	13.41	1,080.24	0.00	724.67
Less: Provision for doubtful loans and advances	13.41	12.49	0.00	0.00
(C)	**0.00**	**1,067.75**	**0.00**	**724.67**
Other loans and advances				
Unsecured, considered good				
Prepaid expenses	99.76	67.49	341.46	277.95
Loans and advances to employees *2	3.90	6.10	169.31	138.26
Advances to suppliers for purchases	21.29	18.73	2,219.17	417.80
Earnest money deposit	22.51	27.41	364.82	93.64
Service tax recoverable	409.14	347.95	252.83	443.01
Deposit with sales tax authorities	141.75	141.75	17.93	17.30
Sales tax refundable	0.00	0.00	67.90	67.90
Excise duty (Cenvat Balance)	2,769.31	2,171.60	163.24	323.90
Works contract tax recoverable	30.12	30.12	0.00	0.00
MAT credit entitlement	2,950.47	3,849.78	0.00	0.00
Advance payment of tax {net of provision for tax of ` 203.97 lacs (previous year : ` 1,417.40 lacs)}	3,142.05	2,812.88	0.00	0.00
VAT recoverable	68.27	75.83	158.96	77.08
Excise duty recoverable	283.95	289.31	38.09	130.18
Interest on excise loan recoverable	0.00	0.00	94.42	200.82
Incentives recoverable from UP Govt. {Refer Note No. 40(a)}	14,002.46	14,002.46	0.00	0.00
Others	309.67	388.87	114.16	468.31
Sub-total (considered good)	24,254.65	24,230.28	4,002.29	2,656.15
Unsecured, considered doubtful				
Excise duty / Sales tax recoverable	31.02	66.31	27.96	27.96
Custom duty recoverable	0.00	0.00	0.47	0.47
Loans and advances to employees	2.56	0.70	0.00	0.00
Advances to suppliers for purchases	31.18	32.17	3.49	0.58
Bank guarantee encashments recoverable	1,122.74	1,122.74	0.00	0.00
Others	176.63	171.22	6.04	3.08
Sub-total (considered doubtful)	1,364.13	1,393.14	37.96	32.09
Total Gross (other loans and advances)	**25,618.78**	**25,623.42**	**4,040.25**	**2,688.24**
Less: Provision for doubtful loans and advances	1,364.13	1,393.14	37.96	32.09
Total Net (other loans and advances) (D)	**24,254.65**	**24,230.28**	**4,002.29**	**2,656.15**
Total (A+B+C+D)	**25,248.85**	**25,816.48**	**4,026.72**	**3,388.52**
*1 Loans and advances to related parties include the following:				
Triveni Engineering Limited (subsidiary company)	13.41	12.81	0.00	0.00
Triveni Turbine Limited (Associate Company)	0.00	1,067.43	0.00	724.67
*2 Loans and advances to employees include amount due from Company Secretary	0.00	0.00	0.13	0.04

15. Inventories

(` in Lacs)

Particulars	30.09.2012	30.09.2011
(Valued at lower of cost and net realisable value)		
Raw material and components [includes stock in transit ` Nil (previous year: ` 35.28 lacs)]	2,345.13	1,587.52
Less: Provision for obsolescence/slow moving raw materials and components	(88.29)	(87.06)
Work-in-progress	669.80	523.52
Stores and spares	2,906.02	3,199.70
Less: Provision for obsolescence/slow moving stores and spares	(3.81)	(3.81)
Finished goods	47,772.51	33,960.18
Certified emission reductions (Refer Note No. 47)	22.13	0.00
Patterns, loose tools, jigs and fixtures	89.80	70.50
Others (Scrap)	116.33	111.87
	53,829.62	**39,362.42**

16. Trade Receivables

Particulars	Non-Current		Current	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Over Six Months				
Secured, considered good	0.00	0.00	0.00	0.00
Unsecured, considered good	67.75	328.38	2,733.44	2,317.22
Considered doubtful	1,995.29	1,092.74	197.19	85.97
	2,063.04	1,421.12	2,930.63	2,403.19
Less : Provision for doubtful receivables	1,995.29	1,092.74	197.19	85.97
(A)	**67.75**	**328.38**	**2,733.44**	**2,317.22**
Others				
Secured, considered good	0.00	0.00	0.00	0.00
Unsecured, considered good	190.84	1,813.91	18,231.34	14,779.13
Considered doubtful	0.00	0.00	325.00	0.00
	190.84	1,813.91	18,556.34	14,779.13
Less : Provision for doubtful receivables	0.00	0.00	325.00	0.00
(B)	**190.84**	**1,813.91**	**18,231.34**	**14,779.13**
Total (A+B)	**258.59**	**2,142.29**	**20,964.78**	**17,096.35**
Less: Amount disclosed under other non-current assets (Refer Note No. 18)	258.59	2,142.29		
	0.00	**0.00**	**20,964.78**	**17,096.35**

17. Cash and Bank Balances

(` in Lacs)

Particulars	Non-Current		Current	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Cash and cash equivalents				
Balance with banks				
Current accounts	0.00	0.00	68.82	381.13
Demand deposits (original maturity of less than three months)	0.00	0.00	1.07	2.88
Cheques / drafts on hand	0.00	0.00	821.94	441.97
Cash on hand	0.00	0.00	33.36	151.74
(A)	**0.00**	**0.00**	**925.19**	**977.72**
Other bank balances				
Earmarked balances :				
Deposit against molasses storage fund	287.33	253.61	0.00	0.00
Unpaid dividend account	0.00	0.00	110.05	104.62
Balances under lien/margin/kept as security :				
Post office savings account	1.36	1.36	0.00	0.00
Fixed / margin deposits (original maturity up to one year)	155.34	136.81	1.01	1.01
Fixed / margin deposits (original maturity more than one year)	33.53	30.00	0.00	0.00
Other balances:				
Demand deposits (original maturity more than one year)	6.43	18.56	4.20	4.20
Demand deposits (original maturity exceeding three months but up to one year)	0.00	0.00	8.53	25.03
(B)	**483.99**	**440.34**	**123.79**	**134.86**
Total (A+B)	**483.99**	**440.34**	**1,048.98**	**1,112.58**
Less: Amount disclosed under other non-current assets (Refer Note No. 18)	483.99	440.34		
	0.00	**0.00**	**1,048.98**	**1,112.58**

18. Other Assets

Non current trade receivables (Refer Note No. 16)	258.59	2,142.29	0.00	0.00
Non current cash and bank balances (Refer Note No. 17)	483.99	440.34	0.00	0.00
Interest accrued on bank deposits.	19.07	16.16	31.67	46.12
Duty drawback receivable	0.00	0.00	0.45	6.42
Forward premium /discount adjustable	0.00	0.00	15.66	14.53
Due from customers (Construction and project related activity)	0.00	0.00	6,150.05	10,651.41
Fixed assets pending disposal/sale	0.00	0.00	43.98	46.61
Insurance claim recoverable	0.00	0.00	65.57	68.31
Off-season expenses deferred	0.00	0.00	10,047.06	10,584.89
Others	0.00	0.00	7.44	0.00
	761.65	**2,598.79**	**16,361.88**	**21,418.29**

19. Revenue from Operations

(` in Lacs)

Particulars	30.09.2012	30.09.2011
Sale of products		
Finished goods	1,76,638.92	1,56,984.17
Traded goods	1,096.55	4,354.02
Sale of services		
Erection and commissioning	39.90	67.23
Servicing	40.10	200.21
Operation and maintenance	180.04	66.67
Others	12.36	15.14
Construction contract revenue	12,744.07	14,312.72
Other operating revenue		
Income from sale of certified emission reductions	555.82	0.00
Income from third party exports	662.70	1,195.95
Sale of scrap	60.21	66.90
	1,92,030.67	**1,77,263.01**
Details of Sales (Finished Goods)		
Sugar	1,36,969.51	1,20,523.19
Molasses	979.68	3,099.00
Bagasse	3,883.97	2,751.57
Power	5,741.74	5,256.77
Alcohol	12,724.08	7,754.61
Mechanical equipment - Water/Waste-water	3,754.59	3,793.87
Gears/Gear Boxes	10,993.45	11,640.52
Spares of Gears/Gear Boxes	1,027.65	1,764.96
Others	564.25	399.68
	1,76,638.92	**1,56,984.17**
Details of Sales (Traded Goods)		
Sugar	0.00	3,582.20
Diesel/Petrol/Lubricants	1,025.61	670.12
Other consumer goods	70.94	101.70
	1,096.55	**4,354.02**
Details of Sales (Construction Contract Revenue)		
Water, Waste-water and Sewage treatment	12,469.26	14,312.72
Power generation and evacuation system	274.81	0.00
	12,744.07	**14,312.72**

20. Other Income

Exchange rate fluctuation gain	0.00	247.36
Rent received	48.68	42.54
Interest income from		
Bank deposits	46.73	40.22
Related parties	29.42	182.43
Customers	1.92	7.16
Others	22.04	7.66
Dividend on long term investment	493.06	2.36
Profit on sale of long term investment (subsidiary company)	0.42	0.00
Provision for deficiency in PF Trust written back	50.76	0.00
Credit balances written back [net of amounts written off : ` 50.18 lacs (previous year: ` 68.11 lacs)]	72.69	169.14
Excess depreciation written back	0.81	1.17
Excess provision for warranty written back (net)(Refer Note No. 42)	303.24	0.00
Excess provision of expenses written back	104.68	126.41
Miscellaneous income	666.86	1,137.25
	1,841.31	**1,963.70**

21. Material Consumed

(` in Lacs)

Particulars	30.09.2012	30.09.2011
Stock at commencement	1,587.52	1,742.90
Purchases *	1,43,916.48	1,14,972.27
	1,45,504.00	1,16,715.17
Less : Amount capitalised	34.16	0.00
Less: Stock at close	2,345.13	1,587.52
	1,43,124.71	**1,15,127.65**
* Includes provision of ` 116.72 lacs (` 112.24 lacs) towards administrative charges on molasses received from sugar units (Refer Note No. 42).		
Details of raw material and components consumed		
Sugar cane	1,29,198.45	99,170.40
Construction contracts materials:		
Rotary vacuum drum filter	1.74	119.49
Clarifiers	659.16	496.83
RO plants	5,978.31	8,470.35
Operation and maintenance	0.00	237.81
Molasses	1,445.62	707.06
Forgings and castings	2,063.09	2,041.31
Sub contract charges	219.93	287.87
Others	3,558.41	3,596.53
	1,43,124.71	**1,15,127.65**

22. Purchase of Traded Goods

Sugar	0.00	3,229.88
Diesel/Petrol/Lubricants	1,050.66	738.72
Other consumer goods	65.01	89.37
	1,115.67	**4,057.97**

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

(` in Lacs)

Particulars	30.09.2012	30.09.2011
Stock at commencement		
Work-in-progress	523.52	411.09
Finished goods	33,960.18	35,394.65
	34,483.70	35,805.74
Stock at close		
Work-in-progress	669.80	523.52
Finished goods	47,772.51	33,960.18
Certified emission reductions	22.13	0.00
	48,464.44	34,483.70
Add/(Less): Impact of excise duty on finished goods	522.80	(165.02)
	(13,457.94)	**1,157.02**
Details of Work in Progress		
Sugar	300.47	260.15
Molasses	2.07	0.97
Mechanical Equipment-Water/Waste Water	37.11	53.72
Gear/Gear Boxes	329.99	170.02
Others	0.16	38.66
	669.80	**523.52**
Details of Finished Goods		
Sugar	43,862.95	32,313.67
Molasses	3,597.70	1,237.94
Bagasse	56.42	98.02
Power	47.79	42.16
Alcohol	180.86	207.33
Others	26.79	61.06
	47,772.51	**33,960.18**

24. Employee Benefit Expenses

Salaries, wages and bonus	11,390.29	10,590.81
Compensation under VRS	118.15	382.29
Contributions to provident and other funds *	947.12	960.01
Gratuity	379.17	341.34
Employee welfare	587.89	700.97
	13,422.62	12,975.42
Less : Amount capitalised	14.77	0.00
	13,407.85	**12,975.42**

* Including provision for deficiency in PF Trust ` Nil (previous year : ` 63.04 lacs) (Refer Note No. 42)

25. Other Expenses

(` in Lacs)

Particulars	30.09.2012	30.09.2011
(A) Manufacturing/Operating Expenses		
Stores,spares and tools consumed	2,297.40	2,068.43
Power and fuel	2,065.68	2,449.51
Design and engineering charges	327.98	45.29
Cane development expenses	424.84	821.14
Machining/fabrication expenses	172.95	114.75
Erection and commissioning expenses	253.71	249.38
Civil construction charges	2,409.33	1,897.06
Packing and stacking expenses	1,973.64	1,662.27
Repairs and maintenance		
Machinery	2,749.86	2,963.24
Building	329.78	240.70
Others	224.69	196.75
Factory/operational expenses	1,041.03	801.55
	14,270.89	13,510.07
(B) Administration Expenses		
Travelling and conveyance	1,149.46	1,273.17
Rent	431.68	396.77
Rates and taxes	1,090.71	631.45
Insurance	183.21	141.43
Directors' fee	7.30	11.20
Directors' commission	0.00	9.00
Legal and professional expenses	612.30	483.21
Security service expenses	571.61	483.22
Printing and stationery	153.56	165.04
Postage, telegram and telephone	214.21	218.77
Bank charges and guarantee commission	147.03	137.33
Provision for warranty expenses (net) (Refer Note No. 42)	0.00	198.58
Payment to Auditors (Refer Note No. 49)	96.03	90.45
Provision for Arbitration/Court case claims (Refer Note No. 42)	13.56	20.58
Provision for mark to market loss on foreign exchange derivatives (Refer Note No. 42)	0.00	631.15
Exchange rate fluctuation loss	13.20	0.00
[net of discount/premium received on F/E forward contracts : ` 101.52 lacs (Previous year: ` Nil)]		
Provision for diminution in long term investments	0.48	8.90
Provision for non moving / obsolete inventory	1.23	24.97
Provision for bad and doubtful debts/advances (net)	1,321.13	455.96
Provision for cost to completion on construction contracts (Refer Note No. 42)	23.00	42.00
Loss on sale/write off of fixed assets	72.19	21.99
Loss on sale /write off of stores & spares	3.48	5.49
Miscellaneous expenses	710.56	790.71
	6,815.93	6,241.37
(C) Selling Expenses		
Selling commission	616.05	521.58
Royalty	249.49	247.12
Advertisement and sales promotion	51.80	63.34
Rebate and discount	25.85	262.54
Outward freight and forwarding	1,428.34	969.54
	2,371.53	2,064.12
(D) Off-season expenses deferred/charged (Net)		
Off-season expenses deferred (net)	537.83	(455.05)
Sub-total (A+B+C+D)	**23,996.18**	**21,360.51**
Less : Amount capitalised	7.45	0.00
Total Other Expenses	**23,988.73**	**21,360.51**

26. Prior Period Items

(` in Lacs)

Particulars	30.09.2012	30.09.2011
(A) Expenses		
Cost of raw material and components consumed	9.20	0.70
Stores, spares and tools consumed	1.90	0.00
Packing and stacking expenses	0.00	1.30
Repairs and maintenance		
Machinery	(0.11)	0.00
Others	0.46	2.80
Rates & Taxes	0.00	3.16
Insurance	0.00	0.30
Legal and professional expenses	7.44	20.21
Security service expenses	0.17	0.00
Loss on sale/write off of fixed assets	0.13	0.00
Miscellaneous expenses	1.80	4.76
Royalty	2.09	0.00
Depreciation	0.39	19.26
Interest on fixed loans	38.88	0.00
Interest on cash credit	0.55	0.00
Other borrowing cost	15.64	0.00
	78.54	52.49
(B) Income		
Revenue from operations	9.51	(2.91)
Rent Received	0.00	0.75
Miscellaneous income	6.77	0.00
	16.28	(2.16)
Prior period items (net) (A) - (B)	**62.26**	**54.65**

27. Depreciation and Amortisation Expenses

Depreciation	7,873.56	7,792.32
Amortisation		
Intangible assets	281.50	332.21
	8,155.06	**8,124.53**

28. Finance Costs

Interest on		
Debentures	1,248.41	1,245.00
Fixed loans	5,212.39	4,079.82
Others	5,493.95	3,857.44
Other borrowing cost	173.85	157.41
Exchange fluctuation loss *	148.25	140.93
	12,276.85	**9,480.60**

* Includes premium/discount paid on foreign currency forward contracts : ` 148.36 lacs (Previous year : ` 70.25 lacs)

29. Exceptional Items

Differential cane price relating to sugar season 2007-08 paid as per the order of Hon'ble Supreme Court	7,895.80	0.00
Profit on sale of unused land	0.00	(415.65)
Exceptional items	**7,895.80**	**(415.65)**

30. Tax Expense

(` in Lacs)

Particulars	30.09.2012	30.09.2011
For Current Year		
Current Tax	0.00	410.62
Deferred Tax	(3,032.24)	(494.76)
	(3,032.24)	**(84.14)**
For Earlier Years (Net)		
Current Tax	21.61	1.81
	21.61	1.81
	(3,010.63)	**(82.33)**
Less/(Add) : Entitlement / (Reversal) of MAT Credit	(899.31)	406.61
	(2,111.32)	**(488.94)**

31. Earning Per Share (EPS)

Net profit/(loss) after tax as per statement of profit and loss	(6,671.22)	1,305.82
Number of equity shares of ` 1/- each outstanding during the year	25,78,80,150	25,78,80,150
Basic and diluted * EPS in `	**(2.59)**	**0.51**

* In view of the fair value of the 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 30.09.2012, being lower than the exercise price of the stock options granted under ESOP 2009 Scheme (Refer Note No. 33), the options granted to the employees are not considered dilutive in nature.

32. Contingent liabilities and commitments (to the extent not provided for)

a) Claims against the Company not acknowledged as debts

(` in Lacs)

		30.09.2012	30.09.2011
i)	Claims which are being contested by the company and in respect of which the company has paid amounts aggregating to ` 613.76 lacs (previous year : ` 651.39 lacs) under protest pending final adjudication of the cases:	2,566.29	2,682.15

Sl. no.	Particulars	Amount of contingent liability	Amount paid
01.	Sales Tax	430.29 (507.51)	226.43 (245.01)
02.	Excise Duty	1,451.82 (1,375.36)	327.90 (354.20)
03.	Others	684.18 (799.28)	59.43 (52.18)

Figures in brackets relates to previous year.

		30.09.2012	30.09.2011
ii)	The Company is contingently liable in respect of short provision against disputed income tax liabilities of ` 4,587.50 lacs (previous year: ` 4,587.50 lacs) against which ` 3,881.93 lacs (previous year : ` 3,672.90 lacs) stands paid and the balance amount has been stayed till disposal of first appeal. The disputed income tax liability includes ` 3,733.21 lacs towards unrealised incentives. In the event such liability finally materializes, ` 3,524.20 lacs will be adjusted against the corresponding capital reserve.	4,587.50	4,587.50
iii)	Statutory levies against which remission has been availed under U.P. Sugar Industry Promotion Policy 2004 issued by the State Government of Uttar Pradesh [refer note - 40(a)]	3,320.27	2,479.19
iv)	Liability arising from claims / counter claims/ Interest in arbitration/ Court cases, claims of certain employees/ex-employees and in respect of service tax, if any, on certain activities of the Company which are being contested by the Company.	Indeterminate	Indeterminate
v)	Differential cane price for the sugar season 2007-08 pending disposal of the matter by the Hon'ble Supreme Court. As against price of ` 1,250/MT advised by the State Govt. of Uttar Pradesh, the Company had accounted for and discharged its liability at ` 1,100/MT in accordance with the interim order passed by the Supreme Court.	-	7,895.80

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

b) Guarantees / surety given on behalf of certain associate companies ` 1,566.74 lacs (previous year ` 41.00 lacs), including a corporate guarantee of ` 1,525.74 lacs (GBP 17,61,821) given during the year on behalf of an associate company as a surety for due performance of its obligations under a contract awarded by an overseas customer and in respect of which, the associate company has fully indemnified the Company against any claims, damages or expenses, including legal costs. The guarantees have been given in the normal course of operations of these companies and are not expected to result in any loss to the Company on the basis of such companies fulfilling their ordinary commercial obligations.

c) Outstanding commitments for capital expenditure are ` 1,168.11 lacs (previous year ` 707.25 lacs) after adjusting advance amounting to ` 631.84 lacs ( previous year ` 223.73 lacs).

33. Pursuant to the Employees Stock Option Scheme (ESOP 2009) framed by the Company, 2,00,000 stock options had been granted to eligible employees of the Company during the financial year 2009-10. Subsequent thereto, under a Scheme of Arrangement (Scheme) between the Company, M/s Triveni Turbine Ltd. (TTL) and their respective shareholders and creditors, which was duly approved by the Hon'ble High Court of Allahabad vide its order dated 19.04.2011, the employees of the Steam Turbine Undertaking (including those who were granted stock options under ESOP 2009) became the employees of TTL. In the Scheme, two alternatives were stated for dealing with the ESOP 2009 and the preferred alternative was subject to the approval of the Stock Exchanges / SEBI. Since the Company is unable to get any response / approval to the preferred alternative, it is in the process of implementing the second alternative whereby the options if exercised would result in grant of shares in only the respective company in which such employee is employed. This would, inter-alia, necessitate splitting of the exercise price of the options between TTL and the Company on an equitable basis and amending the entitlements of shares to be granted on exercise of the options.

Pending final determination in the matter as aforesaid, the required disclosures of the ESOP 2009 are as under:

a) Employee Stock Option Scheme:

No. of Options Granted	2,00,000
Eligibility of shares under the options	One equity share of ` 1/- each fully paid up for every one option held
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 *

* Refers to the exercise price and the market price on date of grant of the options by the Company, prior to the demerger of the Steam Turbine undertaking of the Company.

b) Movement of Options Granted

	30.09.2012	30.09.2011
Outstanding at the beginning of the year	2,00,000	2,00,000
Granted during the year	Nil	Nil
Exercised during the year	Nil	Nil
Lapsed during the year	80,000	Nil
Outstanding at the end of the year	1,20,000	2,00,000
Unvested at the end of the year	Nil	1,00,000
Exercisable at the end of the year	1,20,000	1,00,000

The options outstanding as at the end of the year have a weighted average contractual life of 13 months and are exercisable at the grant price of ` 108.05, Pending final determination in the matter regarding modification of ESOP 2009 as stated above, the exercise price of ` 108.05 is without considering any modification/adjustment which may be required to be carried out post demerger of the steam turbine undertaking of the Company.

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 each option of the Company as on the date of grant, works out to ` 56.60 (` 56.60), which had been arrived at without considering the subsequent demerger of the steam turbine undertaking of the Company.

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

(` in Lacs)

Particulars	30.09.2012	30.09.2011
Net Profit/ (Loss) (as reported)	(6,671.22)	1,305.82
Add: Compensation expense under ESOP considered in the net profit	Nil	Nil
Less: Compensation expense under ESOP as per fair value *	(26.85)	59.86
Net Profit/(Loss) (fair value basis)	(6,644.37)	1,245.96
Basic earning per share (as reported) – `/Share	(2.59)	0.51
Basic earning per share (fair value basis) – ` /Share	(2.58)	0.48
Diluted earning per share (as reported) – ` /Share	(2.59)	0.51
Diluted earning per share (fair value basis) – ` /Share	(2.58)	0.48

* The compensation expenses for the year on fair value basis has been computed without considering the effect of any modification/ adjustment which may be required to be made to ESOP 2009 to give effect to the demerger of the steam turbine division.

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

(` in Lacs)

Sl. No.	Particulars	30.09.2012	30.09.2011
1	Amounts due to Micro and Small Enterprises as at the end of the year		
	i) Principal amount	23.45	6.81
	ii) Interest due on above	(Nil)	(Nil)
2	**i)** Principal amount paid after due date or appointed day during the year	(Nil)	(Nil)
	ii) Interest paid during the year on (i) above	(Nil)	(Nil)
3	Interest due & payable (but not paid) on principal amounts paid during the year after the due date or appointed day.	(Nil)	(Nil)
4	Total interest accrued and remaining unpaid as at the end of the year	(Nil)	(Nil)
5	Interest due and remaining payable pertaining to earlier years	(Nil)	(Nil)

35. a) The Company has taken various residential, office and godown premises under operating lease. These are generally not non-cancelable and the unexpired period ranges upto 4 years and 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. Lease payments under operating lease are recognised in the statement of profit and loss as "Rent" under "Other Expenses" (Refer Note No. 25).

b) The Company has also given certain portion of its office/factory premises under operating leases. These leases are not non-cancellable and are extendable by mutual consent and at mutually agreeable terms. The gross carrying amount, accumulated depreciation and depreciation recognised in the statement of profit and loss in respect of such portion of the leased premises are not separately identifiable. There is no impairment loss in respect of such premises. No contingent rent has been recognised in the statement of profit and loss.

36. Information on Segment Reporting of the Company for the year ended 30.09.2012

(` in Lacs)

	SUGAR								ENGINEERING						OTHERS					
	Sugar		Co-generation		Distillery		Total Sugar		Gears		Water		Total Engineering		Other Operations		Eliminations		Total	
	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11
REVENUE																				
External Sales	1,41,746.78	1,30,437.42	6,297.56	5,256.77	12,994.75	7,894.22	1,61,039.09	1,43,588.41	11,609.09	13,194.81	16,968.46	18,733.42	28,577.55	31,928.23	2,414.03	1,746.37	0.00	0.00	1,92,030.67	1,77,263.01
Inter-segment Sales	12,353.08	9,838.12	6,629.50	6,449.31	0.00	0.00	18,982.58	16,287.43	25.55	15.11	43.09	23.93	68.64	39.04	53.03	72.30	(19,104.25)	(16,398.77)	0.00	0.00
Total Sales	**1,54,099.86**	**1,40,275.54**	**12,927.06**	**11,706.08**	**12,994.75**	**7,894.22**	**1,80,021.67**	**1,59,875.84**	**11,634.64**	**13,209.92**	**17,011.55**	**18,757.35**	**28,646.19**	**31,967.27**	**2,467.06**	**1,818.67**	**(19,104.25)**	**(16,398.77)**	**1,92,030.67**	**1,77,263.01**
Other Income	430.11	598.36	0.12	6.99	19.73	65.36	449.96	670.71	48.50	97.41	268.44	241.64	316.94	339.05	0.91	(3.77)			767.81	1,005.99
Total Revenue	**1,54,529.97**	**1,40,873.90**	**12,927.18**	**11,713.07**	**13,014.48**	**7,959.58**	**1,80,471.63**	**1,60,546.55**	**11,683.14**	**13,307.33**	**17,279.99**	**18,998.99**	**28,963.13**	**32,306.32**	**2,467.97**	**1,814.90**	**(19,104.25)**	**(16,398.77)**	**1,92,798.48**	**1,78,269.00**
RESULT																				
Segment result	(7,602.38)	735.26	4,990.33	3,655.18	2,716.25	896.38	104.20	5,286.82	3,004.70	4,191.09	1,227.57	2,328.08	4,232.27	6,519.17	11.51	6.37	(43.73)	(476.46)	4,304.25	11,335.90
Unallocated expenses (Net)																			(1,403.53)	(1,693.90)
Operating profit																			**2,900.72**	**9,642.00**
Interest expense																			(12,276.85)	(9,480.60)
Interest income																			100.11	237.47
Other non-operating income																			493.48	418.01
Income taxes (including deferred tax)																			2,111.32	488.94
Net profit																			**(6,671.22)**	**1,305.82**
OTHER INFORMATION																				
Segment assets	1,37,686.05	1,30,627.48	18,406.03	18,382.22	13,457.46	13,246.83	1,69,549.54	1,62,256.53	11,501.25	11,180.10	22,489.04	23,775.67	33,990.29	34,955.77	2,110.46	312.80			2,05,650.29	1,97,525.10
Unallocated assets																			23,386.07	23,086.99
Total assets																			**2,29,036.36**	**2,20,612.09**
Segment liabilities	10,500.61	8,178.15	351.58	509.34	280.99	505.77	11,133.18	9,193.26	2,194.78	2,477.89	7,102.11	11,428.31	9,296.89	13,906.20	1,918.52	10.69			22,348.59	23,110.15
Unallocated liabilities																			1,10,527.58	94,338.31
Total liabilities																			**1,32,876.17**	**1,17,448.46**
Capital expenditure	868.18	1,106.08	66.63	22.73	167.58	67.58	1,102.39	1,196.39	875.32	1,794.31	236.31	302.13	1,111.63	2,096.44	0.00	0.16				
Depreciation	5,011.49	5,043.90	1,505.66	1,504.19	551.49	546.87	7,068.64	7,094.96	613.59	494.27	100.12	84.10	713.71	578.37	5.18	5.10				
Amortisation	111.48	155.78	13.76	22.81	9.32	17.45	134.56	196.04	35.09	11.92	93.21	91.04	128.30	102.96	0.00	0.00				

Notes :

(i) In accordance with the Accounting Standard (AS) 17 "Segment Reporting", the Company's operations have been categorised into 5 major business segments, which constitute 98.74% (99.02%) 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

a) Sugar : The Company is a manufacturer of white crystal sugar, having seven manufacturing plants situated in the State of Uttar Pradesh. After meeting the captive requirements, the Company also sells the surplus molasses and bagasse, which are produced as a by-product in the manufacture of sugar.

b) Co-generation : The business segment, apart from meeting part of the power and steam requirements of the associated sugar units, also exports power to the State grid. It has installed capacity of 68 MW spread over Khatauli and Deoband sugar mills.

c) Distillery : The 160 kilo-liters per day capacity distillery located at Muzaffarnagar, Uttar Pradesh, uses the molasses produced in manufacture of sugar as the principal raw material in production of various categories of alcohol.

Engineering Businesses

a) High Speed Gears : This business segment manufactures high speed gears and gear boxes at the manufacturing facility located at Mysore, Karnataka.

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

(ii) The 'Other Operations' mainly include execution of a turnkey project relating to installation of Steam Turbine based power evacuation system , trading of various packaged fast moving consumer goods under the Company's brand name (including sugar) and retailing of diesel / petrol through a company operated fuel station.

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

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

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

(vi) Sugar segment result for the current year includes exceptional item relating to differential cane price of sugar season 2007-08 amounting to ` 7,895.80 lacs.

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

a) Related party where control exists

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

(ii) Wholly owned subsidiaries

Upper Bari Power Generation Limited (UBPGL) *1
Triveni Energy Systems Limited (TESL)
Triveni Engineering Limited (TEL)

**1 Ceased to be subsidiary during the year.*

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

i) Wholly owned Subsidiaries (Group A)

Upper Bari Power Generation Limited (UBPGL) *1
Triveni Energy Systems Limited (TESL)
Triveni Engineering Limited (TEL)

**1 Ceased to be subsidiary during the year.*

ii) Associates (Group B)

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

iii) Key Management Person (Group C)

Mr. D M Sawhney, Chairman & Managing Director (DMS)
Mr. Tarun Sawhney, Joint Managing Director (TS)

iv) Key Management person relatives (Group D)

Mrs. Rati Sawhney (RS – wife of DMS)
Mr. Nikhil Sawhney (NS – son of DMS).

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

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

c) Details of transaction with the related parties during the year ended 30.09.2012 :

(` in Lacs)

Sr. No.	NATURE OF TRANSACTION	Group - A			Group - B					Group - C		Group - D		Group - E		TOTAL
		UBPGL *	TESL	TEL	TTL	AWTL	TOFSL	ETS	TENL	DMS	TS	NS	RS	KUL	TRSCT	
1	Sales and Rendering Services	-	-	-	3,130.35	.	1.69	1.21	1.20	-	-	-	-	-	-	3,134.45
		(-)	(-)	(-)	(4,649.96)	(-)	(0.84)	(0.60)	(0.60)	(-)	(-)	(-)	(-)	(-)	(-)	(4,652.00)
2	Purchases and receiving Services	-	-	-	348.72	.	.	-	-	-	-	-	-	-	2.21	350.93
		(-)	(-)	(-)	(258.62)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.10)	(259.72)
3	Purchase of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
		(-)	(-)	(-)	(2.34)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2.34)
4	Rent Paid	-	-	-	0.12	-	-	-	-	19.80	-	-	-	54.71	-	74.63
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(18.00)	(-)	(-)	(-)	(36.00)	(-)	(54.00)
5	Rent & Other Charges Recd.	-	-	-	30.13	-	-	-	-	-	-	-	-	-	-	30.13
		(-)	(-)	(-)	(23.99)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(23.99)
6	Advance against purchase order	-	-	-	1,595.41	-	-	-	-	-	-	-	-	-	-	1,595.41
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
7	Amount Advanced	-	-	0.60	1,018.28	-	-	-	-	-	-	-	-	-	-	1,018.88
		(-)	(-)	(-)	(4,503.51)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(4,503.51)
8	Rebate & Discount Paid	-	-	-	17.45	-	-	-	-	-	-	-	-	-	-	17.45
		(-)	(-)	(-)	(205.04)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(205.04)
9	Expenses incurred by the Company on behalf of party (net)	-	-	-	13.99	-	-	-	-	-	-	-	-	5.45	-	19.44
		(-)	(-)	(-)	(411.28)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(411.28)
10	Recovery of Capital expenditure	33.79	-	-	-	-	-	-	-	-	-	-	-	-	-	33.79
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
11	Interest Received	-	-	-	29.42	-	-	-	-	-	-	-	-	-	-	29.42
		(-)	(-)	(0.74)	(181.69)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(182.43)
12	Interest Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(0.32)	(-)	(-)	(0.32)
13	Remuneration **	-	-	-	-	-	-	-	-	221.48	152.21	-	-	-	-	373.69
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(232.46)	(151.84)	(135.96)	(-)	(-)	(-)	(520.26)
14	Refund against amount received on behalf of the party	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(50.00)	(-)	(-)	(-)	(-)	(50.00)
15	Recoveries against leased accomodation	-	-	-	-	-	-	-	-	-	5.70	-	-	-	-	5.70
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(5.70)	(-)	(-)	(-)	(-)	(5.70)
16	Investment in Shares	-	-	-	-	1,717.17	-	-	-	-	-	-	-	-	-	1,717.17
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
17	Provision against Investment/ Advances	-	-	0.92	-	-	-	-	-	-	-	-	-	-	-	0.92
		(-)	(3.90)	(17.49)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(21.39)
18	Charity & Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	50.00	50.00
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(50.00)	(50.00)
19	Recoveries against remuneration	-	-	-	-	-	-	-	-	-	-	7.17	-	-	-	7.17
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
20	Guarantees given on behalf of party ***	-	-	-	1,525.74	-	-	-	-	-	-	-	-	-	-	1,525.74
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
21	**Outstanding balances as on 30.09.2012**															
	A. Receivable	-	-	13.41	2,177.81	-	-	-	0.15	-	-	-	-	-	-	2,191.37
		(-)	(-)	(12.81)	(2,695.35)	(-)	(-)	(-)	(0.27)	(-)	(-)	(-)	(-)	(-)	(-)	(2,708.43)
	B. Payable	-	-	-	235.04	336.56	-	-	-	21.98	0.13	-	-	-	0.50	594.21
		(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(22.58)	(1.10)	(26.84)	(-)	(-)	(0.52)	(51.04)
	C. Guarantees / Surety Outstanding	-	-	-	1,526.74	-	40.00	-	-	-	-	-	-	-	-	1,566.74
		(-)	(-)	(-)	(1.00)	(-)	(40.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(41.00)

* Ceased to be subsidiary during the year

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

*** GBP 17,61,821 converted at closing rate of ` 86.60 as on 30.09.2012.

Figures in brackets relate to previous year.

38. Derivative Instruments :

a) Derivative instruments outstanding for hedging foreign currency risks (including firm commitments and highly probable forecasted transactions)

(Foreign Currency in Lacs)

Currency Pair	As on 30.09.12		As on 30.09.11	
	Payables	Receivables	Payables	Receivables
1. Forward Contracts				
USD / INR	45.83	19.32	35.74	114.54
EURO / USD *1	3.29	-	11.00	-
GBP / USD *1	-	1,507.34	0.75	-
JPY / USD *1	-	-		8,500.00
AUD/USD *1	4.48	-	32.50	-
2. Currency Options				
USD / INR	-	-	5.79	-
JPY / USD *1	-	-	440.62	-

*1 Wherever an exposure other than USD has been hedged directly to INR, the hedging contracts have been separately categorised 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 :

Currency	As on 30.09.12			As on 30.09.11		
	Payables	Receivables	Net*2	Payables	Receivables	Net*2
USD	8.08	8.10	(0.03)	39.34	0.48	38.86
The above is inclusive of USD equivalent of the following foreign currencies:						
EURO	2.72	-	2.72	3.65	-	3.65
GBP	0.72	-	0.72	-	-	-
JPY	1.10	515.83	(514.73)	13.50	-	13.50
AUD	0.45	-	0.45	2.40	-	2.40

*2 Figures in brackets indicate open receivables. Figures without brackets indicate open payables.

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

I) Defined Contribution Plans

(` in Lacs)

Particulars	2011-12	2010-11
Employers' contribution to employees' provident fund	799.69	744.71
Employers' contribution to employees' state insurance scheme	9.72	8.04
Employers' contribution to officers' superannuation scheme	137.71	144.22

ii) Defined Benefit Plans

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

Change in present value of obligation

(` in Lacs)

	Gratuity (Partly funded)		Compensated Absence (unfunded)	
	2011-12	2010-11	2011-12	2010-11
Present value of obligation as at the beginning of the period	2,358.30	2,860.68	671.80	880.58
Transferred to Resultant Company as per the Scheme of Arrangement	-	(583.20)	-	(195.96)
Interest cost	191.46	233.86	55.42	72.65
Current service cost	202.29	205.21	120.82	103.64
Benefits paid	(213.34)	(331.91)	(50.71)	(62.38)
Actuarial (gain)/loss on obligation	57.89	(26.34)	(17.97)	(126.73)
Present value of obligation as at the end of period	2,596.60	2,358.30	779.36	671.80

Change in the value of plan assets

(` in Lacs)

	Gratuity (Partly funded)		Compensated Absence (unfunded)	
	2011-12	2010-11	2011-12	2010-11
Fair value of the plan assets at the beginning of the period (1st April)	861.07	813.50	-	-
Expected return on plan assets	68.89	65.08	-	-
Contributions	305.55	267.83	-	-
Benefits paid	(334.44)	(291.65)	-	-
Actuarial gain/(loss) on plan assets	3.59	6.31	-	-
Fair value of the plan assets at the end of the period (31st March)	904.66	861.07	-	-

Amount recognised in balance sheet

(` in Lacs)

	Gratuity (Partly funded)		Compensated Absence (unfunded)	
	2011-12	2010-11	2011-12	2010-11
Present value of obligation as at the end of period	2,596.60	2,358.30	779.36	671.80
Fair value of plan assets as at the end of the period	904.66	861.07	-	-
Funded Status	(1,691.94)	(1,497.23)	(779.36)	(671.80)
Net Assets/(Liability) recognised in the balance sheet	(1,691.94)	(1,497.23)	(779.36)	(671.80)

Amounts recognised in the statement of profit & loss

(` in Lacs)

	Gratuity (Partly funded)		Compensated Absence (unfunded)	
	2011-12	2010-11	2011-12	2010-11
Current service cost	202.29	205.21	120.82	103.64
Interest cost	191.46	233.86	55.42	72.65
Expected return of plan assets	(68.88)	(65.08)	-	-
Net actuarial (gain)/loss recognised during the period	54.30	(32.65)	(17.97)	(126.74)
Expenses recognised in the statement of profit & loss	379.17	341.34	158.27	49.55

Experience adjustment

(` in Lacs)

	Gratuity (Partly funded)			
	2011-12	2010-11	2009-10	2008-09
Present value of obligation as at the end of period	2,596.60	2,358.30	2,860.68	2,517.95
Fair value of plan assets at the end of the period	904.66	861.07	813.50	760.35
Surplus/(Deficit)	(1,691.94)	(1,497.22)	(2,047.18)	(1,757.60)
Experience adjustment on plan liabilities/(loss)/gain	(57.90)	26.34	(273.92)	(58.78)
Experience adjustment on plan assets (loss)/gain	3.59	6.31	(1.14)	6.77

Experience adjustment

(` in Lacs)

	Compensated Absence (unfunded)			
	2011-12	2010-11	2009-10	2008-09
Present value of obligation as at the end of period	779.36	671.80	880.58	668.65
Fair value of plan assets at the end of the period	-	-	-	-
Surplus/(Deficit)	(779.36)	(671.80)	(880.58)	(668.65)
Experience adjustment on plan liabilities/(loss)/gain	17.97	126.74	(89.21)	(22.25)
Experience adjustment on plan assets (loss)/gain	-	-	-	-

Major actuarial assumptions

(` in Lacs)

	Gratuity (Partly funded)		Compensated Absence (unfunded)	
	2011-12	2010-11	2011-12	2010-11
Discounting rate	8.25%	8.25%	8.25%	8.25%
Future Salary Incerase	5.50%	5.50%	5.50%	5.50%
Expected rate of return on plan Assets	8.00%	8.00%	N.A.	N.A.
Mortality table	LIC (1994-1996) duly modified			
Method used	Projected unit credit method			

40. (a) The Company had, in respect of eligible projects, accounted for capital subsidy, remissions and reimbursement of certain statutory levies and expenses, in accordance with and as prescribed under the U.P. Sugar Industry Promotion Policy 2004 ("Policy") issued by the State Government of Uttar Pradesh. Till September 30, 2011, the Company had accounted for recoverable incentives (including capital subsidy of ` 10,470.00 lacs credited to capital reserves) aggregating to ` 14,002.46 lacs (previous year ` 14,002.46 lacs) and had availed remission of ` 2,479.20 lacs (previous year ` 1,735.54 lacs).

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

Accordingly, during the current year, the Company has accounted for only remissions of ` 841.07 lacs (previous year ` 743.65 lacs) as permitted by the High Court in its interim order. Eligible reimbursements of ` 2,171.53 lacs (previous year ` 1,487.29 lacs) have however not been accounted for during the year and the aggregate of such reimbursements not accounted for till the end of the year aggregates to ` 4,996.88 lacs (previous year ` 2,825.35 lacs) and shall be accounted for in accordance with the final order of the High Court.

(b) The Company had availed loans aggregating to ` 9,432.00 lacs (previous year ` 9,432.00 lacs) 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 loans as at the end of the year were ` Nil (previous year ` 2,076.12 lacs).

41. Disclosures under Accounting Standard (AS) 7 Construction contracts in respect of contracts in progress as at the end of the year, is provided here-below.

(` in Lacs)

Sl No.	Particulars of Disclosure	30.09.2012	30.09.2011
1	Amount of contract revenue recognised as revenue in the year	12,744.07	14,312.72
2	The aggregate amount of costs incurred and recognised profits (less recognised losses) up to the reporting date	44,684.50	31,940.43
3	Advances Received	6,055.57	3,896.67
4	Retentions	4,355.64	2,083.35
5	Gross amount due from customers for contract work as an asset	6,142.33	10,651.41
6	Gross amount due to customers for contract work as a liability	-	-

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

a) Movement in provisions:

(` in Lacs)

Nature of provision	Opening balance	Made during the year	Used during the year	Reversed during the year	Transferred pursuant to Scheme of Arrangement	Closing balance
Warranty	670.30	122.85	67.20	426.09	-	299.86
	(960.48)	(201.51)	(55.87)	(2.93)	(432.89)	(670.30)
Liquidated damages	-	-	-	-	-	-
	(911.22)	(-)	(-)	(-)	(911.22)	(-)
Cost to completion	42.00	65.00	-	42.00	-	65.00
	(-)	(42.00)	(-)	(-)	(-)	(42.00)
Administrative charges on molasses	206.78	116.72	-	-	-	323.50
	(94.54)	(112.24)	(-)	(-)	(-)	(206.78)
Arbitration/ Court-case claims	211.23	13.56	-	-	-	224.79
	(190.65)	(20.58)	(-)	(-)	(-)	(211.23)
Loss on foreign exchange derivatives	631.15	-	631.15	-	-	-
	(-)	(631.15)	(-)	(-)	(-)	(631.15)
Others	63.04	-	12.28	50.76	-	-
	(37.40)	(63.04)	(37.40)	(-)	(-)	(63.04)

Figures in brackets relate to previous year

b) Nature of provisions:

Warranties : The Company gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provisions made as at September 30, 2012 represent the amount of expected cost of meeting such obligations of rectification / replacement. The timing of the outflows is expected to be within the period of two years.

Cost to completion: The provision represents costs of materials and services required for integeration of water treatment package at the site, prior to commissioning.

Administrative charges on Molasses : The provision represents disputed liability towards administrative charges on molasses captively consumed by the Company. The dispute is currently pending adjudication before the Supreme Court, which has in the interim stayed the recovery of such charges.

Arbitration / Court-case Claims: Provision has been made against certain claims awarded against the company in legal proceedings which have been challenged by the Company before appropriate authorities.

Loss on foreign exchange derivatives: Provision is made for mark-to-market losses on derivative contracts outstanding at the year-end which were entered into for hedging certain firm commitments or highly probable forecast transactions.

Others: Represents provision made for deficiency in company managed provident fund trusts for the benefit of its employees.

c) Disclosure in respect of contingent liabilities is given as part of Note No. 32.

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

(` in Lacs)

Sl No.	Particulars	As on 30.09.2012	Maximum amount due during the year
1	Loans & advances to subsidiaries (Note 1)		
	Upper Bari Power Generation Ltd	Nil	33.79
		(Nil)	(0.15)
	Triveni Engineering Limited	13.41	13.41
		(12.81)	(12.81)
2	Loans & advances to associates (Note 1)		
	Triveni Turbine Limited	Nil	1,792.10
		(1,792.10)	(2,325.48)
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 are no repayment schedule for the loans and advances to subsidiary companies mentioned above, which are repayable on demand. In respect of loan to Triveni Turbine Ltd., each tranche of loan is repayable in twelve quarterly instalments, subject to its option to accelerate the repayment.

44. Pursuant to the undertaking given by the Company to Securities Exchange Board of India in connection with granting relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules,1957 for listing of equity shares of Triveni Turbine Limited (TTL), the Company's investment in the equity shares of TTL will remain under a lock-in period till November 29, 2014.

45. Plant and machinery at Deoband unit existing as on 1st November,1986 was revalued during the financial year 1986-87 by an approved valuer, to reflect the assets at their fair 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.

46. Pending completion of procedural formalities, the titles to certain assets, transferred to Triveni Turbine Ltd.(TTL) pursuant to a duly approved Scheme of Arrangement framed under sections 391 to 394 of the Companies Act, 1956, could not, where necessary, be transferred in the name of TTL and are being held in trust by the Company.

47. In accordance with the Guidance Note on Accounting for Self-generated Certified Emission Reductions (CERs), issued by the Institute of Chartered Accountants of India, the Company has recognised the CERs held by it as inventories in its financial statements. Disclosures as required under the Guidance Note are as under:

a) 58,816 CERs (net of UNFCCC adaptation fund) have been held as inventory by the Company;

b) 28,312 CERS are under certification as on the date of the financial statements;

c) The Company's Deoband and Khatauli Phase-I projects are registered as Clean Development Mechanism (CDM) projects with United Nations Framework Convention on Climate Change (UNFCCC) and it is not feasible to identify specific items of machinery/equipment as an "emission reduction equipment" . Accordingly, details of depreciation and operation & maintenance costs, pertaining to emission reducing equipment have not been provided.

48. The Company has during the year has made a long-term strategic investment by acquiring 13,008 equity shares (representing 25.04% equity stake) in Aqwise-Wise Water Technologies Ltd., a company registered in Israel, engaged in providing water treatment solutions, using proprietary technology. The investment is synergistic to the water/waste water business being carried out by the Company.

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

(` in Lacs)

Sl. No.	Particulars	Statutory Auditors		Branch Auditors		Cost Auditors	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
1	Audit fee	31.56	31.56	4.45	4.45	2.89	1.76
2	Tax audit fee	22.04	24.24	3.35	3.80	-	-
3	Limited review fee	15.75	14.25	2.01	2.01	-	-
4	Other services						
	Certification	2.41	1.57	0.08	0.43	-	-
	Consultation	5.00	-	-	-	-	-
5	Reimbursement of expenses	3.79	4.35	2.50	1.68	0.20	0.35
	Total	**80.55**	**75.97**	**12.39**	**12.37**	**3.09**	**2.11**

50. Due to decline in the free sugar prices and the levy sugar price being much lower than the cost of production of sugar, the sugar inventories held by certain unit(s) of the Company as on 30.09.2012 have been valued at the net realisable value. Accordingly sugar inventories have been written down by ` 571.27 lacs (previous year ` 102.03 lacs).

51. Statement of Additional Information

(` in Lacs)

Particulars	2011-12	2010-11
a. Value of imports on CIF basis		
i) Raw materials	3,427.48	3,856.50
ii) Components and spare parts	24.45	62.68
iii) Capital goods	47.56	684.41
b. Expenditure in foreign currency		
i) Travelling	28.52	62.51
ii) Royalty	249.49	247.12
iii) Legal/Professional Charges	58.87	-
iv) Interest on loans	76.33	171.65
v) Others	37.56	58.77
c. Earnings in foreign currency		
i) Export of goods on FOB basis	418.96	1829.20
ii) Sale of Certified Emission Reductions (CERs)	555.82	-

d. Consumption of raw materials, spare-parts and components	2011-12	%	2010-11	%
i) Raw material				
Directly imported	3,663.69	2.56	4,382.43	3.81
Indigenous	1,39,461.02	97.44	1,10,745.22	96.19
Total	**1,43,124.71**	**100.00**	**1,15,127.65**	**100.00**
ii) Spare-parts and components				
Directly imported	29.54	1.29	54.11	2.44
Indigenous	2,267.86	98.71	2,014.32	97.56
Total	**2,297.40**	**100.00**	**2,068.43**	**100.00**

e. Remittance in foreign currencies for dividend:

The Company has not remitted any amount in foreign currencies on account of dividend during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividend have been made by/on behalf of non-resident shareholders. The particulars of dividend payable to non-resident shareholders (including non-resident Indian shareholders) which were declared during the year are as under:

(i) Number of non-resident shareholders	574	549
(ii) Number of Ordinary Shares held by them	19,00,962	16,65,107
(iii) Gross amount of dividend - ` in lacs	3.80	5.83

Place : Noida (U.P.) Date : November 21, 2012	**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

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF TRIVENI ENGINEERING & INDUSTRIES LIMITED

1. We have audited the attached Consolidated Balance Sheet of Triveni Engineering & Industries Limited Group, as at 30th September 2012 and also the Consolidated Statement of Profit and Loss 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 statements 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 subsidiary Upper Bari Power Generation 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.

4. We did not audit the financial statements of Indian Associates TOFSL Trading & Investments Limited, Triveni Entertainment Limited and Triveni Turbine Limited and Foreign Associate Aqwise-Wise Water Technologies Limited. The financial statements of TOFSL Trading & Investments Limited have been audited by other auditor and whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of TOFSL Trading & Investments Limited is based solely on the report of the other auditor. The financial statements of Triveni Turbine Limited, Triveni Entertainment Limited and Aqwise-Wise Water Technologies Limited are unaudited.

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 Triveni Energy Systems Limited and Triveni Engineering Limited for the year ended 30th September 2012 and Upper Bari Power Generation Limited for the period ended 30th November 2011, its associates TOFSL Trading & Investments Limited, and Engineering & Technical Services Limited for the year ended 31st March 2012 & half year ended 30th September 2012, and unaudited financial statements of Triveni Turbine Limited, Triveni Entertainment Limited and Aqwise-Wise Water Technologies Limited for the year/period ended 30th September 2012 included in the consolidated financial statements.

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 state of affairs of the Group as at 30th September 2012;

   (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date;

   (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group 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 21, 2012

Consolidated Balance Sheet as at 30th September 2012

(` in Lacs)

Particulars	Note No	30.09.2012	30.09.2011
I **EQUITY AND LIABILITIES**			
1. Shareholders' funds			
Share capital	2	2,578.82	2,578.82
Reserves and surplus	3	99,056.70	1,04,617.80
		1,01,635.52	**1,07,196.62**
2. Non - current liabilities			
Long-term borrowings	4	43,286.53	40,350.09
Deferred tax liabilities (net)	5	6,608.57	9,640.81
Other long term liabilities	6	361.43	444.00
Long-term provisions	7	2,158.33	1,548.98
		52,414.86	**51,983.88**
3. Current liabilities			
Short-term borrowings	8	42,353.09	29,283.27
Trade payables	9	10,223.63	10,415.14
Other current liabilities	10	24,266.75	21,152.39
Short-term provisions	7	3,617.91	4,614.13
		80,461.38	**65,464.93**
Total		**2,34,511.76**	**2,24,645.43**
II **ASSETS**			
1. Non-current assets			
Fixed assets			
(i) Tangible assets	11	1,01,647.86	1,06,852.85
(ii) Intangible assets	12	307.40	357.57
(iii) Capital work-in-progress		735.38	1,505.71
Non-current investments	13	9,577.44	5,128.90
Long-term loans and advances	14	25,249.06	25,816.30
Other non-current assets	18	761.65	2,598.79
		1,38,278.79	**1,42,260.12**
2. Current assets			
Inventories	15	53,829.62	39,362.42
Trade receivables	16	20,964.78	17,096.35
Cash and bank balances	17	1,049.97	1,119.49
Short-term loans and advances	14	4,026.72	3,388.52
Other current assets	18	16,361.88	21,418.53
		96,232.97	**82,385.31**
Total		**2,34,511.76**	**2,24,645.43**
Summary of Significant Accounting Policies	1		

The accompanying Note Nos. 1 to 50 form an integral part of the consolidated financial statements.

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
FRN: 001111N

Sudhir Mallick
Partner
Membership No. 80051
Place : Noida (U.P.)
Date : November 21, 2012

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 Statement of Profit and Loss for the year ended 30th September 2012

(` in Lacs)

Particulars	Note No	30.09.2012	30.09.2011
Continuing operations			
INCOME			
Revenue from operations (gross)	19	1,92,030.67	1,77,263.01
Less : Excise duty		6,085.53	6,487.13
Revenue from operations (net)		1,85,945.14	1,70,775.88
Other Income	20	1,350.57	1,978.48
Income from Associates		1,932.23	2,102.73
Total revenue		**1,89,227.94**	**1,74,857.09**
EXPENSES			
Cost of raw material and components consumed	21	1,43,124.71	1,15,127.65
Purchase of traded goods	22	1,115.67	4,057.97
(Increase)/decrease in inventories of finished goods and work-in-progress	23	(13,457.94)	1,157.02
Employee benefit expenses	24	13,407.85	12,975.42
Other expenses	25	23,988.38	21,339.50
Prior period items (net)	26	62.26	54.65
Total		**1,68,240.93**	**1,54,712.21**
Earnings before exceptional items, extraordinary item, interest, tax, depreciation and amortisation (EBITDA)		**20,987.01**	**20,144.88**
Depreciation and amortisation expenses	27	8,155.06	8,124.53
Finance costs	28	12,276.85	9,480.60
Profit/(loss) before exceptional items, extraordinary item & tax		**555.10**	**2,539.75**
Exceptional items	29	7,895.80	(415.65)
Profit/(loss) before extraordinary item & tax		**(7,340.70)**	**2,955.40**
Extraordinary item		0.00	1,222.10
Profit/(loss) before tax		**(7,340.70)**	**1,733.30**
Tax expense	30	(2,111.29)	(488.75)
Profit/(loss) after tax from continuing operations (A)		**(5,229.41)**	**2,222.05**
Discontinued operations			
Profit/(loss) from discontinued operations before tax		0.00	0.00
Tax expense for discontinued operations		0.00	0.00
Profit/(loss) from discontinued operations after tax (B)		0.00	0.00
Profit/(loss) for the year (A+B)		**(5,229.41)**	**2,222.05**
Earning per equity share of ` 1/ each	31		
Basic and diluted (in `) - before extraordinary item		(2.03)	1.34
Basic and diluted (in `) - after extraordinary item		(2.03)	0.86
Summary of Significant Accounting Policies	1		

The accompanying Note Nos.1 to 50 form an integral part of the consolidated financial statements.

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

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

Sudhir Mallick
Partner
Membership No. 80051
Place : Noida (U.P.)
Date : November 21, 2012

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 for the year ended 30th September 2012

(` in Lacs)

	Particulars	30.09.2012	30.09.2011
A.	**Cash Flow from Operating Activities**		
	Profit before tax	**(7,340.70)**	**1,733.30**
	Income from Associates	1,932.23	880.63
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation / amortisation on continuing operation	8,154.64	8,142.62
	Loss / (profit) on sale of fixed assets	72.33	(393.66)
	Loss on sale of long term investments (current year : ` 117/-)	-	0.00
	Interest Expense	12,331.91	9,480.60
	Interest Income	(100.19)	(237.17)
	Dividend Income	(2.66)	(2.36)
	Operating profit before working capital changes	**11,183.10**	**17,842.70**
	Movements in working capital :		
	Change in Liabilities	(696.15)	3,458.69
	Change in Inventories	(14,467.19)	1,339.91
	Change in Trade Receivables	(1,984.73)	1,591.51
	Change in Loans and Advances	(225.92)	1,096.48
	Change in Other Current Assets	4,995.67	(7,111.77)
	Cash generated from / (used in) operations	**(1,195.22)**	**18,217.52**
	Direct taxes paid (net of refunds)	(350.79)	(1,373.13)
	Net cash flow from / (used in) operating activities (A)	**(1,546.01)**	**16,844.39**
B.	**Cash Flow from Investing Activities**		
	Purchase of fixed assets	(2,711.57)	(3,660.08)
	Proceeds from sale of fixed assets	72.13	505.31
	Proceeds of non-current investments		
	From Associate (Dividend)	490.40	0.00
	From disposal of subsidiary	5.42	0.00
	From Others	0.00	0.02
	Purchase of non-current investments	(3,006.19)	0.00
	Interest received	115.73	237.69
	Dividends received	2.66	2.36
	Net cash flow from / (used in) investing activities (B)	**(5,031.42)**	**(2,914.70)**
C.	**Cash Flow from Financing Activities**		
	Proceeds from long-term borrowings	19,606.00	16,122.17
	Repayment of long-term borrowings	(13,015.01)	(16,736.11)
	Increase / (Decrease) in short-term borrowings	13,069.82	(2,449.84)
	Interest paid	(12,537.64)	(9,533.76)
	Dividend paid on equity shares	(515.30)	(903.90)
	Tax on equity dividend paid	(83.67)	(149.92)
	Net cash flow from / (used in) financing activities (C)	**6,524.20**	**(13,651.36)**
	Net increase / (decrease) in cash and cash equivalents (A + B+ C)	(53.23)	278.33
	Cash and cash equivalents at the beginning of the year	980.13	1,510.64
	Adjustment of cash and cash equivalents pursuant to disposal of subsidiary / scheme of arrangement	(0.72)	(808.84)
	Cash and cash equivalents at the end of the year	**926.18**	**980.13**

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
FRN : 001111N

Sudhir Mallick
Partner
Membership No. 80051
Place : Noida (U.P.)
Date : November 21, 2012

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

Notes to Consolidated Financial Statements for the year ended 30th September, 2012

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 - Triveni Engineering Ltd., Triveni Energy Systems Ltd. and Upper Bari Power Generation Private Ltd. (till 30-11-2011), all incorporated in India. The consolidated financial statements also incorporate proportionate share of income/losses of its following associate companies:

Name of associate company	Country of incorporation	Accounting period considered	Remarks
Triveni Turbine Ltd.	India	Twelve months ended September 30, 2012	Un-audited
TOFSL Trading and Investments Ltd.	India	Twelve months ended March 31, 2012 and Six months ended September 30, 2012	Audited
The Engineering and Technical Services Ltd.	India	Twelve months ended March 31, 2012 and Six months ended September 30, 2012	Audited
Triveni Entertainment Ltd.	India	Eighteen months ended September 30, 2012	Un-audited
Aqwise-Wise Water Technologies Ltd.	Israel	Nine months ended September 30, 2012	Un-audited

iii) The financial statements of the Company and its subsidiaries are combined on a line-by-line basis adding together the book values of like items of assets, liabilities, incomes and expenses. The effects of inter-company transactions are fully eliminated in consolidation.

iv) The Company accounts for its share in the change in net assets of the associates, post-acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its statement of profit and loss and through its reserves for the balance, based on available information.

v) In case of foreign associates, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year / the relevant period (in cases where it became an associate during the year). All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the exchange fluctuation reserve.

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

vii) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated statement of profit and loss, being the profit or loss on disposal of investment in subsidiary.

viii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

ix) Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 "Accounting for Investments".

B) Basis of preparation of Financial Statements

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.

C) Adoption of revised Schedule VI of the Companies Act,1956

For the year ended September 30th, 2012, the revised Schedule VI, notified under the Companies Act 1956 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement of principles followed for preparation of its financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

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

D) Use of Estimates

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

E) Fixed Assets

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

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

F) Recognition of Income/Expenditure

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria are applied for revenue recognition:

i. Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and therefore these are not economic benefits flowing to the Company and accordingly they are excluded from revenue.

ii. In contracts involving the rendering of services, revenue is recognised as and when the services are rendered. The Company collects service tax on behalf of the government and therefore, it is not an economic benefit flowing to the Company and is accordingly excluded from revenue.

iii. Income from sale of certified emission reductions (CERs/carbon credits) is recognised on the delivery of the carbon credits to the customers' account as evidenced by the receipt of confirmation of execution of delivery instructions.

iv. Revenue from construction contracts is recognised on the percentage of completion method, measured by the proportion that contract costs incurred for work performed till the reporting date bear to the estimated total contract cost. Contract costs for this purpose include :

a. Costs that relate directly to the specific contract;

b. Costs that are attributable to contract activity in general and can be allocated to the contract; and

c. Such other costs as are specifically chargeable to the customer under the terms of contract.

Foreseeable losses, if any, are provided for immediately.

v. 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.

vi. Income/Expenditure relating to prior periods and prepaid expenses which do not exceed ` 0.10 lacs in each case, are treated as Income/Expenditure of current year.

vii. Compensation under Voluntary Retirement Scheme and all other termination benefits, if any, incurred during the year, are recognised as expense in the statement of profit and loss.

G) Foreign Currency Transactions

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

ii. Foreign currency monetary items (including forward contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculative purposes) are translated at year end rates. Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

iii. The premium or discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculative purposes is amortised as expense or income over the life of the contracts.

iv. In respect of derivative contracts relating to firm commitments or highly probable forecast transactions, provision is made for mark to market losses, if any, at the balance sheet date. Gains, if any, are not recognised till settlement.

H) Inventories

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

Raw Materials & Components

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

Stores and Spares

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

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

iii. Unsold certified emission reductions are recognised as inventory in accordance with the Guidance Note on Accounting for Self-generated Certified Emission Reductions (CERs), issued by the Institute of Chartered Accountants of India. Inventory of CERs is valued at lower of cost and net realisable value. The cost incurred on verification/certification of CERs is considered as the cost of inventories of CERs.

iv. Patterns, Loose tools, Jigs and Fixtures are written off equally over three years.

v. By-products (excluding those used as raw materials) and scrap are valued at estimated net realisable value.

I) 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 :

Particulars	Rates adopted
a) Plant & Machinery used in Co-generation Plants (including captive Co-generation Plants) installed after 1.4.2004	6.33%
b) Mobile phone costing above ` 0.05 lacs	50%
c) 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 useful life of such fixture, fittings and improvements, whichever is lower.

iv) The additional depreciation on increase in cost on account of revaluation of certain assets, is adjusted against the Revaluation Reserve and is thus not charged to the statement of profit and loss .

J) 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.

K) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current / long-term investments. Current investments are carried at the lower of cost and fair value. Long-term investments are carried at cost. However, provision is made to recognize a decline, other than temporary, in the value of long-term investments, such reduction being determined and made for each investment individually. Investments in associate companies are accounted under the Equity Method prescribed under Accounting Standard (AS) 23 "Accounting for Investment in Associates in Consolidated Financial Statements".

L) Employee Benefits

1) Short Term Employee Benefits:

All employee benefits payable wholly within 12 months after the end of the period in which the employees render the related services are classified as short term employee benefits and are recognised as expense in the period in which the employee renders the related service. The Company 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:

i) Defined Contribution Plans

Defined contribution plans are retirement benefit plans under which the Company pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Company's contribution to defined contribution plans is recognised in the statement of profit and loss in the financial year to which they relate.

The Company operates the following defined contribution plans.

- Provident Fund Plan & Employee Pension Scheme:

  The Company makes monthly contributions on prescribed basis 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.

- Employee State Insurance

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

- Superannuation Scheme

  The Company contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policies entered into by such fund with the Life Insurance Corporation of India. Contribution towards aforesaid fund is charged to the statement of profit and loss in the financial year to which it relates.

ii) 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. The Company operates following defined benefit plans:

- Gratuity

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

- Earned Leaves / Sick Leaves

  The Company provides for the liability at year end on account of 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 .

M) Borrowing costs

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

N) Operating leases

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

O) Government Grants

Recognition

Government grants are recognised where:

i) There is reasonable assurance of complying with the conditions attached to the grant.

ii) Such grant/benefit has been earned and it is reasonably certain that the ultimate collection will be made.

Presentation in Financial Statements:

i) Government grants relating to specific fixed assets are adjusted with the value of such fixed assets.

ii) Government grants in the nature of promoters' contribution, i.e. which have reference to the total investment in an undertaking or by way of contribution towards total capital outlay, are credited to capital reserve.

iii) Government grants related to revenue items are either adjusted with the related expenditure/revenue or shown under "Other Income", in case direct linkage with cost/income is not determinable.

P) Taxes on Income

i) Current tax on income is determined on the basis of taxable income computed in accordance with the applicable provisions of the Income Tax Act, 1961.

ii) Deferred tax is recognised for all timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

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

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

Q) 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:

Particulars	Period of amortisation
Computer Software	36 months
Technical Know-how fees	72 months

R) 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".

S) Provisions, Contingent liabilities and Contingent assets

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

i) the Company has a present obligation as a result of a past event;

ii) a probable outflow of resources is expected to settle the obligation; and

iii) the amount of the obligation can be reliably estimated.

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

Contingent liability is disclosed in the case of

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

ii) a possible obligation, unless the probability of outflow of resources is remote.

Contingent assets are not recognised.

2. Share Capital

(` in Lacs)

Particulars	30.09.2012	30.09.2011
AUTHORISED		
50,00,00,000 Equity shares of ` 1/- each	5,000.00	5,000.00
2,00,00,000 Preference shares of ` 10/- each	2,000.00	2,000.00
	7,000.00	**7,000.00**
ISSUED		
25,78,88,150 Equity shares of ` 1/- each	2,578.88	2,578.88
	2,578.88	**2,578.88**
SUBSCRIBED AND PAID UP		
25,78,80,150 Equity shares of ` 1/- each	2,578.80	2,578.80
Add : Paid up value of 8,000 Equity shares of ` 1/- each forfeited	0.02	0.02
	2,578.82	**2,578.82**

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

Equity Shares

Particulars	As at 30.09.2012		As at 30.09.2011	
	No of Shares	` in lacs	No of Shares	` in lacs
At the beginning of the year	25,78,88,150	2,578.88	25,78,88,150	2,578.88
Changes during the year	-	-	-	-
Outstanding at the end of the year	25,78,88,150	2,578.88	25,78,88,150	2,578.88

b) Terms/rights attached to equity shares

The Company has only one class of equity shares with a par value of ` 1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares are entitled to receive the remaining assets of the Company, after meeting all liabilities and distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at 30.09.2012		As at 30.09.2011	
	No of Shares	% holding	No of Shares	% holding
Dhruv M. Sawhney	3,83,91,756	14.89	3,61,24,645	14.01
Nalanda India Fund Limited	2,57,88,000	10.00	2,57,88,000	10.00
Umananda Trade & Finance Limited	2,09,91,589	8.14	2,01,57,589	7.82
Rati Sawhney	2,03,58,164	7.89	1,88,24,914	7.30
Tarnik Investments & Trading Limited	1,86,80,527	7.24	1,86,80,527	7.24
Subhadra Trade & Finance Limited	1,69,07,375	6.56	1,63,07,375	6.32
Nikhil Sawhney	1,52,77,653	5.92	1,50,71,557	5.84
Dhankari Investments Limited	1,47,14,901	5.71	1,40,49,045	5.45
Tarun Sawhney	1,46,95,375	5.70	1,42,66,775	5.53

d) Shares reserved for issue under options

Refer Note No. 33

3. Reserves and Surplus

(` in Lacs)

Particulars	30.09.2012	30.09.2011
Capital Reserve		
Balance as per the last financial statements	13,325.85	10,482.89
Add: Excess of liabilities over assets of demerged undertaking (turbine business) as on 01/10/2010 trfd to resulting company Triveni Turbine Ltd	0.00	2,842.96
Less: Amount utilised	0.00	0.00
Closing Balance	**13,325.85**	**13,325.85**
Securities Premium		
Balance as per the last financial statements	26,538.49	26,538.49
Add: Amount transferred	0.00	0.00
Less: Amount utilised	0.00	0.00
Closing Balance	**26,538.49**	**26,538.49**
Revaluation Reserve - Fixed Assets		
Balance as per the last financial statements	1,588.89	1,621.38
Less: Amount utilised *	32.50	32.49
Closing Balance	**1,556.39**	**1,588.89**
* Includes ` 32.49 lacs (` 32.49 lacs) transferred to the statement of profit and loss and ` 0.01 lacs (` Nil) adjusted on disposal of revalued assets.		
General Reserve		
Balance as per the last financial statements	56,019.13	53,128.36
Add/ (Less) : Amount transferred from surplus/ (to deficit) in the statement of profit and loss	(5,175.75)	98.00
Add: Amount arising on re-assessment of deferred tax assets and liabilities as on 01/10/2010 as per the Scheme of Arrangement.	0.00	551.48
Add: Adjusted on recognition of write back of losses in respect of a subsidiary upon its becoming an associate.	0.00	2,241.29
Add: Amount transferred from Revaluation Reserve - Fixed Assets (current year: ` 344/-)	-	0.00
Less: Amount utilised	0.00	0.00
Closing Balance	**50,843.38**	**56,019.13**
Capital Redemption Reserve		
Balance as per the last financial statements	397.40	397.40
Add: Amount transferred	0.00	0.00
Less: Amount utilised	0.00	0.00
Closing Balance	**397.40**	**397.40**
Amalgamation Reserve		
Balance as per the last financial statements	926.34	926.34
Add: Amount transferred	0.00	0.00
Less: Amount utilised	0.00	0.00
Closing Balance	**926.34**	**926.34**
Debenture Redemption Reserve		
Balance as per the last financial statements	2,000.00	1,500.00
Add: Amount transferred from surplus in statement of profit and loss	0.00	500.00
Less: Amount utilised	0.00	0.00
Closing Balance	**2,000.00**	**2,000.00**

(` in Lacs)

Particulars	30.09.2012	30.09.2011
Molasses Storage Fund Reserve		
Balance as per the last financial statements	207.56	168.84
Add: Amount transferred from surplus in statement of profit and loss	27.25	38.72
Less: Amount utilised	0.00	0.00
Closing Balance	**234.81**	**207.56**
Foreign Exchange Translation Reserve		
Balance as per the last financial statements	0.00	0.00
Add: Accumulated Income on Associate	0.53	0.00
Less: Amount utilised	0.00	0.00
Closing Balance	**0.53**	0.00
Surplus/(deficit) in the statement of profit and loss		
Balance as per the last financial statements	3,614.14	2,628.29
Add: Net profit/(loss) after tax transferred from statement of profit and loss	(5,229.41)	2,222.05
Amount available for appropriation (A)	**(1,615.27)**	**4,850.34**
Appropriations:		
Transfer to (withdrawn from) General Reserve	(5,175.75)	98.00
Transfer to Molasses Storage Fund Reserve	27.25	38.72
Transfer to Debenture Redemption Reserve	0.00	500.00
Dividend adjustment of previous year (current year: ` 51/-)	-	0.04
Tax on Dividend of previous year (current year: ` 8/-)	-	0.01
Dividend proposed on equity shares	257.88	515.76
Provision for tax on proposed dividend on equity shares	41.84	83.67
Total appropriations (B)	**(4,848.78)**	**1,236.20**
Net surplus/(deficit) in the statement of profit and loss (A-B)	**3,233.51**	**3,614.14**
Total reserves and surplus	**99,056.70**	**1,04,617.80**

4. Long-Term Borrowings

Particulars	Non- Current portion		Current maturities	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Bonds/Debentures	7,000.00	10,000.00	3,000.00	0.00
Term loans from banks	33,393.92	25,849.02	12,142.94	11,249.96
Term loans from others (Sugar Development Fund, Govt. of India)	2,892.61	4,501.07	1,465.59	1,550.84
Deposits (Public)	0.00	0.00	0.00	153.18
	43,286.53	40,350.09	16,608.53	12,953.98
The above amount includes				
Secured loans	43,050.44	39,877.91	16,372.44	12,564.71
Unsecured loans	236.09	472.18	236.09	389.27
	43,286.53	40,350.09	16,608.53	12,953.98
Less: Amount disclosed under the head "other current liabilities" (Refer Note No. 10)			16,608.53	12,953.98
	43,286.53	**40,350.09**	**0.00**	**0.00**

Details of Securities and other terms :-

Name of the Bank / Others	Total loan outstanding (` in Lacs)	Repayment terms of loan outstanding	Rate of interest	Nature of Security
A) 1,000 (1,000) Non-Convertible Debentures of ` 10.00 lacs each issued to Life Insurance Corporation of India	10,000.00 (10,000.00)	Redeemable in three annual instalments at the end of 4th, 5th & 6th year in the ratio of 30:30:40 from the deemed date of allotment i. e. 26th December 2008.	12.45% p. a. fixed payable quarterly.	Secured by first pari-passu charge created/ to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.
B) Term loans				
From banks (Indian Rupee Loan)				
1. Bank of Maharashtra	937.50 (1,687.50)	5 (9) equal quarterly instalments upto October 2013.	At Banker's base rates plus applicable spread. The total interest rate as on 30.09.2012 range between 10.37% to 13% per annum.	Secured by first pari-passu charge created/ to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subect to bankers prior charges created / to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.
2. Canara Bank	834.60 (1,669.33)	4(8) equal quarterly instalments upto September 2013.		
3. Central Bank of India	4,443.08 (6,985.14)	7 (11) equal quarterly instalments upto June 2014.		
4. Kotak Mahindra Bank	1,090.91 (2,181.82)	4 (8) equal quarterly instalments upto August 2013.		
5. Oriental Bank of Commerce	1,000.00 (1,996.50)	4 (8) equal quarterly instalments upto September 2013.		
6. State Bank of India	Nil (250.00)	Nil (1) equal quarterly instalment.		
7. State Bank of Patiala	1,498.46 (2,998.46)	4 (8) equal quarterly instalments upto August 2013.		
8. Axis Bank	5,000.00 (Nil)	12 (Nil) equal quarterly instalments upto August 2017.		
9. Axis Bank	980.00 (1,960.00)	4 (8) equal quarterly instalments upto September 2013.		
10. State Bank of Patiala	7,500.00 (7,500.00)	12 (12) equal quarterly instalments upto June 2016.		
11. Oriental Bank of Commerce	7,500.00 (7,500.00)	12 (12) equal quarterly instalments upto July 2016.		
12. Yes Bank	7,500.00 (Nil)	16 (Nil) equal quarterly instalments upto June 2018.		
13. Punjab National Bank	7,106.00 (Nil)	31 (Nil) equal monthly instalments upto April 2015.		Secured by first pari-passu charge on current assets and residual charge on the fixed assets of the Company
14. Punjab National Bank (Excise Duty Loan)	Nil (2,076.12)	Nil (In equated monthly instalments upto August 2012)	Interest Free Loan	Secured by subservient/residual charge created/to be created over the assets of the Company.
15. Vehicle Loans		In equated monthly instalments ranging from 8 to 36 months (20 to 34 months)	At fixed rates ranging from 9.35% to 10.35% p.a.	Secured by hypothecation of vehicle acquired under the respective vehicle loans.
Axis Bank	120.09 (67.05)			
ICICI Bank	26.22 (24.94)			

Name of the Bank / Others	Total loan outstanding (` in Lacs)	Repayment terms of loan outstanding	Rate of interest	Nature of Security
From banks (Foreign Currency Loan)				
1. BNP Paribas - ECB Loan	Nil (202.12)	Nil (1) equal half yearly instalment.	6m JPY Libor (fixed in advance at 6 monthly intervals)+ 80 basis points	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 excluding assets purchased under vehicle loans.
C) Other Loans - SDF	3,886.02 (5,343.64)	5 & 10 equal yearly and half yearly instalments upto September 2018.	2% below the Bank Rate at present 4%	Secured by exclusive second charge created over moveable/immoveable assets of Khatauli and Deoband units.
D) Other Loans - SDF	472.18 (708.27)	2 (3) equal yearly instalments upto January 2014.	2% below the Bank Rate at present 4%	Unsecured
E) Deposits (Public)	Nil (153.18)	Nil (On maturity, extending till July 2012)	Fixed rates ranging from 9.25% to 9.50% p.a.	Unsecured
Total	**59,895.06 (53,304.07)**			

Figures in brackets relate to previous year.

Note: Upon demerger of the steam turbine undertaking of the Company and its vesting in Triveni Turbine Ltd., under a Scheme of Arrangement, pending execution of necessary documents and modification of charge, the term loans extended to the Company, as above, as well as those transferred to Triveni Turbine Ltd., relating to the steam turbine undertaking and outstanding at the year end amounting to ` 1,388.80 lacs (previous year: ` 4,442.30 lacs) are secured, as mentioned above, against the assets of the Company.

5. Deferred Tax Liabilities

(` in Lacs)

Particulars	30.09.2012	30.09.2011
Deferred Tax Liabilities :		
Difference in net book value of fixed assets as per books and tax laws	12,479.67	12,469.49
Expenses deferred in books but claimed in tax	153.73	256.36
Deferred Tax Assets :		
Unabsorbed business loss/depreciation *	(2,651.57)	0.00
Expenses allowable on payment basis	(1,925.71)	(2,056.98)
Others (net)	(1,447.55)	(1,028.06)
Net Deferred Tax Liabilities	**6,608.57**	**9,640.81**

* Represents deferred tax asset in respect of unabsorbed depreciation of ` 2,329.95 lacs and business loss of ` 321.62 lacs which has arisen mainly on account of an exceptional charge in respect of arrears of cane price. The Company is hopeful of earning sufficient taxable income in near future to enable it to avail the benefit of such unabsorbed depreciation and business loss.

6. Other Long term liabilities

Interest accrued but not due	346.60	444.00
Lease Equalisation	14.83	0.00
	361.43	**444.00**

7. Provisions

(` in Lacs)

Particulars	Long-term		Short-term	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Provision for Employee Benefits				
Gratuity (Refer Note No. 38)	1,479.44	1,018.02	212.50	479.20
Compensated Absences (Refer Note No. 38)	678.89	530.96	234.52	275.78
Other Provisions				
Proposed Dividend *	0.00	0.00	257.88	515.76
Tax on Proposed Dividend	0.00	0.00	41.84	83.67
Warranty	0.00	0.00	299.86	670.30
Cost to Completion	0.00	0.00	65.00	42.00
Arbitration/Court case claims	0.00	0.00	224.79	211.23
Administrative charges on molasses	0.00	0.00	323.50	206.78
Loss on Foreign Exchange Derivatives	0.00	0.00	0.00	631.15
Excise duty on closing stock	0.00	0.00	1,958.02	1,435.22
Others	0.00	0.00	0.00	63.04
	2,158.33	**1,548.98**	**3,617.91**	**4,614.13**

* Represents dividend proposed by the Board of Directors at ` 0.10 (previous year: ` 0.20) per equity share of ` 1/- each, which is subject to the approval by the shareholders.

For Movement in provisions - Refer Note No. 41

8. Short-Term Borrowings

Particulars	30.09.2012	30.09.2011
Repayable on demand		
Cash credits from banks	35,568.09	22,971.25
Other borrowings		
From Banks		
Rupee term loans	4,500.00	5,000.00
Foreign currency loans (Buyers' credits)	2,211.87	1,238.89
From Others	73.13	73.13
	42,353.09	**29,283.27**
The above amount includes :		
Secured borrowings	35,568.09	22,971.25
Unsecured borrowings	6,785.00	6,312.02

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

9. Trade Payables

Trade payables	10,223.63	10,415.14
	10,223.63	**10,415.14**

10. Other Current Liabilities

(` in Lacs)

Particulars	30.09.2012	30.09.2011
Current maturities of long term borrowings (Refer Note No. 4)	16,608.53	12,953.98
Capital creditors	525.96	849.15
Advance from customers	3,333.19	2,888.14
Security deposits	199.40	190.86
Interest accrued but not due on borrowings	574.78	686.94
Interest accrued and due on borrowings	11.60	7.75
Employee benefits & other dues payable	1,243.43	1,469.59
Statutory dues payable relating to employees	186.19	179.79
Other statutory dues payable	1,063.68	1,322.86
Other payables	385.93	463.91
Unclaimed preference shares redemption	93.13	88.21
Unpaid dividend *	16.90	16.44
Unclaimed matured depsoits *	20.12	27.75
Unclaimed interest on deposits *	3.91	7.02
	24,266.75	**21,152.39**

* There are no amounts as at the end of the year which are due and outstanding to be credited to the Investors Education and Protection Fund.

11. Tangible Assets

Particulars	Land Freehold*1	Land Lease Hold	Buildings & Roads	Railway Siding	Plant and Machinery	Office Equipments	Furniture and Fixtures	Vehicles	Computers	Total
Gross block										
As at October 1, 2010	**5,062.93**	**390.76**	**28,618.21**	**0.18**	**1,32,163.47**	**642.22**	**1,185.65**	**563.60**	**1,555.37**	**1,70,182.39**
Less: Transferred pursuant to the Scheme of Arrangement	364.18	0.00	3,325.76	0.00	9,594.93	280.19	391.83	57.40	491.52	14,505.81
Additions	0.00	0.00	792.36	0.00	2,648.30	38.10	54.68	120.46	86.00	3,739.90
Deductions	1.08	0.00	20.17	0.00	166.98	(36.34)	50.08	74.47	15.33	291.77
As at September 30, 2011	**4,697.67**	**390.76**	**26,064.64**	**0.18**	**1,25,049.86**	**436.47**	**798.42**	**552.19**	**1,134.52**	**1,59,124.71**
Additions	39.88	0.00	558.64	0.00	1,831.31	60.14	75.37	164.28	79.06	2,808.68
Deductions	0.00	0.00	12.10	0.18	464.57	(90.40)	75.94	52.18	67.71	582.28
As at September 30, 2012	**4,737.55**	**390.76**	**26,611.18**	**0.00**	**1,26,416.60**	**587.01**	**797.85**	**664.29**	**1,145.87**	**1,61,351.11**
Depreciation										
As at October 1, 2010	**0.00**	**0.07**	**4,063.63**	**0.17**	**41,426.08**	**191.07**	**483.46**	**255.33**	**971.83**	**47,391.64**
Less: Transferred pursuant to the Scheme of Arrangement	0.00	0.00	474.14	0.00	1,831.06	51.08	95.21	31.45	316.17	2,799.11
Charge for the year *2 & *3	0.00	23.89	703.27	0.00	6,871.90	25.17	48.73	45.37	125.74	7,844.07
Deductions	0.00	0.00	11.36	0.00	109.97	(17.74)	0.73	42.87	17.55	164.74
As at September 30, 2011	**0.00**	**23.96**	**4,281.40**	**0.17**	**46,356.95**	**182.90**	**436.25**	**226.38**	**763.85**	**52,271.86**
Charge for the year *2 & *3	0.00	4.65	699.49	0.00	6,961.43	30.49	41.69	50.18	123.61	7,911.54
Deductions	0.00	0.00	5.00	0.17	352.70	(2.46)	27.89	33.27	63.58	480.15
As at September 30, 2012	**0.00**	**28.61**	**4,975.89**	**0.00**	**52,965.68**	**215.85**	**450.05**	**243.29**	**823.88**	**59,703.25**
Net Block										
As at September 30, 2011	**4,697.67**	**366.80**	**21,783.24**	**0.01**	**78,692.91**	**253.57**	**362.17**	**325.81**	**370.67**	**1,06,852.85**
As at September 30, 2012	**4,737.55**	**362.15**	**21,635.29**	**0.00**	**73,450.92**	**371.16**	**347.80**	**421.00**	**321.99**	**1,01,647.86**

Includes

*1 Land costing ` 358.90 lacs (previous year : ` 416.95 lacs) pending transfer in the name of the Company.

*2 Transferred to Revaluation Reserve ` 32.49 lacs (previous year : ` 32.49 lacs).

*3 Depreciation capitalised during the year amounting to ` 5.10 lacs (previous year : ` Nil).

12. Intangible Assets (Other than internally Generated)

(` in Lacs)

Particulars	Computer Software	Design and Drawings	Technical know-how	Total
Gross block				
As at October 1, 2010	**2,088.10**	**431.64**	**30.81**	**2,550.55**
Transferred pursuant to the Scheme of Arrangement	793.67	431.64	0.00	1,225.31
Additions	272.47	0.00	0.00	272.47
Disposals	84.92	0.00	0.00	84.92
As at September 30, 2011	**1,481.98**	**0.00**	**30.81**	**1,512.79**
Additions	231.33	0.00	0.00	231.33
Disposals	203.89	0.00	0.00	203.89
As at September 30, 2012	**1,509.42**	**0.00**	**30.81**	**1,540.23**
Amortisation				
As at October 1, 2010	**1,577.77**	**220.72**	**23.53**	**1,822.02**
Transferred pursuant to the Scheme of Arrangement	693.38	220.72	0.00	914.10
Charge for the year	327.07	0.00	5.14	332.21
Disposals	84.91	0.00	0.00	84.91
As at September 30, 2011	**1,126.55**	**0.00**	**28.67**	**1,155.22**
Charge for the year	279.36	0.00	2.14	281.50
Disposals	203.89	0.00	0.00	203.89
As at September 30, 2012	**1,202.02**	**0.00**	**30.81**	**1,232.83**
Net Block				
As at September 30, 2011	**355.43**	**0.00**	**2.14**	**357.57**
As at September 30, 2012	**307.40**	**0.00**	**0.00**	**307.40**

13. Non-Current Investments

(` in Lacs)

Particulars	30.09.2012	30.09.2011
LONG TERM (At Cost)		
OTHER THAN TRADE		
GOVERNMENT SECURITIES		
UNQUOTED		
National Saving Certificates *1	0.11	0.11
OTHER SECURITIES		
SHARES - Fully paid-up		
QUOTED		
13,500 (13,500) Equity shares of ` 2/- each of Housing Development Finance Corporation Ltd	0.17	0.17
2,500 (2,500) Equity shares of ` 2/- each of HDFC Bank Ltd.	0.05	0.05
4,835 (4,835) Equity shares of ` 10/- each of Punjab National Bank	2.34	2.34
76 (76) Equity shares of ` 10/- each of Central Bank of India	0.08	0.08
UNQUOTED		
1,821 (1,821) Ordinary shares of ` 10/- each of NBI Industrial Finance Co. Ltd.	0.13	0.13
TRADE		
OTHER SECURITIES		
SHARES - Fully paid-up		
ASSOCIATE COMPANIES		
Preference Shares at cost		
UNQUOTED		
28,00,000 (28,00,000) Preference shares of ` 10/- each of Triveni Turbine Ltd.		
Equity Shares at cost [including goodwill (net of capital reserve) amounting to ` 2,259.12 lacs (previous year: ` 1.92 lacs) arising on acquisition of associates as per equity method]	280.00	280.00
QUOTED		
7,20,00,000 (Nil) Equity shares of ` 1/- each of Triveni Turbine Ltd. (Refer Note No. 42)	720.07	0.00
UNQUOTED		
4,34,730 (4,34,730) Equity shares of ` 10/- each of Triveni Entertainment Ltd.	43.47	43.47
99,993 (99,993) Equity shares of ` 10/- each of The Engineering & Technical Services Ltd.	10.00	10.00
4,00,060 (4,00,060) Equity shares of ` 10/- each of TOFSL Trading & Investments Ltd.	40.01	40.01
Nil (7,20,00,000) Equity shares of ` 1/- each of Triveni Turbine Ltd.	0.00	720.07
13,008 (Nil) Equity shares of NIS 0.10 each of Aqwise-Wise Water Technologies Ltd. (Israel) (Refer Note No. 46)	3,006.19	0.00
Accumulated Income/(Loss) from Associates (Refer Note No. 49)	5,474.82	4,032.47
	9,577.44	**5,128.90**
*1 kept as security.		

14. Loans and Advances

(` in Lacs)

Particulars	Long-term		Short-term	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Capital advances				
Unsecured, considered good	631.84	223.73	0.00	0.00
Unsecured, considered doubtful	213.04	213.04	0.00	0.00
	844.88	436.77	0.00	0.00
Less: Provision for doubtful advances	213.04	213.04	0.00	0.00
(A)	**631.84**	**223.73**	0.00	0.00
Security deposit				
Unsecured, considered good	362.36	294.72	24.43	7.70
Unsecured, considered doubtful	4.97	0.40	0.00	0.00
	367.33	295.12	24.43	7.70
Less: Provision for doubtful security deposit	4.97	0.40	0.00	0.00
(B)	**362.36**	**294.72**	**24.43**	**7.70**
Loans and advances to related parties *1				
Unsecured, considered good	0.00	1,067.43	0.00	724.67
Unsecured, considered doubtful	0.00	0.00	0.00	0.00
	0.00	1,067.43	0.00	724.67
Less: Provision for doubtful loans and advances	0.00	0.00	0.00	0.00
(C)	**0.00**	**1,067.43**	**0.00**	**724.67**
Other loans and advances				
Unsecured, considered good				
Prepaid expenses	99.76	67.49	341.46	277.95
Loans and advances to employees *2	3.90	6.10	169.31	138.26
Advances to suppliers for purchases	21.29	18.73	2,219.17	417.80
Earnest money deposit	22.51	27.41	364.82	93.64
Service tax recoverable	409.14	347.95	252.83	443.01
Deposit with sales tax authorities	141.75	141.75	17.93	17.30
Sales tax refundable	0.00	0.00	67.90	67.90
Excise duty (Cenvat Balance)	2,769.31	2,171.60	163.24	323.90
Works contract tax recoverable	30.12	30.12	0.00	0.00
MAT credit entitlement	2,950.47	3,849.78	0.00	0.00
Advance payment of tax {net of provision for tax of ` 203.97 lacs (previous year : ` 1,417.47 lacs)}	3,142.26	2,813.02	0.00	0.00
VAT recoverable	68.27	75.83	158.96	77.08
Excise duty recoverable	283.95	289.31	38.09	130.18
Interest on excise loan recoverable	0.00	0.00	94.42	200.82
Incentives recoverable from UP Govt. {Refer Note No. 39(a)}	14,002.46	14,002.46	0.00	0.00
Others	309.67	388.87	114.16	468.31
Sub-total (considered good)	24,254.86	24,230.42	4,002.29	2,656.15
Unsecured, considered doubtful				
Excise duty / Sales tax recoverable	31.02	66.31	27.96	27.96
Custom duty recoverable	0.00	0.00	0.47	0.47
Loans and advances to employees	2.56	0.70	0.00	0.00
Advances to suppliers for purchases	31.18	32.17	3.49	0.58
Bank guarantee encashments recoverable	1,122.74	1,122.74	0.00	0.00
Others	176.63	171.22	6.04	3.08
Sub-total (considered doubtful)	1,364.13	1,393.14	37.96	32.09
Total Gross (other loans and advances)	**25,618.99**	**25,623.56**	**4,040.25**	**2,688.24**
Less: Provision for doubtful loans and advances	1,364.13	1,393.14	37.96	32.09
Total Net (other loans and advances) (D)	**24,254.86**	**24,230.42**	**4,002.29**	**2,656.15**
Total (A+B+C+D)	**25,249.06**	**25,816.30**	**4,026.72**	**3,388.52**
*1 Loans and advances to related parties include the following:				
Triveni Turbine Limited (Associate Company)	0.00	1,067.43	0.00	724.67
*2 Loans and advances to employees include amount due from Company Secretary	0.00	0.00	0.13	0.04

15. Inventories

(` in Lacs)

Particulars	30.09.2012	30.09.2011
(Valued at lower of cost and net realisable value)		
Raw material and components [includes stock in transit ` Nil (previous year: ` 35.28 lacs)]	2,345.13	1,587.52
Less: Provision for obsolescence/slow moving raw materials and components	(88.29)	(87.06)
Work-in-progress	669.80	523.52
Stores and spares	2,906.02	3,199.70
Less: Provision for obsolescence/slow moving stores and spares	(3.81)	(3.81)
Finished goods	47,772.51	33,960.18
Certified emission reductions (Refer Note No. 45)	22.13	0.00
Patterns, loose tools, jigs and fixtures	89.80	70.50
Others (Scrap)	116.33	111.87
	53,829.62	**39,362.42**

16. Trade Receivables

Particulars	Non-Current		Current	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Over Six Months				
Secured, considered good	0.00	0.00	0.00	0.00
Unsecured, considered good	67.75	328.38	2,733.44	2,317.22
Considered doubtful	1,995.29	1,092.74	197.19	85.97
	2,063.04	1,421.12	2,930.63	2,403.19
Less : Provision for doubtful receivables	1,995.29	1,092.74	197.19	85.97
(A)	**67.75**	**328.38**	**2,733.44**	**2,317.22**
Others				
Secured, considered good	0.00	0.00	0.00	0.00
Unsecured, considered good	190.84	1,813.91	18,231.34	14,779.13
Considered doubtful	0.00	0.00	325.00	0.00
	190.84	1,813.91	18,556.34	14,779.13
Less : Provision for doubtful receivables	0.00	0.00	325.00	0.00
(B)	**190.84**	**1,813.91**	**18,231.34**	**14,779.13**
Total (A+B)	**258.59**	**2,142.29**	**20,964.78**	**17,096.35**
Less: Amount disclosed under other non-current assets (Refer Note No. 18)	258.59	2,142.29		
	0.00	**0.00**	**20,964.78**	**17,096.35**

17. Cash and Bank Balances

(` in Lacs)

Particulars	Non-Current		Current	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Cash and cash equivalents				
Balance with banks				
Current accounts	0.00	0.00	69.79	383.52
Demand deposits (original maturity of less than three months)	0.00	0.00	1.07	2.88
Cheques / drafts on hand	0.00	0.00	821.94	441.97
Cash on hand	0.00	0.00	33.38	151.76
(A)	**0.00**	**0.00**	**926.18**	**980.13**
Other bank balances				
Earmarked balances :				
Deposit against molasses storage fund	287.33	253.61	0.00	0.00
Unpaid dividend account	0.00	0.00	110.05	104.62
Balances under lien/margin/kept as security :				
Post office savings account	1.36	1.36	0.00	0.00
Fixed / margin deposits (original maturity upto one year)	155.34	136.81	1.01	1.01
Fixed / margin deposits (original maturity more than one year)	33.53	30.00	0.00	0.00
Other balances:				
Demand deposits (original maturity more than one year)	6.43	18.56	4.20	4.20
Demand deposits (original matuirty exceeding three months but upto one year)	0.00	0.00	8.53	29.53
(B)	**483.99**	**440.34**	**123.79**	**139.36**
Total (A+B)	**483.99**	**440.34**	**1,049.97**	**1,119.49**
Less: Amount disclosed under other non-current assets (Refer Note No. 18)	483.99	440.34		
	0.00	**0.00**	**1,049.97**	**1,119.49**

18. Other Assets

Non current trade receivables (Refer Note No. 16)	258.59	2,142.29	0.00	0.00
Non current cash and bank balances (Refer Note No. 17)	483.99	440.34	0.00	0.00
Interest accrued on bank deposits	19.07	16.16	31.67	46.36
Duty drawback receivable	0.00	0.00	0.45	6.42
Forward premium /discount adjustable	0.00	0.00	15.66	14.53
Due from customers (Construction and project related activity)	0.00	0.00	6,150.05	10,651.41
Fixed assets pending disposal/sale	0.00	0.00	43.98	46.61
Insurance claim recoverable	0.00	0.00	65.57	68.31
Off-season expenses deferred	0.00	0.00	10,047.06	10,584.89
Others	0.00	0.00	7.44	0.00
	761.65	**2,598.79**	**16,361.88**	**21,418.53**

19. Revenue from Operations

(` in Lacs)

Particulars	30.09.2012	30.09.2011
Sale of products		
Finished goods	1,76,638.92	1,56,984.17
Traded goods	1,096.55	4,354.02
Sale of services		
Erection and commissioning	39.90	67.23
Servicing	40.10	200.21
Operation and maintenance	180.04	66.67
Others	12.36	15.14
Construction contract revenue	12,744.07	14,312.72
Other operating revenue		
Income from sale of certified emission reductions	555.82	0.00
Income from third party exports	662.70	1,195.95
Sale of scrap	60.21	66.90
	1,92,030.67	**1,77,263.01**
Details of Sales (Finished Goods)		
Sugar	1,36,969.51	1,20,523.19
Molasses	979.68	3,099.00
Bagasse	3,883.97	2,751.57
Power	5,741.74	5,256.77
Alcohol	12,724.08	7,754.61
Mechanical Equipment-Water/Waste-water	3,754.59	3,793.87
Gears/Gear Boxes	10,993.45	11,640.52
Spares of Gears/Gear Boxes	1,027.65	1,764.96
Others	564.25	399.68
	1,76,638.92	**1,56,984.17**
Details of Sales (Traded Goods)		
Sugar	0.00	3,582.20
Diesel/Petrol/Lubricants	1,025.61	670.12
Other consumer goods	70.94	101.70
	1,096.55	**4,354.02**
Details of Sales (Construction Contract Revenue)		
Water, Waste-water and Sewage treatment	12,469.26	14,312.72
Power generation and evacuation system	274.81	0.00
	12,744.07	**14,312.72**

20. Other Income

Exchange rate fluctuation gain	0.00	247.36
Rent received	48.68	42.54
Interest income from		
Bank deposits	46.81	40.66
Related parties	29.42	181.69
Customers	1.92	7.16
Others	22.04	7.66
Dividend on long term investment	2.66	2.36
Profit on disposal of investment in a subsidiary	0.00	15.07
Provision for deficiency in PF Trust written back	50.76	0.00
Credit balances written back [net of amounts written off : ` 50.18 lacs (previous year : ` 68.11 lacs)]	72.69	169.15
Excess depreciation written back	0.81	1.17
Excess provision for warranty written back (net)(Refer Note No. 41)	303.24	0.00
Excess provision of expenses written back	104.68	126.41
Miscellaneous income	666.86	1,137.25
	1,350.57	**1,978.48**

21. Material Consumed

(` in Lacs)

Particulars	30.09.2012	30.09.2011
Stock at commencement	1,587.52	1,742.90
Purchases *	1,43,916.48	1,14,972.27
	1,45,504.00	1,16,715.17
Less : Amount capitalised	34.16	0.00
Less: Stock at close	2,345.13	1,587.52
	1,43,124.71	**1,15,127.65**
* Includes provision of ` 116.72 lacs (` 112.24 lacs) towards administrative charges on molasses received from sugar units (Refer Note No. 41).		
Details of raw material and components consumed		
Sugar cane	1,29,198.45	99,170.40
Construction contracts materials:		
Rotary vaccum drum filter	1.74	119.49
Clarifiers	659.16	496.83
RO plants	5,978.31	8,470.35
Operation and maintenance	0.00	237.81
Molasses	1,445.62	707.06
Forgings and castings	2,063.09	2,041.31
Sub contract charges	219.93	287.87
Others	3,558.41	3,596.53
	1,43,124.71	**1,15,127.65**

22. Purchase of Traded Goods

Sugar	0.00	3,229.88
Diesel/Petrol/Lubricants	1,050.66	738.72
Other consumer goods	65.01	89.37
	1,115.67	**4,057.97**

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

(` in Lacs)

Particulars	30.09.2012	30.09.2011
Stock at commencement		
Work-in-progress	523.52	411.09
Finished goods	33,960.18	35,394.65
	34,483.70	35,805.74
Stock at close		
Work-in-progress	669.80	523.52
Finished goods	47,772.51	33,960.18
Certified emission reductions	22.13	0.00
	48,464.44	34,483.70
Add/(Less): Impact of excise duty on finished goods	522.80	(165.02)
	(13,457.94)	**1,157.02**
Details of Work in Progress		
Sugar	300.47	260.15
Molasses	2.07	0.97
Mechanical Equipment-Water/Waste Water	37.11	53.72
Gear/Gear Boxes	329.99	170.02
Others	0.16	38.66
	669.80	**523.52**
Details of Finished Goods		
Sugar	43,862.95	32,313.67
Molasses	3,597.70	1,237.94
Bagasse	56.42	98.02
Power	47.79	42.16
Alcohol	180.86	207.33
Others	26.79	61.06
	47,772.51	**33,960.18**

24. Employee Benefit Expenses

Salaries,wages and bonus	11,390.29	10,590.81
Compensation under VRS	118.15	382.29
Contributions to provident and other funds *	947.12	960.01
Gratuity	379.17	341.34
Employee welfare	587.89	700.97
	13,422.62	12,975.41
Less : Amount capitalised	14.77	0.00
	13,407.85	**12,975.42**

* Including provision for deficiency in PF Trust ` Nil (previous year: ` 63.04 lacs) (Refer Note No. 41)

25. Other Expenses

(` in Lacs)

Particulars	30.09.2012	30.09.2011
(A) Manufacturing/Operating Expenses		
Stores,spares and tools consumed	2,297.40	2,068.43
Power and fuel	2,065.68	2,449.51
Design and engineering charges	327.98	45.29
Cane development expenses	424.84	821.14
Machining/fabrication expenses	172.95	114.75
Erection and commissioning expenses	253.71	249.38
Civil construction charges	2,409.33	1,897.06
Packing and stacking expenses	1,973.64	1,662.27
Repairs and maintenance		
Machinery	2,749.86	2,963.24
Building	329.78	240.70
Others	224.69	196.75
Factory/operational expenses	1,041.03	801.55
	14,270.89	13,510.07
(B) Administration Expenses		
Travelling and conveyance	1,149.46	1,273.17
Rent	431.68	396.77
Rates and taxes	1,090.73	631.48
Insurance	183.21	141.43
Directors' fee	7.30	11.20
Directors' commission	0.00	9.00
Legal and professional expenses	613.17	483.35
Security service expenses	571.61	483.22
Printing and stationery	153.56	165.04
Postage,telegram and telephone	214.21	218.77
Bank charges and guarantee commission	147.04	137.35
Provision for warranty expenses (net) (Refer Note No. 41)	0.00	198.58
Payment to Auditors	96.18	90.64
Provision for Arbitration/Court case claims (Refer Note No. 41)	13.56	20.58
Provision for mark to market loss on foreign exchange derivatives (Refer Note No. 41)	0.00	631.15
Exchange rate fluctuation loss	13.20	0.00
[net of discount/premium received on F/E forward contracts : ` 101.52 lacs (previous year: ` Nil)]		
Loss on disposal of Investment in a Subsidiary (current year: `117/-)	-	0.00
Provision for non moving / obsolete inventory	1.23	24.97
Provision for bad and doubtful debts/advances (net)	1,320.21	443.47
Provision for cost to completion on construction contracts (Refer Note No. 41)	23.00	42.00
Loss on sale/write off of fixed assets	72.19	21.99
Loss on sale /write off of stores & spares	3.48	5.49
Miscellaneous expenses	710.56	790.71
	6,815.58	6,220.36
(C) Selling Expenses		
Selling commission	616.05	521.58
Royalty	249.49	247.12
Advertisement and sales promotion	51.80	63.34
Rebate and discount	25.85	262.54
Outward freight and forwarding	1,428.34	969.54
	2,371.53	2,064.12
(D) Off-season expenses deferred/charged (Net)		
Off-season expenses deferred (net)	537.83	(455.05)
Sub-total (A+B+C+D)	**23,995.83**	**21,339.50**
Less : Amount capitalised	7.45	0.00
Total Other Expenses	**23,988.38**	**21,339.50**

26. Prior Period Items

(` in Lacs)

Particulars	30.09.2012	30.09.2011
(A) Expenses		
Cost of raw material and components consumed	9.20	0.70
Stores, spares and tools consumed	1.90	0.00
Packing and stacking expenses	0.00	1.30
Repairs and maintenance		
Machinery	(0.11)	0.00
Others	0.46	2.80
Rates & Taxes	0.00	3.16
Insurance	0.00	0.30
Legal and professional expenses	7.44	20.21
Security service expenses	0.17	0.00
Loss on sale/write off of fixed assets	0.13	0.00
Miscellaneous expenses	1.80	4.76
Royalty	2.09	0.00
Depreciation	0.39	19.26
Interest on fixed loans	38.88	0.00
Interest on cash credit	0.55	0.00
Other borrowing cost	15.64	0.00
	78.54	**52.49**
(B) Income		
Revenue from operations	9.51	(2.91)
Rent Received	0.00	0.75
Miscellaneous income	6.77	0.00
	16.28	(2.16)
Prior period items (net) (A) - (B)	**62.26**	**54.65**

27. Depreciation and Amortisation Expenses

Depreciation	7,873.56	7,792.32
Amortisation		
Intangible assets	281.50	332.21
	8,155.06	**8,124.53**

28. Finance Costs

Interest on		
Debentures	1,248.41	1,245.00
Fixed loans	5,212.39	4,079.82
Others	5,493.95	3,857.44
Other borrowing cost	173.85	157.41
Exchange fluctuation loss *	148.25	140.93
	12,276.85	**9,480.60**

* Includes premium/discount paid on foreign currency forward contracts : ` 148.36 lacs (previous year: ` 70.25 lacs)

29. Exceptional Items

(` in Lacs)

Particulars	30.09.2012	30.09.2011
Differential cane price relating to sugar season 2007-08 paid as per the order of Hon'ble Supreme Court	7,895.80	0.00
Profit on sale of unused land	0.00	(415.65)
Exceptional items	**7,895.80**	**(415.65)**

30. Tax Expense

For Current Year		
Current Tax	0.03	410.81
Deferred Tax	(3,032.24)	(494.76)
	(3,032.21)	**(83.95)**
For Earlier Years (Net)		
Current Tax	21.61	1.81
	21.61	**1.81**
	(3,010.60)	**(82.14)**
Less/(Add):Entitlement / (Reversal) of MAT Credit	(899.31)	406.61
	(2,111.29)	**(488.75)**

31. Earning Per Share (EPS)

Net profit/(loss) after tax (before extra ordinary item net of tax expense thereon) as per statement of profit and loss	(5,229.41)	3,444.15
Net profit/(loss) after tax (after extra ordinary item) as per statement of profit and loss	(5,229.41)	2,222.05
Number of equity shares of ` 1/- each outstanding during the year	25,78,80,150	25,78,80,150
Basic and diluted * EPS before extraordinary item in `	**(2.03)**	**1.34**
Basic and diluted * EPS after extraordinary item in `	**(2.03)**	**0.86**

* In view of the fair value of the 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 30.09.2012, being lower than the exercise price of the stock options granted under ESOP 2009 Scheme (Refer Note No. 33), the options granted to the employees are not considered dilutive in nature.

32. The contingent liabilities of the Company are mainly of the parent company. The Company, besides the contingent liabilities of the parent disclosed here-under, is also contingently liable for ` 203.69 lacs (previous year ` 128.59 lacs) in respect of its associate companies, proportionate to the equity investment in such associates, excluding the cases where the amounts are not quantifiable.

Contingent liabilities and commitments of the parent (to the extent not provided for)

a) Claims against the Company not acknowledged as debts

(` in Lacs)

<table>
<tr><th></th><th></th><th>30.09.2012</th><th>30.09.2011</th></tr>
<tr><td>i)</td><td>Claims which are being contested by the Company and in respect of which the Company has paid amounts aggregating to ` 613.76 lacs (previous year : ` 651.39 lacs) under protest pending final adjudication of the cases:
<table>
<tr><td>Sl. no.</td><td>Particulars</td><td>Amount of contingent liability</td><td>Amount paid</td></tr>
<tr><td>01.</td><td>Sales Tax</td><td>430.29
(507.51)</td><td>226.43
(245.01)</td></tr>
<tr><td>02.</td><td>Excise Duty</td><td>1,451.82
(1,375.36)</td><td>327.90
(354.20)</td></tr>
<tr><td>03.</td><td>Others</td><td>684.18
(799.28)</td><td>59.43
(52.18)</td></tr>
</table>
Figures in brackets relates to previous year.</td><td>2,566.29</td><td>2,682.15</td></tr>
<tr><td>ii)</td><td>The Company is contingently liable in respect of short provision against disputed income tax liabilities of ` 4,587.50 lacs (previous year: ` 4,587.50 lacs) against which ` 3,881.93 lacs (previous year : ` 3,672.90 lacs) stands paid and the balance amount has been stayed till disposal of first appeal. The disputed income tax liability includes ` 3,733.21 lacs towards unrealised incentives. In the event such liability finally materializes, ` 3,524.20 lacs will be adjusted against the corresponding capital reserve.</td><td>4,587.50</td><td>4,587.50</td></tr>
<tr><td>iii)</td><td>Statutory levies against which remission has been availed under U.P. Sugar Industry Promotion Policy 2004 issued by the State Government of Uttar Pradesh [Refer note - 39(a)]</td><td>3,320.27</td><td>2,479.19</td></tr>
<tr><td>iv)</td><td>Liability arising from claims / counter claims/ Interest in arbitration/ Court cases, claims of certain employees/ex-employees and in respect of service tax, if any, on certain activities of the Company which are being contested by the Company.</td><td>Indeterminate</td><td>Indeterminate</td></tr>
<tr><td>v)</td><td>Differential cane price for the sugar season 2007-08 pending disposal of the matter by the Hon'ble Supreme Court. As against price of ` 1,250/MT advised by the State Govt. of Uttar Pradesh, the Company had accounted for and discharged its liability at ` 1,100/MT in accordance with the interim order passed by the Supreme Court.</td><td>-</td><td>7,895.80</td></tr>
</table>

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

b) Guarantees/surety given on behalf of certain associate companies ` 1,566.74 lacs (previous year ` 41.00 lacs), including a corporate guarantee of ` 1,525.74 lacs equivalent to GBP 17,61,821 given during the year on behalf of an associate company as a surety for due performance of its obligations under a contract awarded by an overseas customer and in respect of which, the associate company has fully indemnified the Company against any claims, damages or expenses, including legal costs. The guarantees have been given in the normal course of operations of these companies and are not expected to result in any loss to the Company on the basis of such companies fulfilling their ordinary commercial obligations.

c) Outstanding commitments for capital expenditure are ` 1,228.45 lacs (previous year ` 711.22 lacs) after adjusting advance amounting to ` 633.13 lacs (previous year ` 224.94 lacs).

33. Pursuant to the Employees Stock Option Scheme (ESOP 2009) framed by the Company, 2,00,000 stock options had been granted to eligible employees of the Company during the financial year 2009-10. Subsequent thereto, under a Scheme of Arrangement (Scheme) between the Company, M/s Triveni Turbine Ltd. (TTL) and their respective shareholders and creditors, which was duly approved by the Hon'ble High Court of Allahabad vide its order dated 19.04.2011, the employees of the Steam Turbine Undertaking (including those who were granted stock options under ESOP 2009) became the employees of TTL. In the Scheme, two alternatives were stated for dealing with the ESOP 2009 and the preferred alternative was subject to the approval of the Stock Exchanges / SEBI. Since the Company is unable to get any response / approval to the preferred alternative, it is in the process of implementing the second alternative whereby the options if exercised would result in grant of shares in only the respective company in which such employee is employed. This would, inter-alia, necessitate splitting of the exercise price of the options between TTL and the Company on an equitable basis and amending the entitlements of shares to be granted on exercise of the options.

Pending final determination in the matter as aforesaid, the required disclosures of the ESOP 2009 are as under:

a) Employee Stock Option Scheme:

No. of Options Granted	2,00,000
Eligibility of shares under the options	One equity share of ` 1/- each fully paid up for every one option held
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 *

* Refers to the exercise price and the market price on date of grant of the options by the Company, prior to the demerger of the Steam Turbine undertaking of the Company.

b) Movement of Options Granted

	30.09.2012	30.09.2011
Outstanding at the beginning of the year	2,00,000	2,00,000
Granted during the year	Nil	Nil
Exercised during the year	Nil	Nil
Lapsed during the year	80,000	Nil
Outstanding at the end of the year	1,20,000	2,00,000
Unvested at the end of the year	Nil	1,00,000
Exercisable at the end of the year	1,20,000	1,00,000

The options outstanding as at the end of the year have a weighted average contractual life of 13 months and are exercisable at the grant price of ` 108.05, Pending final determination in the matter regarding modification of ESOP 2009 as stated above, the exercise price of ` 108.05 is without considering any modification/adjustment which may be required to be carried out post demerger of the steam turbine undertaking of the Company.

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 each option of the Company as on the date of grant, works out to ` 56.60 (` 56.60), which had been arrived at without considering the subsequent demerger of the steam turbine undertaking of the Company.

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

(` in Lacs)

	30.09.2012	30.09.2011
Net Profit/ (Loss) (as reported)	(5,229.41)	2,222.05
Add: Compensation expense under ESOP considered in the net profit	Nil	Nil
Less: Compensation expense under ESOP as per fair value *	(26.85)	59.86
Net Profit/(Loss) (fair value basis)	(5,202.56)	2,162.19
Basic earning per share (as reported) – `/Share	(2.03)	0.86
Basic earning per share (fair value basis) – `/Share	(2.02)	0.84
Diluted earning per share (as reported) – `/Share	(2.03)	0.86
Diluted earning per share (fair value basis) – `/Share	(2.02)	0.84

* The compensation expenses for the year on fair value basis has been computed without considering the effect of any modification / adjustment which may be required to be made to ESOP 2009 to give effect to the demerger of the steam turbine division.

34. a) The Company has taken various residential, office and godown premises under operating lease. These are generally not non-cancelable and the unexpired period ranges upto 4 years and 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. Lease payments under operating lease are recognised in the statement of profit and loss as "Rent" under "Other Expenses" (Refer Note No. 25).

b) The Company has also given certain portion of its office/factory premises under operating leases. These leases are not non-cancellable and are extendable by mutual consent and at mutually agreeable terms. The gross carrying amount, accumulated depreciation and depreciation recognised in the statement of profit and loss in respect of such portion of the leased premises are not separately identifiable. There is no impairment loss in respect of such premises. No contingent rent has been recognised in the statement of profit and loss.

35. Information on Segment Reporting of the Group for the year ended 30.09.2012

(` in Lacs)

	SUGAR								ENGINEERING						OTHERS					
	Sugar		Co-generation		Distillery		Total Sugar		Gears		Water		Total Engineering		Other Operations		Eliminations		Total	
	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11	30.9.12	30.9.11
REVENUE																				
External Sales	1,41,746.78	1,30,437.42	6,297.56	5,256.77	12,994.75	7,894.22	1,61,039.09	1,43,588.41	11,609.09	13,194.81	16,968.46	18,733.42	28,577.55	31,928.23	2,414.03	1,746.37	0.00	0.00	1,92,030.67	1,77,263.01
Inter-segment Sales	12,353.08	9,838.12	6,629.50	6,449.31	0.00	0.00	18,982.58	16,287.43	25.55	15.11	43.09	23.93	68.64	39.04	53.03	72.30	(19,104.25)	(16,398.77)	0.00	0.00
Total Sales	**1,54,099.86**	**1,40,275.54**	**12,927.06**	**11,706.08**	**12,994.75**	**7,894.22**	**1,80,021.67**	**1,59,875.84**	**11,634.64**	**13,209.92**	**17,011.55**	**18,757.35**	**28,646.19**	**31,967.27**	**2,467.06**	**1,818.67**	**(19,104.25)**	**(16,398.77)**	**1,92,030.67**	**1,77,263.01**
Other Income	430.11	598.36	0.12	6.99	19.73	65.36	449.96	670.71	48.50	97.41	268.44	241.64	316.94	339.05	0.91	(3.77)			767.81	1,005.99
Total Revenue	**1,54,529.97**	**1,40,873.90**	**12,927.18**	**11,713.07**	**13,014.48**	**7,959.58**	**1,80,471.63**	**1,60,546.55**	**11,683.14**	**13,307.33**	**17,279.99**	**18,998.99**	**28,963.13**	**32,306.32**	**2,467.97**	**1,814.90**	**(19,104.25)**	**(16,398.77)**	**1,92,798.48**	**1,78,269.00**
RESULT																				
Segment result	(7,602.38)	735.26	4,990.33	3,655.18	2,716.25	896.38	104.20	5,286.82	3,004.70	4,191.09	1,227.57	2,328.08	4,232.27	6,519.17	11.51	5.26	(43.73)	(476.46)	4,304.25	11,334.79
Unallocated expenses (Net)																			529.05	(776.07)
Operating profit																			**4,833.30**	**10,558.72**
Interest expense																			(12,276.85)	(9,480.60)
Interest income																			100.19	237.17
Other non-operating income																			2.66	418.01
Income taxes (including deferred tax)																			2,111.29	488.75
Net profit																			**(5,229.41)**	**2,222.05**
OTHER INFORMATION																				
Segment assets	1,37,686.05	1,30,627.48	18,406.03	18,382.22	13,457.46	13,246.83	1,69,549.54	1,62,256.53	11,501.25	11,180.10	22,489.04	23,775.67	33,990.29	34,955.77	2,110.46	312.80			2,05,650.29	1,97,525.10
Unallocated assets																			28,861.47	27,120.33
Total assets																			**2,34,511.76**	**2,24,645.43**
Segment liabilities	10,500.61	8,178.15	351.58	509.34	280.99	505.77	11,133.18	9,193.26	2,194.78	2,477.89	7,102.11	11,428.31	9,296.89	13,906.20	1,918.52	10.69			22,348.59	23,110.15
Unallocated liabilities																			1,10,527.65	94,338.66
Total liabilities																			**1,32,876.24**	**117,448.81**
Capital expenditure	868.18	1,106.08	66.63	22.73	167.58	67.58	1,102.39	1,196.39	875.32	1,794.31	236.31	302.13	1,111.63	2,096.44	0.00	0.16				
Depreciation	5,011.49	5,043.90	1,505.66	1,504.19	551.49	546.87	7,068.64	7,094.96	613.59	494.27	100.12	84.10	713.71	578.37	5.18	5.10				
Amortisation	111.48	155.78	13.76	22.81	9.32	17.45	134.56	196.04	35.09	11.92	93.21	91.04	128.30	102.96	0.00	0.00				

Notes :

(i) In accordance with the Accounting Standard (AS) 17 "Segment Reporting", the Group's operations have been categorised into 5 major business segments, which constitute 98.74% (99.02%) 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

a) Sugar : The Group is a manufacturer of white crystal sugar, having seven manufacturing plants situated in the State of Uttar Pradesh. After meeting the captive requirements, the Group also sells the surplus molasses and bagasse, which are produced as a by-product in the manufacture of sugar.

b) Co-generation : The business segment, apart from meeting part of the power and steam requirements of the associated sugar units, also exports power to the State grid. It has installed capacity of 68 MW spread over Khatauli and Deoband sugar mills.

c) Distillery : The 160 kilo-liters per day capacity distillery located at Muzaffarnagar, Uttar Pradesh, uses the molasses produced in manufacture of sugar as the principal raw material in production of various categories of alcohol.

Engineering Businesses

a) High Speed Gears : This business segment manufactures high speed gears and gear boxes at the manufacturing facility located at Mysore, Karnataka.

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

(ii) The 'Other Operations' mainly include execution of a turnkey project relating to installation of Steam Turbine based power evacuation system , trading of various packaged fast moving consumer goods under the Group's brand name (including sugar) and retailing of diesel / petrol through a group operated fuel station.

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

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

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

(vi) Sugar segment result for the current year includes exceptional item relating to differential cane price of sugar season 2007-08 amounting to ` 7,895.80 lacs.

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

a) Related party where control exists

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

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

i) Associates (Group A)

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

iii) Key Management Person (Group B)

Mr. D M Sawhney, Chairman & Managing Director (DMS)
Mr. Tarun Sawhney, Joint Managing Director (TS)

iv) Key Management person relatives (Group C)

Mrs. Rati Sawhney (RS – wife of DMS)
Mr. Nikhil Sawhney (NS – son of DMS)

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

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

c). Details of transactions with the related parties during the year ended 30.09.2012 :

(` in Lacs)

Sr. No.	NATURE OF TRANSACTION	Group - A TTL	Group - A AWTL	Group - A TOFSL	Group - A ETS	Group - A TENL	Group - B DMS	Group - B TS	Group - C NS	Group - C RS	Group - D KUL	Group - D TRSCT	TOTAL
1	Sales and Rendering Services	3,130.35 (4,649.96)	- (-)	1.69 (0.84)	1.21 (0.60)	1.20 (0.60)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	3,134.45 (4,652.00)
2	Purchases and receiving Services	348.72 (258.62)	. (-)	. (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2.21 (1.10)	350.93 (259.72)
3	Purchase of Fixed Assets	0.00 (2.34)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (2.34)
4	Rent Paid	0.12 (-)	- (-)	- (-)	- (-)	- (-)	19.80 (18.00)	- (-)	- (-)	- (-)	54.71 (36.00)	- (-)	74.63 (54.00)
5	Rent & Other Charges Recd.	30.13 (23.99)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	30.13 (23.99)
6	Advance against purchase order	1,595.41 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1,595.41 (-)
7	Amount Advanced	1,018.28 (4,503.51)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1,018.28 (4,503.51)
8	Rebate & Discount Paid	17.45 (205.04)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	17.45 (205.04)
9	Expenses incurred by the Company on behalf of party (net)	13.99 (411.28)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	5.45 (-)	- (-)	19.44 (411.28)
10	Interest Received	29.42 (181.69)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	29.42 (181.69)
11	Interest Paid	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (0.32)	- (-)	- (-)	0.00 (0.32)
12	Remuneration *	- (-)	- (-)	- (-)	- (-)	- (-)	221.48 (232.46)	152.21 (151.84)	0.00 (135.96)	- (-)	- (-)	- (-)	373.69 (520.26)
13	Refund against amount received on behalf of the party	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (50.00)	- (-)	- (-)	- (-)	- (-)	0.00 (50.00)
14	Recoveries against leased accomodation	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	5.70 (5.70)	- (-)	- (-)	- (-)	- (-)	5.70 (5.70)
15	Investment in Shares	- (-)	1,717.17 (0.00)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1,717.17 (-)
16	Charity & Donations	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	50.00 (50.00)	50.00 (50.00)
17	Recoveries against remuneration	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	7.17 (-)	- (-)	- (-)	- (-)	7.17 (-)
18	Guarantees given on behalf of party **	1,525.74 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1,525.74 (-)
19	**Outstanding balances as on 30.09.2012**												
	A. Receivable	2,177.81 (2,695.35)	- (-)	- (-)	- (-)	0.15 (0.27)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2,177.96 (2,695.62)
	B. Payable	235.04 (-)	336.56 (-)	- (-)	- (-)	- (-)	21.98 (22.58)	0.13 (1.10)	- (26.84)	- (-)	- (-)	0.50 (0.52)	594.21 (51.04)
	C. Guarantees / Surety Outstanding	1,526.74 (1.00)	- (-)	40.00 (40.00)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1,566.74 (41.00)

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

** GBP 17,61,821 converted at closing rate of ` 86.60 as on 30.09.2012

Figures in brackets relate to previous year.

37. Derivative Instruments :

a) Derivative instruments outstanding for hedging foreign currency risks (including firm commitments and highly probable forecasted transactions)

(Foreign Currency in Lacs)

Currency Pair	As on 30.09.12		As on 30.09.11	
	Payables	Receivables	Payables	Receivables
1. Forward Contracts				
USD / INR	45.83	19.32	35.74	114.54
EURO / USD *1	3.29	-	11.00	-
GBP / USD *1	-	1,507.34	0.75	-
JPY / USD *1	-	-	-	8,500.00
AUD/USD *1	4.48	-	32.50	-
2. Currency Options				
USD / INR	-	-	5.79	-
JPY / USD *1	-	-	440.62	-

*1 Wherever an exposure other than USD has been hedged directly to INR, the hedging contracts have been separately categorised 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 Lacs)

Currency Pair	As on 30.09.12			As on 30.09.11		
	Payables	Receivables	Net *2	Payables	Receivables	Net *2
USD	8.08	8.10	(0.03)	39.34	0.48	38.86
The above is inclusive of USD equivalent of the following foreign currencies:						
EURO	2.72	-	2.72	3.65	-	3.65
GBP	0.72	-	0.72	-	-	-
JPY	1.10	515.83	(514.73)	13.50	-	13.50
AUD	0.45	-	0.45	2.40	-	2.40

*2 Figures in brackets indicate open receivables. Figures without brackets indicate open payables.

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

i) Defined Contribution Plans

(` in Lacs)

Particulars	2011-12	2010-11
Employers' contribution to employees' provident fund	799.69	744.71
Employers' contribution to employees' state insurance scheme	9.72	8.04
Employers' contribution to officers' superannuation scheme	137.71	144.22

ii) Defined Benefit Plans

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

Change in present value of obligation

(` in Lacs)

	Gratuity (Partly funded)		Compensated Absence (unfunded)	
	2011-12	2010-11	2011-12	2010-11
Present value of obligation as at the beginning of the period	2,358.30	2,860.68	671.80	880.58
Transferred to Resultant Company as per the Scheme of Arrangement	-	(583.20)	-	(195.96)
Interest cost	191.46	233.86	55.42	72.65
Current service cost	202.29	205.21	120.82	103.64
Benefits paid	(213.34)	(331.91)	(50.71)	(62.38)
Actuarial (gain)/loss on obligation	57.89	(26.34)	(17.97)	(126.73)
Present value of obligation as at the end of period	2,596.60	2,358.30	779.36	671.80

Change in the value of plan assets

	Gratuity (Partly funded)		Compensated Absence (unfunded)	
	2011-12	2010-11	2011-12	2010-11
Fair value of the plan assets at the beginning of the period (1st April)	861.07	813.50	-	-
Expected return on plan assets	68.89	65.08	-	-
Contributions	305.55	267.83	-	-
Benefits paid	(334.44)	(291.65)	-	-
Actuarial gain/(loss) on plan assets	3.59	6.31	-	-
Fair value of the plan assets at the end of the period (31st March)	904.66	861.07	-	-

Amount recognised in balance sheet

	Gratuity (Partly funded)		Compensated Absence (unfunded)	
	2011-12	2010-11	2011-12	2010-11
Present value of obligation as at the end of period	2,596.60	2,358.30	779.36	671.80
Fair value of plan assets as at the end of the period	904.66	861.07	-	-
Funded Status	(1,691.94)	(1,497.23)	(779.36)	(671.80)
Net Assets/(Liability) recognised in the balance sheet	(1,691.94)	(1,497.23)	(779.36)	(671.80)

Amounts recognised in the statement of profit & loss

	Gratuity (Partly funded)		Compensated Absence (unfunded)	
	2011-12	2010-11	2011-12	2010-11
Current service cost	202.29	205.21	120.82	103.64
Interest cost	191.46	233.86	55.42	72.65
Expected return of plan assets	(68.88)	(65.08)	-	-
Net actuarial (gain)/loss recognised during the period	54.30	(32.65)	(17.97)	(126.74)
Expenses recognised in the statement of profit & loss	379.17	341.34	158.27	49.55

Experience adjustment

(` in Lacs)

	Gratuity (Partly funded)			
	2011-12	2010-11	2009-10	2008-2009
Present value of obligation as at the end of period	2,596.60	2,358.30	2,860.68	2,517.95
Fair value of plan assets at the end of the period	904.66	861.07	813.50	760.35
Surplus/(Deficit)	(1,691.94)	(1,497.23)	(2,047.18)	(1,757.60)
Experience adjustment on plan liabilities/(loss)/gain	(57.90)	26.34	(273.92)	(58.78)
Experience adjustment on plan assets (loss)/gain	3.59	6.31	(1.14)	6.77

Experience adjustment

	Compensated Absence (unfunded)			
	2011-12	2010-11	2009-10	2008-2009
Present value of obligation as at the end of period	779.36	671.80	880.58	668.65
Fair value of plan assets at the end of the period	-	-	-	-
Surplus/(Deficit)	(779.36)	(671.80)	(880.58)	(668.65)
Experience adjustment on plan liabilities/(loss)/gain	17.97	126.74	(89.21)	(22.25)
Experience adjustment on plan assets (loss)/gain	-	-	-	-

Major actuarial assumptions

	Gratuity (Partly funded)		Compensated Absence (unfunded)	
	2011-12	2010-11	2011-12	2010-11
Discounting rate	8.25%	8.25%	8.25%	8.25%
Future Salary Incerase	5.50%	5.50%	5.50%	5.50%
Expected rate of return on plan Assets	8.00%	8.00%	N.A.	N.A.
Mortality table	LIC (1994-1996) duly modified			
Method used	Projected unit credit method			

39. (a) The Company had, in respect of eligible projects, accounted for capital subsidy, remissions and reimbursement of certain statutory levies and expenses, in accordance with and as prescribed under the U.P. Sugar Industry Promotion Policy 2004 ("Policy") issued by the State Government of Uttar Pradesh. Till September 30, 2011, the Company had accounted for recoverable incentives (including capital subsidy of ` 10,470.00 lacs credited to capital reserves) aggregating to ` 14,002.46 lacs (previous year ` 14,002.46 lacs) and had availed remission of ` 2,479.20 lacs (previous year ` 1,735.54 lacs).

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

Accordingly, during the current year, the Company has accounted for only remissions of ` 841.07 lacs (previous year ` 743.65 lacs) as permitted by the High Court in its interim order. Eligible reimbursements of ` 2,171.53 lacs (previous year ` 1,487.29 lacs) have however not been accounted for during the year and the aggregate of such reimbursements not accounted for till the end of the year aggregates to ` 4,996.88 lacs (previous year ` 2,825.35 lacs) and shall be accounted for in accordance with the final order of the High Court.

(b) The Company had availed loans aggregating to ` 9,432.00 lacs (previous year ` 9,432.00 lacs) 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 loans as at the end of the year were ` Nil (previous year ` 2,076.12 lacs).

40. Disclosures under Accounting Standard (AS) 7 Construction contracts in respect of contracts in progress as at the end of the year, is provided here-below.

(` in Lacs)

Sl No.	Particulars of Disclosure	30.09.2012	30.09.2011
1	Amount of contract revenue recognised as revenue in the year	12,744.07	14,312.72
2	The aggregate amount of costs incurred and recognised profits (less recognised losses) upto the reporting date	44,684.50	31,940.43
3	Advances Received	6,055.57	3,896.67
4	Retentions	4,355.64	2,083.35
5	Gross amount due from customers for contract work as an asset	6,142.33	10,651.41
6	Gross amount due to customers for contract work as a liability	-	-

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

a) Movement in provisions:

(` in Lacs)

Nature of provision	Opening balance	Made during the year	Used during the year	Reversed during the year	Transferred pursuant to Scheme of Arrangement	Closing balance
Warranty	670.30	122.85	67.20	426.09	-	299.86
	(960.48)	(201.51)	(55.87)	(2.93)	(432.89)	(670.30)
Liquidated damages	-	-	-	-	-	-
	(911.22)	(-)	(-)	(-)	(911.22)	(-)
Cost to completion	42.00	65.00	-	42.00	-	65.00
	(-)	(42.00)	(-)	(-)	(-)	(42.00)
Administrative charges on molasses	206.78	116.72	-	-	-	323.50
	(94.54)	(112.24)	(-)	(-)	(-)	(206.78)
Arbitration/ Court-case claims	211.23	13.56	-	-	-	224.79
	(190.65)	(20.58)	(-)	(-)	(-)	(211.23)
Loss on foreign exchange derivatives	631.15	-	631.15	-	-	-
	(-)	(631.15)	(-)	(-)	(-)	(631.15)
Others	63.04	-	12.28	50.76	-	-
	(37.40)	(63.04)	(37.40)	(-)	(-)	(63.04)

Figures in brackets relate to previous year

b) Nature of provisions:

Warranties : The Company gives warranties on certain products and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provisions made as at September 30, 2012 represent the amount of expected cost of meeting such obligations of rectification / replacement. The timing of the outflows is expected to be within the period of two years.

Cost to completion: The provision represents costs of materials and services required for integeration of water treatment package at the site, prior to commissioning.

Administrative charges on Molasses : The provision represents disputed liability towards administrative charges on molasses captively consumed by the Company. The dispute is currently pending adjudication before the Supreme Court, which has in the interim stayed the recovery of such charges.

Arbitration / Court-case Claims: Provision has been made against certain claims awarded against the Company in legal proceedings which have been challenged by the Company before appropriate authorities.

Loss on foreign exchange derivatives: Provision is made for mark-to-market losses on derivative contracts outstanding at the year-end which were entered into for hedging certain firm commitments or highly probable forecast transactions.

Others: Represents provision made for deficiency in company managed provident fund trusts for the benefit of its employees.

c) Disclosure in respect of contingent liabilities is given as part of Note No. 32.

42. Pursuant to the undertaking given by the Company to Securities Exchange Board of India in connection with granting relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules,1957 for listing of equity shares of Triveni Turbine Limited (TTL), the Company's investment in the equity shares of TTL will remain under a lock-in period till November 29, 2014.

43. Plant and machinery at Deoband unit existing as on 1st November,1986 was revalued during the financial year 1986-87 by an approved valuer, to reflect the assets at their fair 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.

44. Pending completion of procedural formalities, the titles to certain assets, transferred to Triveni Turbine Ltd.(TTL) pursuant to a duly approved Scheme of Arrangement framed under sections 391 to 394 of the Companies Act, 1956, could not, where necessary, be transferred in the name of TTL and are being held in trust by the Company.

45. In accordance with the Guidance Note on Accounting for Self-generated Certified Emission Reductions (CERs), issued by the Institute of Chartered Accountants of India, the Company has recognised the CERs held by it as inventories in its financial statements. Disclosures as required under the Guidance Note are as under:

a) 58,816 CERs (net of UNFCCC adaptation fund) have been held as inventory by the Company;

b) 28,312 CERS are under certification as on the date of the financial statements;

c) The Company's Deoband and Khatauli Phase-I projects are registered as Clean Development Mechanism (CDM) projects with United Nations Framework Convention on Climate Change (UNFCCC) and it is not feasible to identify specific items of machinery/equipment as an "emission reduction equipment". Accordingly, details of depreciation and operation & maintenance costs, pertaining to emission reducing equipment have not been provided.

46. The Company has during the year has made a long-term strategic investment by acquiring 13,008 equity shares (representing 25.04% equity stake) in Aqwise-Wise Water Technologies Ltd., a Company registered in Israel, engaged in providing water treatment solutions, using proprietary technology. The investment is synergistic to the water/waste water business being carried out by the Company.

47. Due to decline in the free sugar prices and the levy sugar price being much lower than the cost of production of sugar, the sugar inventories held by certain unit(s) of the Company as on 30.09.2012 have been valued at the net realisable value. Accordingly sugar inventories have been written down by ` 571.27 lacs (previous year: ` 102.03 lacs).

48. During the year, the Company has disposed of its entire holding in its wholly-owned subsidiary company, Upper Bari Power Generation Pvt. Ltd. The effect of disposal of the subsidiary on the financial position and on the financial results is as under:

(` in Lacs)

		Current year	Previous year
a)	Financial position on date of Balance Sheet		
	Net assets of the subsidiary	-	5.52
	Reserves of the subsidiary	-	0.52
b)	Financial results for the year		
	Net profit / (loss) of the subsidiary	(0.10)	0.09
	Profit / (loss) on disposal of the subsidiary [current year: (` 117/-)]	-	0.00

In addition, the Company has recovered capital expenditure of ` 33.79 lacs incurred by it on behalf of the subsidiary.

49. 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 herein-below:

(` in Lacs)

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	Share of Accumulated Income/(Loss) at the year end
1	2	3	4	5	6
TOFSL Trading & Investments Ltd.	India	49.38% (49.38%)	40.01 (40,01)	1.80[*1] (1.80)	1,530.99 (1,455.45)
The Engineering & Technical Services Ltd.	India	47.60% (47.60%)	10.00 (10.00)	-4.31[*1] (-4.31)	2,356.54 (2,347.28)
Triveni Entertainment Ltd	India	49.97% (49.97%)	43.47 (43.47)	4.43[*1] (4.43)	-14.13 (-16.07)
Triveni Turbine Ltd.	India	21.83% (21.83%)	720.07 (720.07)	Nil (Nil)	1,612.97[*2] (245.81)
Aqwise-Wise Water Technologies Ltd.	Israel	25.04% (-)	3,006.19 (-)	2,257.20 (-)	-11.55 (-)
Total			**3,819.74** **(813.55)**	**2,259.12** **(1.92)**	**5,474.82** **(4,032.47)**

Figures in brackets relate to previous year

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

*2 Net of ` 565.62 lacs being the Company's share of losses on the date it became an associate.

50. The requisite financial information in respect of the subsidiaries, as per general approval under Section 212 (8) of the Companies Act, 1956 accorded by Government of India, Ministry of Corporate Affairs, vide its General Circular No. 2/2011 dated 08/02/2011 for the financial year ended September 30, 2012 is given below.

(` in Lacs)

Subsidiary Companies	Triveni Engineering Ltd	Triveni Energy Systems Ltd
Capital	5.00 (5.00)	5.00 (5.00)
Reserves	-17.91 (-17.49)	-4.38 (-3.90)
Total Assets	0.53 (0.46)	0.65 (1.24)
Total Liabilities	13.44 (12.95)	0.03 (0.14)
Investments (except in subsidiaries)	0.00 (0.00)	0.00 (0.00)
Turnover (Net)	0.00 (0.00)	0.00 (0.00)
Profit/(Loss) before Taxation	-0.42 (-0.85)	-0.47 (-0.09)
Provision for Taxation (current year : ` 351/-)	0.00 (0.00)	- (0.02)
Profit/(Loss) after Taxation	-0.42 (-0.85)	-0.48 (-0.11)
Proposed Dividend	0.00 (0.00)	0.00 (0.00)

Figures in brackets relate to previous year

	Dhruv M. Sawhney	**Lt.Gen.K.K.Hazari (Retd)**	**Geeta Bhalla**	**Suresh Taneja**
Place : Noida (U.P.)	Chairman & Managing	Director & Chairman	Company	Vice President
Date : November 21, 2012	Director	Audit Committee	Secretary	& CFO

Notes:

SHAGUN - Triveni's Branded Products

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