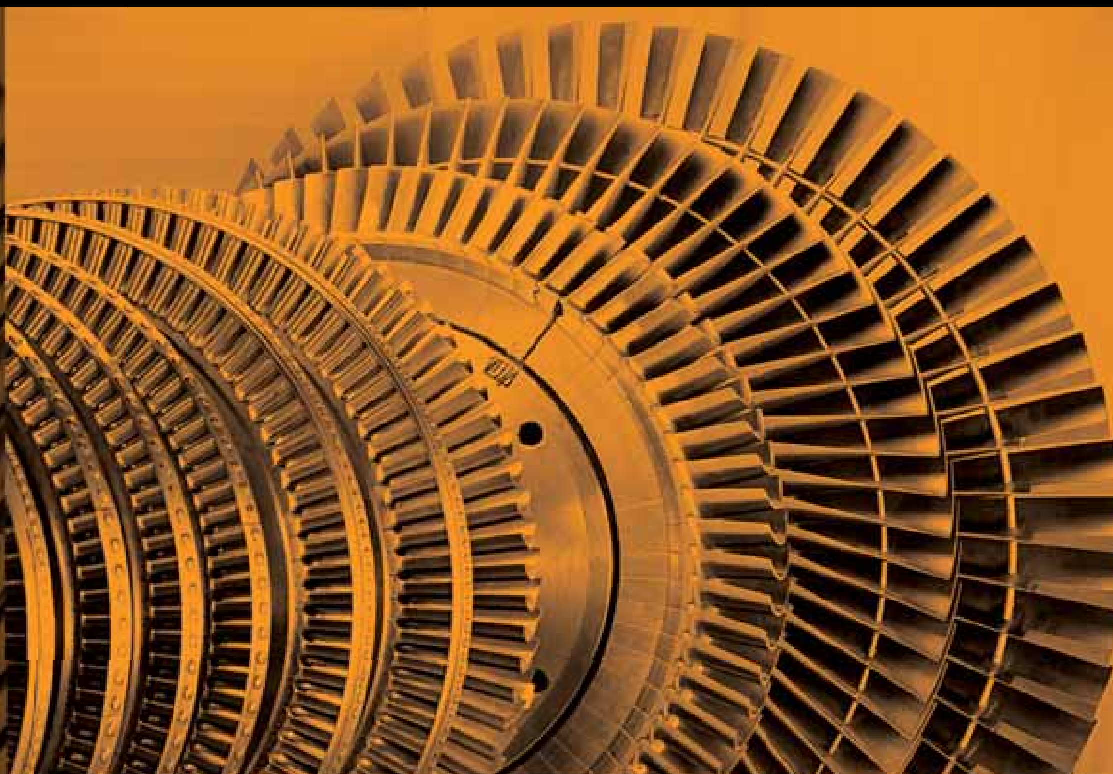
Triveni TURBINES

TRIVENI TURBINE LIMITED
Annual Report 2011-12

Staying focused

Contents



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.

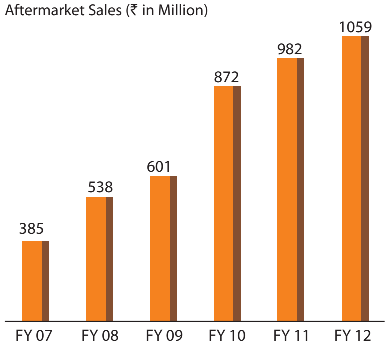
The Company has sourced the industry information from the publicly available sources and has not verified those information independently.

Staying focused

An absolute clarity on goals, an infallible astuteness in strategy, an untiring perseverance in implementation, an unwavering commitment in serving, a focused approach on innovation and developments, an uncompromising pursuit to deliver value. These are the ingredients for success, today and tomorrow.

Over the last four decades, the turbine business has garnered all the ingredients for a successful today and tomorrow – technology, innovations, manufacturing, value engineering, partnerships, trust, global markets and service capabilities.

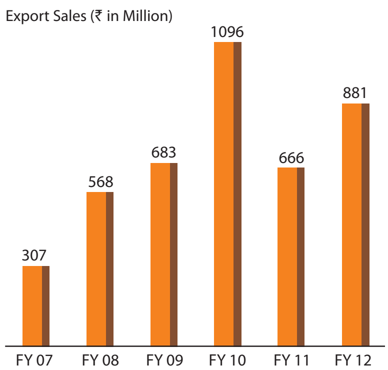
In a fiscal year that witnessed slowdown in global and domestic economic activities, we persisted to move ahead with conviction. At Triveni Turbines, we continued to **stay focused**.



Staying focused on expanding Aftermarket Services

Balancing revenue growth with operating margins holds key to sustained value creation. Adding avenues of diverse earnings including recurring ones helps in achieving this goal.

At Triveni Turbines, we supplement product revenues with robust stream of service revenues by offering a wide suite of services to the customers. These include Erection & Commissioning, Spare Parts, Refurbishment and Operations & Maintenance. Our continued focus on growing aftermarket services resulted in a revenue growth of 8% in financial year 2011-12. Achieving a compounded annual growth rate of 22% between financial year 2006-07 and financial year 2011-12, our aftermarkets revenues reached ₹ 1059 million during the year. We further sharpened our refurbishment prowess during the year by successfully refurbishing larger capacity turbines in the utility sector. In doing so, we also strengthened our candidature to qualify for bigger orders of refurbishing in the utility sector.

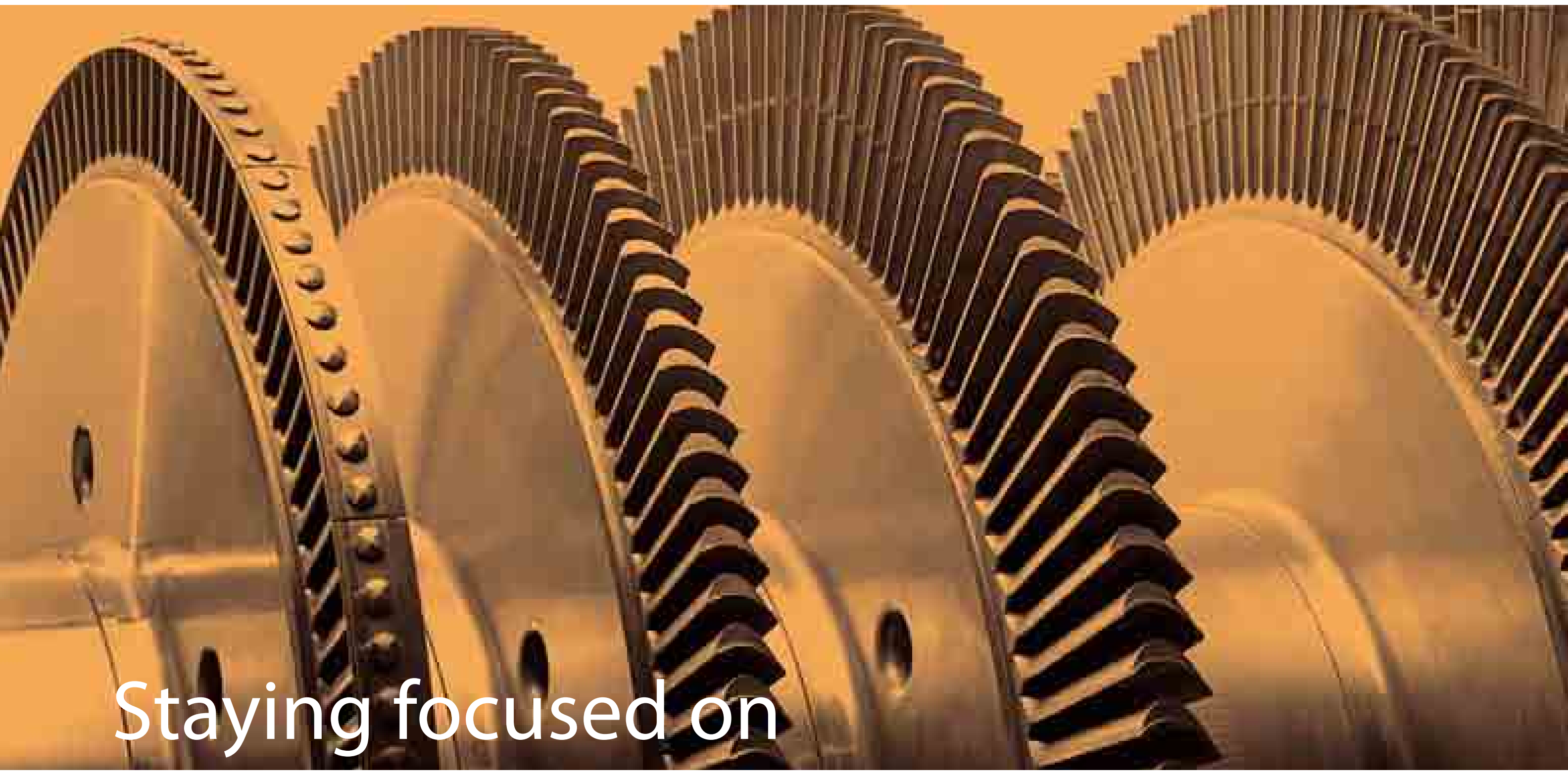


Staying focused on expanding globally

Continually expanding addressable market is critical for achieving accelerated business growth. Capability to offer customer specific solutions in new geographies, efficiently servicing them and establishing faster acceptance across global marketplace are the critical aspects of expanding our horizons in the global markets.

With an installed base of over 2500 turbines across 30 countries, we augmented our efforts in penetrating further in the international market and also expanding our global footprint. Our successful foray into new markets resulted in 39% increase in export order booking during the year. The Company received breakthrough orders from municipal solid waste to power and waste heat recovery based power generating facilities in Europe, this augurs well for our prospects in coming years.

Our revenue from exports has grown at a compounded annual growth rate of 23% between financial year 2006-07 and financial year 2011-12. The exports turnover grew by 32% over the previous year and is currently at ₹ 881 million contributing 14 % to the total sales.



Staying focused on Innovation and Research

Today's innovations are tomorrow's solutions. Success in a technology-driven business depends a great deal on developing breakthrough products, and doing it while bringing the cost of ownership as well as operations down. In the domain of engineered-to-order products, capability to meet individual application requirements of customers and help improve efficiencies is equally critical.

In an year when markets exhibited sluggish signs, the Company increased its focus on research and breakthrough developments and went on to create 12 new product variants. It also succeeded with new blade designs for high volumetric flow, high efficiency blade path and high back pressure designs besides developing multiple new basic models during the year.

The Company continues to safeguard valuable IPRs. 43 IPR filings have been done so far in India and Abroad. The Company's journey towards Business Excellence received an important 2nd level recognition 'Commendation Certificate for Significant Achievements' at CII-Exim Bank Awards for Business Excellence during the year.

The world of
Triveni Turbine Ltd.

- *Annual Revenues for Financial Year 2011-12 at ₹ 6319 million*
- *Offer Steam Turbine Generator packages up to 30MW*
- *Global presence with more than 2500 installations across 30 countries*
- *Dominant market share of more than 54% in India*

Product Range

The Company provides Steam Turbo-Generator solutions that are engineered-to-order suiting the customer application. The Company manufactures Back Pressure and Condensing steam turbines for various applications. The backpressure turbines generally find application in process co-generation industry while the Condensing Steam Turbines are used for power generation and Co-Generation.

Aftermarket Services

The Company provides a range of aftermarket services to its customers as well as turbine users of other makes. The Company offers efficiency and reliability to its customers with a suite of integrated solutions like Refurbishing, Operation & Maintenance, Erection & Commissioning, Spare parts, etc. The 24x7 Customer Care Support helps customers maintain a higher uptime. The dedicated Customer Care Cell serves customers through a network of 13 service centres spread across the country. It deploys a team of over 185 well trained employees.

Industry Segments & Applications

The Company enables power generation capacities in diverse industry segments like Sugar, Steel, Biomass IPP, Pulp & Paper, Textiles, Chemical, Carbon Black, Municipal Solid Waste IPP, Palm Oil, Oil & Gas and Food Processing. The turbines are used in a wide range of applications like Co-generation, Combined Heat & Power generation, Captive Power Generation and Independent Power Generation. The turbines are also deployed in waste treatment processes in shipping and also few offshore industries.

Manufacturing Facility

The Company's state-of-the-art manufacturing facility matches the international standards and has installed capacity to manufacture 150 turbines annually which is further expandable. The Company's manufacturing philosophy is based upon four key aspects namely 'productivity, technology, precision & quality'. Every turbine is put through a Mechanical Steam Run Test to test it up to operating and overspeed limits to ensure its mechanical integrity and safety prior to delivery.

Research & Development

The Company's focused R&D team of domain experts and consultants possess the knowledge and understanding of every function, facet and capability of the systems that go into manufacturing of steam turbo generator meeting the requirements and specifications of the customer. The Company believes in continuous product development and in implementation of cutting edge technology to provide innovative solutions. The R&D team is focused on developing better and more resourceful designs that deliver higher performance and add value to our customers' plants.

Global Footprint

Besides India, the turbines are installed in 30 countries across South East Asia, Europe and Africa.

GE Triveni Limited

GE Triveni Limited (GETL) is a subsidiary of Triveni Turbine Limited (TTL) and a joint venture with GE. GETL is engaged in design, manufacture, supply and service of advanced technology steam turbines with generating capacity of above 30 to 100 MW. GETL is progressing on technology transfer, global marketing and project execution plan. Headquartered in Bengaluru, GETL is committed to develop and bring to the steam turbine market, superior technology in a multi-generation product. GETL turbines are manufactured in the state-of -the-art plant of Triveni Turbine Ltd. The products are marketed under "GE Triveni" brand globally.

Quality

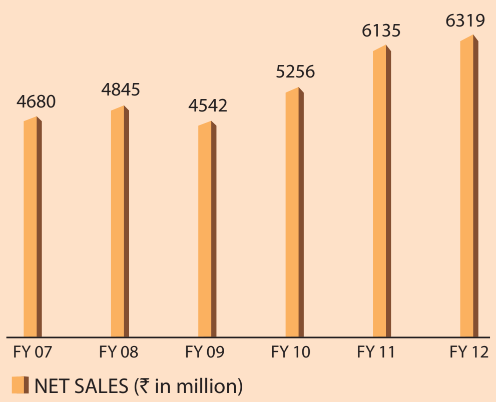
The Company's focus on quality is strengthened by the fact that it adheres to all the major international quality assurance standards. The Company's joint venture with General Electric (GE) has also enabled it to adopt and adhere to the best practices being followed at GE. All these factors give the Company confidence in manufacturing and shipping a world class product.

Learning Centre

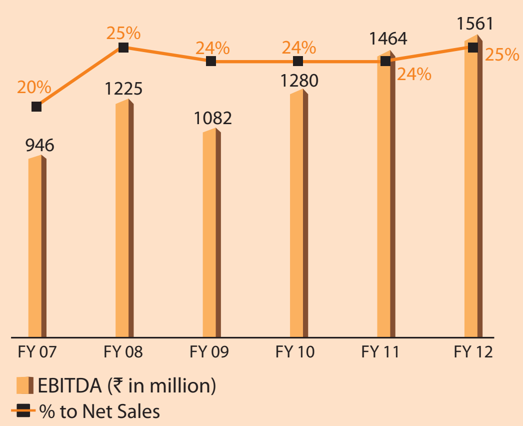
As an engineering and technology led business, the Company believes that a well trained pool of human talent is one of the key success factors for maintaining its leadership position. To achieve this, the Company has set up a state of the art Learning Centre which imparts technical training in the areas of design, manufacture and servicing along with the managerial and leadership skills. This Centre also acts as a repository of knowledge management on the existing product range which helps the R&D department on new product development and value engineering. Product and operations training is also given to customers at this Learning Centre.

Financial Highlights

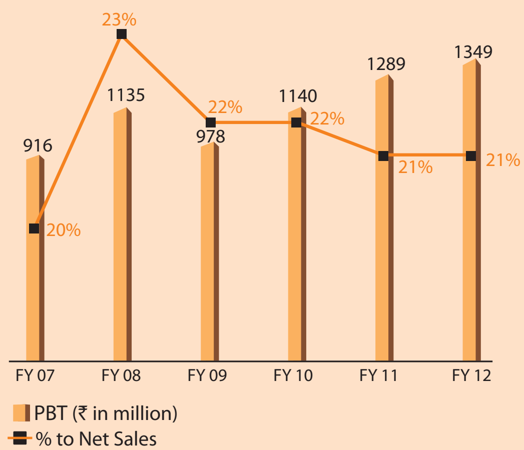
NET SALES



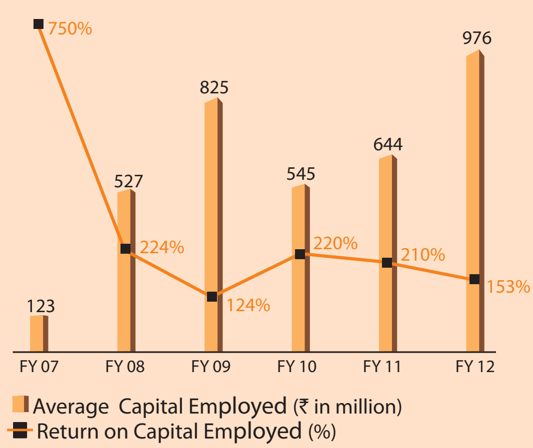
EBITDA



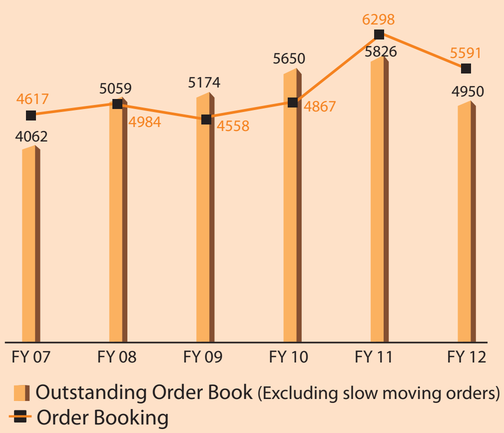
PROFIT BEFORE TAX (PBT)



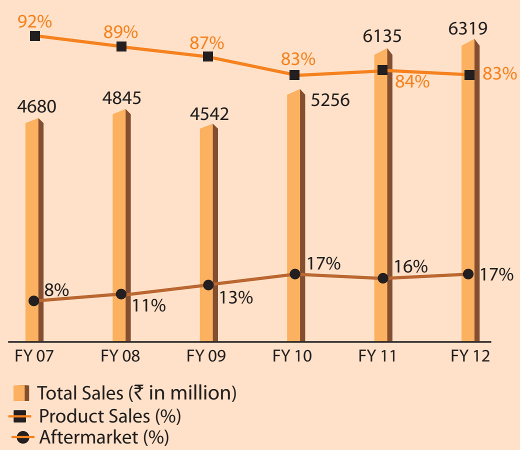
RETURN ON CAPITAL EMPLOYED



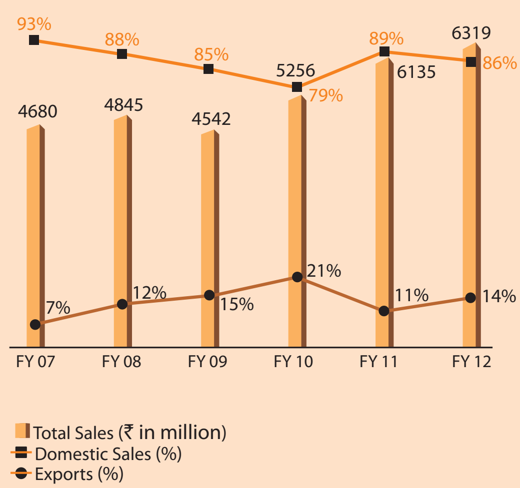
ORDER BOOKING &
OUTSTANDING ORDER BOOK (₹ in million)



PRODUCT & AFTERMARKET
Contribution to Total Sales



DOMESTIC & EXPORT SALES
Contribution to Total Sales



Note:
The information presented above pertaining to FY 07 – FY 11 of steam turbine business segment was a part of Triveni Engineering & Industries Ltd. till September 30, 2010 and was subsequently demerged into a separate entity, Triveni Turbine Ltd. from the appointed date on October 1, 2010. All the information are for April- March period.

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

This is the first full year of reporting of the performance of your Company post demerger of the turbines business from Triveni Engineering & Industries Limited. In October 2011, our shares were listed and the trading started in both the Bombay Stock Exchange and National Stock Exchange. In spite of the volatile economic environment, in both the domestic and global markets, I am pleased to say that by staying focused on our strategies, we have successfully navigated these challenging times and recorded an encouraging result in the fiscal year 2012.

With revenues of ₹ 6.32 billion and an outstanding order book of around ₹ 5 billion, we have expanded our market and improved the product mix through the introduction of new competitive products. During the year, the domestic market shrunk by over 40%, and even under such a situation, Triveni Turbine Limited (TTL) retained its dominant market share with similar margins. The Company's aggressive focus on the international market has started yielding good results with export order booking going up by 39% year on year. We have expanded our geographic reach from South East Asia to the developed markets in Europe and are concentrating on the biomass and waste to energy segments which are less prone to economic cycles.

The Company's focus on the high margin aftermarket business continued during the year with a growth of 8% over the previous year even though most customers were postponing ordering insurance spares. The CAGR growth for this segment has been 22% during the past five years. We received many breakthrough orders for the refurbishment of larger turbines. This will give us the necessary prequalification for this segment and augurs well for business growth in the coming years.

We continue our thrust on Research & Development, which shall be the pivot for sustaining future growth in revenue and profitability. During the year under review, many new models were developed and introduced into the market to meet the changing requirements of our customers. The Company is expanding the protection of its intellectual property, under all the categories such as Design, Patents, Copyrights and Trademarks. Our new higher MW, high-temperature and high-pressure turbines are helping the Company to expand the market globally.

Performance of our subsidiary, GE Triveni Limited (GETL), has been encouraging. We are executing the first order and remain encouraged with a promising pipeline of enquiries. GETL is receiving strong sales support from the GE team in its key markets of South East Asia, Europe and America.

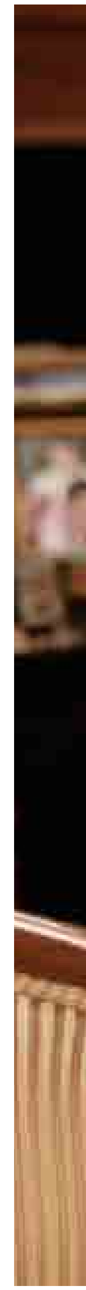
While the Company is only completing its second year as an independent entity, our steam turbine business has had a strong market leadership for over 30 years. The key to our success remains in the unique combination of innovation and cost competitiveness which distinguishes us from our competitors. We will continue to leverage our strengths and competitive advantages in Research & Development, supply chain and value engineering, manufacturing excellence and a customer centric approach. We believe this gives us an excellent position for sustained performance in today's demanding and dynamic market environment.

I thank you all for your support and wish to express my gratitude to all our customers, business partners and stakeholders for the confidence they have shown in the Company.

With Best Regards,

Dhruv M. Sawhney

Chairman and Managing Director



MANAGEMENT DISCUSSION & ANALYSIS

ECONOMY

Domestic Scenario

In financial year 2011-12, India found itself in a conflict of managing growth and inflation due to major challenges in the macro economy. The Indian economy has grown by 6.5% in the year 2011-12, after having grown at rate of 8.5% in the preceding year. The Industrial growth has slowed down due to rising interest rates, tight liquidity, inability to raise equity due to uncertain capital market, slowing down of foreign investments and above all, the lack of policy actions and reforms by the Government. This has adversely impacted the confidence of the industry and slowed investments, mainly in infrastructure and capital goods sectors.

Global Scenario

The global economic recovery is slowing and the global environment continues to be a cause for concern and caution. The global economic environment, which has been tenuous throughout the year, turned sharply adverse in September 2011 owing to turmoil in the Eurozone, and questions about the outlook of the U.S. economy.

POWER SECTOR

Currently, India has the fifth largest electrical system in the world; with installed electricity capacity of around 180 GW, of which 22 GW, i.e., 12.2 % is from Renewable Energy sources. The captive generating capacity connected to grid is about 19.5 GW. There is a huge gap between demand and supply with the all-India peak demand deficit of ~12%.

As per industry estimates the current and approved electricity capacity addition projects in India are expected to add about 80 GW of installed capacity in the 12^{th} five year plan beginning April 2012 with planned investment requirement of approx. $ 322 billion. This growth makes India one of the fastest growing markets for electricity infrastructure equipment.

However, uncertainties in regulatory environment over coal linkages, land acquisition, environmental clearance etc., have majorly impacted the new investments and may also further delay the execution of projects which are underway. Under these circumstances, for meeting the industrial power demand, distributed power generation and captive power plants continue to play a crucial role.

RENEWABLE ENERGY

Since 2005, the energy and climate change agenda has taken centre stage in domestic and international policy. In addition, the renewable energy generation capacity has nearly tripled in the last five years. India's vast untapped renewable energy sources can pave the way for a secure, more affordable and environmentally sustainable energy future for the country.

Assuming that the electricity power generation from renewable sources like wind and solar power is going to be substantial; it would be essential to add renewable power generation capacities through Municipal Solid Waste, Biomass and Waste heat recovery as they have good control capability with the change of power output. This will help in maintaining stable operations in the electrical system and absorb the fluctuation of reactive and active power.

Biomass

India is rich in biomass which has the potential of generating 16,881 MW from agro-residues and plantations, 5000 - 7000 MW from bagasse co-generation and approx. 2700 MW energy recovery from waste. Biomass power generation in India is an industry that attracts investments of over ₹ 6 billion every year, generating more than 5000 million units of electricity and yearly employment of more than 10 million man-days in the rural areas. The Government has launched National Action Plan on Climate Change in June 2008 to promote the use of renewable energy for power generation. Taking cue from this, Ministry of New & Renewable Energy (MNRE) has planned to initiate "National



Bioenergy Mission" in association with State governments, Public & Private sectors and other stakeholders to promote ecologically sustainable development of Bioenergy to address country's energy security challenge. MNRE is targeting for the deployment of 20,000 MW of biomass power by 2022.

Geothermal and Concentrated Solar Energy

Geothermal and Solar Energy resources can be used for a wide range of power and heat applications. India's installed geothermal energy capacity is currently experimental and the commercial use is insignificant. India has potential resources to harvest geothermal energy and has identified six promising geothermal regions for the development of geothermal energy.

Similarly, though more advanced than Geothermal Energy development, Concentrated Solar power generation has received a big boost by the launch of the Jawaharlal Nehru National Solar Mission under the National Action Plan on Climate Change. India is bestowed with solar irradiation ranging from 4 to 7 kWh/square meter/day across the country, with western and southern regions having higher solar incidence. Under this initiative, India plans to generate 1 GW of power by 2013. By 2020, 20 million square meters will be covered by solar energy collectors to generate 20 GW grid based solar power and 2 GW of off-grid solar power.

Combined Heat and Power (CHP)

This refers to the simultaneous generation of useful heat and power. In combined heat and power, some or all of the waste heat released into the atmosphere is captured, transformed into useful heat by deploying it in process applications or indirectly in producing steam, hot water etc. An optimal CHP system is designed to meet the thermal demand of the energy user-whether at industrial, individual building or city-wide levels. By using the heat output from the electricity production for heating or industrial applications, CHP plants generally convert 70-75% of the fuel source into useful energy.

Waste - to - Energy

The economic case for burning waste to generate energy becomes stronger as the size of waste accumulations expands and presents an environmental and management challenge. According to the estimates, the waste generated in India is over 50 million tonnes annually.

The waste-to-energy industry is expected to benefit from the emerging opportunities in regions such as India, China, Europe and the US. Asia-Pacific region is expected to surpass Western Europe and emerge as the largest market in terms of waste-to-energy investments.

Captive Power Generation

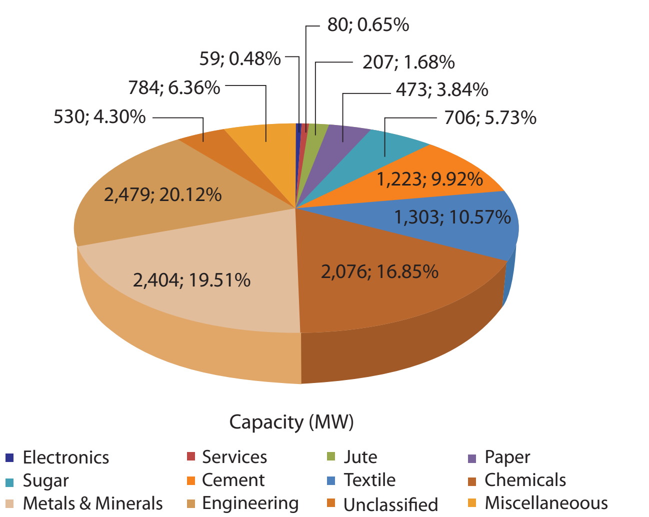
The industrial sector is the largest consumer of electrical energy in India with many industrial establishments also owning Captive Power Plants (CPP). The CPPs also supply the surplus power generated to the grid. CPPs are developed to cater to the industrial demand where (a) the electricity supplied by the utilities is short in supply or (b) the grid supply is poor in quality & reliability and (c) the tariffs are high inter-alia due to heavy cross subsidisation. It is estimated that 30% of the total energy requirement of the Indian industry is currently met through in-house power plants. The opportunities emerged after the enforcement of the Electricity Act-2003 in the form of de-licensing of generation, implementation of open access and setting up of common trading platform, has made the captive power plants an attractive option for industries to meet their in-house requirement and to maximise their profits from sale of surplus power.

Across industries, there is significant variation in captive capacity utilisation. Metals, Heavy engineering, Chemicals, Petroleum, Paper, and Cement industries account for 70 per cent of the total captive capacity and 85 per cent of the generation. Captive plants over the years have evolved from the plants owned by single promoters to group captive serving as a medium for maximising the benefit by selling its surplus power. Selling the surplus power through the power exchanges, claiming the incentives under Clean Development Mechanism (CDM) depending upon the technology used, earning energy efficiency certificates, Renewable Energy Certificates are other benefits associated with CPPs. Moreover, industrial and commercial growth would continue to impact the overall peak demand, which creates an opportunity for the merchant and captive power producers.

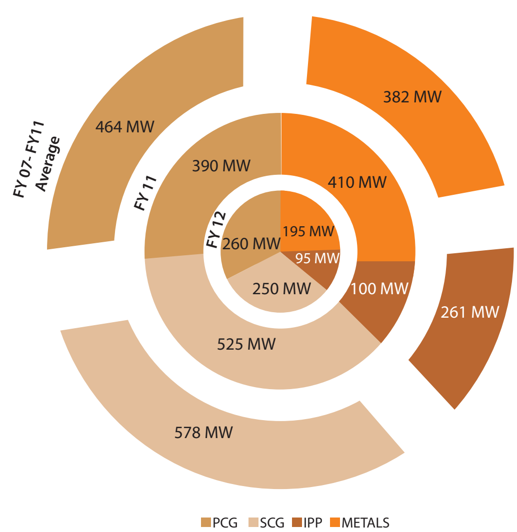
Captive plants can contribute to greater economic gains. India's concern of electricity shortages could partly be addressed by better coordination of such industrial power surpluses. The captive plants, whether grid-connected or stand-alone, could contribute towards greater availability of power in the system by increasing consumption from captive generation and drawing less from the grid. Captive power plants have been growing at a fairly aggressive pace in India.

BUSINESS OUTLOOK

Financial year 2011-12 has been a challenging year for Triveni Turbine Limited (TTL), in terms of maintaining revenues and healthy margins due to intense competition and decline in the overall domestic market demand. In the sub 30 MW range, from an average annual demand of approx. 1700 MW during 2007-11 and as against 1425 MW in financial year 2010-11, the demand declined to about 800 MW in financial year 2011-12. Metal & Sugar Co-generation (SCG) segment recorded a major drop of over 50% while the decline in the industries in the Process Co-Generation (PCG) segment such as Food/Paper/Pharma sector was over 30%. Independent Power Producers (IPP) was the only segment which could sustain its demand in comparison to the previous year. Comparison of market demand for various segments in financial year 2010-11, financial year 2011-12 and the annual average for financial years 2007-11 is depicted below:



Source: Industry Reports



Source: Compiled from Industry Data

Even in this sluggish market environment, the Company could achieve reasonable order-intake with 54% market share. The Company has an outstanding order book, excluding the slow moving orders, of ₹ 4.95 billion as on March 31, 2012. This order book is executable in financial year 2012-13.

MARKETING

Domestic

The Company has a dominant share in SCG/IPP/PCG segment and looks forward to gain prominent market share in Metal segment also. Despite the slowdown in domestic market in terms of order booking, the overall enquiry base for financial year 2011-12 has been similar to that of financial year 2010-11. Financial year 2011-12 witnessed major order booking in the domestic market from the metal processing industry with an extended scope of supply.

Exports

With the order finalisation in the domestic market turning slow due to macro economic factors such as liquidity, higher financing cost etc., the Company, during the year under review, went aggressive in expanding its footprint in the international market. Its foray into newer markets resulted in expanding its year-on-year order booking by 39%. The Company received break-through orders from municipal solid waste to power and waste heat recovery based power generating facilities in Europe. The Company consolidated its presence with orders from Sugar based waste heat recovery power plant, palm oil segment etc. The exports turnover grew by 32.2% over the previous year and is currently at 13.9% of the total sales.

AFTERMARKET SERVICES

The Company operates in the full band of aftermarket services, which include Erection & Commissioning, Spare parts, Refurbishment and Operation and Maintenance. The Company could maintain a reasonable growth even in this difficult market conditions. In the services business, customers become more cost conscious in difficult business situations and hence, prefer cost effective solutions to the fresh capital expenditure plans. The Company was able to maintain its market share in spares and there has been significant improvements in the business of refurbishment. A number of new categories of jobs have been completed with successful foray in the Utility range. During the year, the Company refurbished large sized utility turbines enabling prequalification in this segment, thereby creating good business prospects for the future. The overall business of aftermarket grew by 7.8 % over the previous year and is currently at 16.8% of the total sales.

MANUFACTURING FACILITY

TTL's state of the art manufacturing facility is fully equipped to manufacture industrial steam turbines. It is equipped with an array of 4 axis and 5 axis Vertical Machining Centres and Horizontal Machining Centres for blades, Mill-turn centre for rotors, CNC gantry and CNC VTL for casing machining to high accuracies. It has fully equipped assembly-cum-test beds for assembling the turbines from start to finish and recording the test results on a wireless Data Acquisition and Display System. The facility also boasts of High Speed Vacuum Balancing Machine for balancing rotors, CNC Coordinate Measurement Machine, DG Sets for 100% power back up, EOT cranes etc. The manufacturing facility is located in green employee friendly surroundings. The manufacturing facility is certified for both ISO 9001 QMS & ISO 14001 EMS standards and is always ready to cater to diverse customer needs in turbine business.

SUPPLY CHAIN

Suppliers are key to our business performance and they are treated as our extended business partners. The Company establishes long term business relationship by entering into Partnership Agreements with critical suppliers. Well defined quality and delivery parameters along with transparent pricing mechanism helps to further business dealings with the supply chain partners. The Company follows a global procurement policy to continually optimise the cost and mitigate purchase price risks. Product standardisation by Value Engineering to reduce cost / lead time of product realisation is followed. Sharing of knowledge and experience with suppliers is an ongoing process. The Company is able to offer better deliveries than its peers due to strong supply chain relationship. The key to this performance has been seamless communication of its manufacturing plans, expected order flows and volumes to the critical suppliers of long lead items. The Company could mitigate the increase in input cost of castings, forgings as well as piping materials by prior planning its procurement through long term contracts.

Whilst the industry expects a rise in input cost on castings commensurate with increase in the scrap prices and due to significant contraction in capacity due to the power shortage in some parts of India, the Company has put risk mitigation measures in place by developing alternative cost effective sources and building lower costs through value engineering.

QUALITY ASSURANCE

The strength in the Company's products lies in the fact that they comply to various product standards such as API, ASME, AGMA, NEMA, IEC etc. The Company has a network of approved suppliers and dedicated sub contractors complying with stringent quality norms through QAPs to maintain comprehensive quality control of turbine and its auxiliary systems. TTL ensures CE/PED Mark Quality Certification to its product as per European norms.

The Company also deploys new tools and techniques like Visual Management system (SQDCM), DMAIC methodology, Kaizen, QIP, Small Group Activities, Daily Work Management, CCRS and Root Cause Analysis in order to provide its customers reliable and high performing turbine solutions.

In 2010, TTL introduced the "Kaizen" movement in order to create and bring culture of continuous innovation & improvements throughout the organisation. The results are immediate, significant and satisfying in productivity improvement, quality, cost and safety improvements by eliminating waste and

improving processes. TTL team bagged second place in "National Level Kaizen Competition" under operator category.

TTL has progressed significantly in its journey towards Business Excellence in 2011. The Company has been awarded with 2nd level recognition "Commendation Certificate for Significant Achievement" by CII-EXIM bank Award for Business Excellence. This award is based on Excellence Model of European Foundation of Quality Management (EFQM) and the award process is administrated by CII in India.

TECHNOLOGY

Continuous product development is one of the key requirements for the business to maintain its competitiveness. During the year, the Company developed 12 new product variants to serve the application requirements of the customers as well as for continual efficiency improvement. One of the objectives was to keep track of new technologies and tune it with the new age auxiliary equipment, thereby adding value to our customers, through reduction in initial capital as well as the operating expenses of the project. The key development highlights are the design of air cooled condensing turbines, new blade designs for high volumetric flow, high efficiency blade path using advanced reaction stages, high back pressure designs for Oil and Gas etc. The Company also developed around 8 new basic models during the year.

INTELLECTUAL PROPERTY RIGHTS

Steam Turbine is highly technology oriented business, hence, the protection of Intellectual Property (IP) is one of the critical requirements in the long term sustainability of the business. The Company ensures involvement of IP team right from product conceptualisation stage to the final design stage. Stage gate processes are being implemented and complete technology scanning of all the R&D Projects is being done by IP team. A comprehensive security system has been put in place to safeguard valuable IPRs developed by the Company. Various regulatory requirements have been completed with respect to design registrations in India and Europe – consequently, 11 design registrations in India and 7 European Community Designs have been granted and stand valid to the credit of the Company. In the U.S., 3 Design Patents have been filed and the Company is in the process of filing patents in South East Asian countries as well. The Company also intends to file Patents Co-operation Treaty (PCT) applications which will be binding for all the member countries to this treaty.

HUMAN RESOURCE

As our business focuses on customised engineered-to-order mechanical equipment, skilled manpower is one of the key success factors. The Company has strengthened its critical functions of R&D, Engineering & Projects department in a challenging year for talent acquisition. This support has provided required vigour across the organisation in meeting the set goals. The Company implemented Appreciation-Recognition-Celebration policy during the year with a view to develop personal bonding with its employees. Appropriate measures and enablers were implemented to retain good talent in the critical departments and it has yielded the desired results in maintaining trained human resource towards building a world class organisation. The overall attrition in the Company has been generally the lowest compared to the engineering industry. With a view to penetrate overseas markets comprehensively and effectively, the Company has started recruiting local experts and professionals to begin with in South East Asia, wherein the Company intends to have major presence.

LEARNING CENTRE

The Learning Centre of the Company is the fulcrum for all the technical training needs of its engineers. During the year, the emphasis was on imparting technical training to TTL engineers and workmen, on the product. The Learning Centre had conducted training for around 12 man days per employee. Graduate Engineer Trainees & Diploma Engineering Trainees were imparted with complete training from basic engineering concepts, product inputs and field exposure. Training programme on the product was imparted to engineers from customer-end and to suppliers for improving their efficiency and operation and maintenance.

Learning centre in co-ordination with supply chain called upon domestic & international Suppliers of Balance of Plant (BOP) equipment to train engineers of TTL on updates of technologies and its benefits. Computer Based Product Training (CBT) was developed by Learning Centre and this platform is used by all the engineers (Fresh and lateral entry) to update them on TTL product range and features. As a continuous improvement, up-gradation of the learning module is under progress. Learning Centre is in the process of building the repository of knowledge management on the existing product range and on the new developments in tandem with R&D and engineering. It is on track to build a technical library and create a platform of learning to all the engineers / technical fraternity. This is congruous to the Company's goal to serve its customer better and to make technology and service as a differentiator.

GE TRIVENI LIMITED (GETL)

The joint venture with General Electric, established in financial year 2010-11, is progressing well on technology transfer, marketing and project execution plan. Financial year 2011-12 was a challenging year for GETL with respect to declining market, both domestically and internationally. It could make its presence felt by attracting enquires in large numbers both in India & world market. Initial marketing efforts by TTL in the domestic market have yielded in getting the first order for GETL product range. With the experience, marketing thrust and field reference, further booking of orders is expected. The entire manufacturing of GETL products will be undertaken at the manufacturing facility of TTL.

OUTLOOK

Despite the uncertain economic scenario, worldwide power generation sector is bracing for a long term growth, driven by the presence of strong demand drivers including increasing population and improving consumer lifestyles, rapid industrialisation in emerging economies, particularly China and India. Clean energy, environmental constraints, rising cost of fuel and energy policies will play a significant role in changing the dynamics of the thermal power industry and determining technology mix.

Asia-Pacific represents the largest regional market. The region forecasts to record the fastest growth in electricity generation because of increasing efforts to enhance the electrification rates. Efforts of major markets in Latin America to diversify their fuel sources, which rely heavily on hydropower, are expected to increase preference for thermal power generation and other renewable sources of energy. The installed capacity for thermal energy in the Asia-Pacific region for 2011 is estimated at 1372.5 GW. The installed capacity is expected to grow at a CAGR of 6.8% for the period 2012 - 2020, with the total installed capacity expected to be around 1969.3 GW in 2020. In the recent years, the financial crisis lowered investor confidence and significantly raised the cost of capital. The underdeveloped and developing economies face the challenge of power evacuation in tandem with generation. Hence within the domain of Thermal Power Generation, the discrete Renewable energy based power generation will contribute significantly in remote areas through distributed and decentralised power generation.

Increasing consciousness about offsetting the environmental impact of fossil fuels has prompted the European Commission to plan for collective energy policies and promote energy efficiency directives. Stable energy prices make it a right energy investment decisions, and a sound strategy to rebuild a co-generation base. Co-generation is all set for a revival in Europe between 2014 and 2018. Most countries across Europe are expected to increase their co-generation capacity, mainly in the combined cycle form. Under the combined heat and power (CHP) directive, Germany, Italy and Spain have made considerable strides in building a policy framework to support co-generation, while Germany has set itself a target to double co-generation capacity by 2020. In 2011, the EU identified co-generation as the energy application that can make the single-largest contribution to achieving the region's greenhouse gas reductions, giving a huge thrust to the market. The effective implementation of CHP policies and a focus on creating favourable conditions for co-generation development are likely to drive the market in Europe.

Exports will be a major growth driver for the business in the coming years. Currently the Company has presence in 30 countries, with focus on South East Asia markets of Indonesia, Malaysia and Thailand, Korea, Europe. The Company will be developing new geographies like South America, Middle East and Africa in near future. Going international entails serving new market segments like Geothermal, Solar Thermal Power and a broader ambit of biomass technologies.

The Company is geared up with appropriate product and service offerings for most of the power generation technologies being deployed. The strategy has been to leverage the huge installed base of the conventional renewable energy primarily in the Sugar Bagasse power generation in India and developing new models for the specific applications dominant in focused geographies. During the last two years, the Company has focused and successfully developed the European markets for waste heat recovery and district heating segments. This will provide the requisite testimony for the Company for further business. The Company will explore deeper into the developed markets for its

products and services and will explore opportunities in various new segments. The Company will have an aggressive approach in market development creating local set up to go closer to the customer and serve them better, going forward. Initiating steps to create a global sales organisation has been a key activity in financial year 2011-12.

With the government thrust being shifted to revive the growth, the investor confidence and capex cycle may pick up momentum by second half of the financial year 2012-13. As a natural hedge, the Company will focus more on the international markets and will be aggressive in the service business. The Company has significant capability for the refurbishment business considering its collective turbine engineering experience, supported by state-of-the-art High Speed Dynamic Balancing facility, R&D capability, reverse engineering tools and competence. Servicing is another growth driver for the Company. The Company will leverage its strength of huge knowledge base on steam turbines and high speed turbo-machinery acquired over a period of time to get more business on refurbishment.

Overall, the outlook on the business seems promising for financial year 2012-13 and the Company expects reasonable growth prospects by penetrating deeper in the existing markets and exploring new markets and geographies.

CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to create an environment that contributes to communities and the conservation of nature, provide quality education to the underprivileged sections of society and encourage employees to participate in the various social initiatives of the Company. Deriving the inspiration from its basic philosophy of a responsible corporate citizen, the Company pursued projects in the areas of education and health.

Under its education initiative, the Company aims at providing educational aides for student development, and other necessary support for the students of under privileged community. The Company facilitates this objective by working closely and assisting organisations which are into community welfare, by providing direct support like assets, resources, educational aides to students or indirectly through financial assistance.

Following these principles of the CSR activities, the Company had contributed towards education expenses of 83 differently abled students. The Company donated to Aruna Chetana and Dharithree-Ajitha Chetana which covered the honorarium to staff, conveyance, nutritious drink to the children, equipments for special teaching aids therapy etc.

The Company donated furniture to Prerana Resource Centre, a hostel for 120 physically challenged girls.

The Company had donated to Akshaya Patra for A Mid-Day Meal Scheme. This takes care of the cost of mid-day meal for under-privileged students during the year studying in government schools.

The Company distributed school bags, note books and other accessories to all the students (from Pre-Nursery to 7th Standard) of the Government Model Primary School, Peenya. TTL provided financial assistance to Maria Seva Sangha, an NGO which takes care of the basic needs of poor and aged people.

The Company hired an experienced trainer from M/s. People-Pro to train around 200 secondary school students at Government Model Primary School, Peenya on traits like communication, personal hygiene and personality development. 30 employees volunteered in the Big Buddy Initiative. These employees visited the School every week to help students excel in academics and helping them in development of their soft skills.

The Company also provided a colour printer to the Government Model Primary School, Peenya. TTL organised a Blood Donation Camp in the Company campus wherein around 200 units of blood was donated. On the World Environment Day, around 500 saplings were distributed to the employees for planting them around their residences.

FINANCIAL REVIEW

Financial year 2011-12 is the first full year of turbine operations of the Company post the demerger. The summarised results for financial year 2011-12 and financial year 2010-11 are provided here. The performance results for the financial year 2011-12 are not comparable with the financial year 2010-11 as the previous year's figures include turbine operations for six months only.

(₹ in million)

Description	2011-12	2010-11	Annualised Change %
Net Turnover	6318.8	3050.5	3.6
EBITDA	1561.2	717.1	8.9
Depreciation & Amortisation	115.9	58.8	-1.4
Finance Cost	95.9	47.1	1.8
Profit Before Exceptional / Non recurring items & Tax	1349.4	611.2	10.4
Extraordinary Charge	-	559.8	
Profit Before Tax	1349.4	51.4	
Tax	438.6	124.0	
Profit After Tax	910.8	-72.6	

The Company's strategy to focus on exports to achieve geographical diversification of its products has paid dividends – the exports at ₹ 880.5 million were 13.9 % of the total revenues as against 10.9 % in April - March 2011. This strategy will provide effective insulation from the slow-down of the domestic market due to macro economic factors. Likewise, the revenues from after-market operations at ₹ 1058.6 million account for 16.8 % of the total revenues as against 16.0 % in April - March 2011. Despite the challenging market conditions, the Company has been able to preserve the margins due to cost optimisation and higher proportion of high-margin exports and after-market spares and service. The extraordinary charge in the previous year relates to writing-off of the goodwill recognised pursuant to the Scheme of Arrangement (the Scheme).

Due to profitable operations, the Company has been able to absorb accumulated losses of ₹ 330.53 million carried forward from the last year which were mainly on account of the extraordinary charge as aforesaid.

Raw Material And Manufacturing Expenses

(₹ in million)

Description	2011-12	2010-11*	Annualised Change %
Raw material (net of increase/ decrease in WIP and finished goods)	3827.6	1883.0	1.6
Percentage to sales	60.6%	61.7%	
Manufacturing expenses	155.3	87.9	-11.7
Percentage to sales	2.5%	2.9%	

* includes turbine operations for a period of six months from October 1, 2010 till March 31, 2011.

The material cost as a percentage to sales is lower by 110 basis points after offsetting inflationary trends due to higher proportion of high-margin turbine exports and after-market revenues.

The manufacturing expenses mainly comprise of tools consumed and power & fuel cost, which were kept under control, despite increase in fuel prices, due to rationalsation of production process.

Personnel Cost, Administration Expenses And Depreciation

(₹ in million)

Description	2011-12	2010-11*	Annualised Change %
Personnel cost	461.0	195.4	18.0
Percentage to sales	7.3%	6.4%	
Administration	283.5	138.4	2.4
Percentage to sales	4.5%	4.5%	
Depreciation & Amortisation	115.9	58.8	-1.4
Percentage to sales	1.8%	1.9%	

* includes turbine operations for a period of six months from October 1, 2010 till March 31, 2011.

Personnel Cost

There is no significant increase in the head count. The increase in personnel cost as a percentage of net turnover is due to annual increments granted.

Administration Expenses

The administration expenses as a percentage of turnover is almost at the level as that of the previous year. This has been in line with the Company's overall cost control plan.

Depreciation and Amortisation

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

BALANCE SHEET

Share Capital

In accordance with the sanctioned Scheme of Arrangement, the Board of Directors of the Company during the year had issued and allotted 2,800,000 - 8% Cumulative Preference Shares of ₹ 10/- each fully paid up to Triveni Engineering and Industries Ltd. (TEIL) and 257,880,150 Equity Shares of ₹1/- each fully paid up to the Equity Shareholders of TEIL. Consequently, the Share Capital Suspense Accounts as appearing on March 31, 2011 have been regularised.

Reserves and Surplus

As against accumulated losses of ₹ 330.5 million as on March 31, 2011, there is a surplus of ₹ 178.5 million after meeting dividend payments of ₹ 251.8 million (including dividend distribution tax) and after transferring an amount of ₹ 150 million to the General Reserve.

Loans

The total loans aggregate to ₹ 363.2 million as on March 31, 2012 as against ₹ 875.5 million as on March 31, 2011. The break-up of the loans is as follows.

(₹ in million)

Description	March 31, 2012	March 31, 2011
Term loans	353.8	581.5
Cash Credit	4.5	35.2
Vehicle loans	4.9	0.0
Unsecured loans		
-Buyers credit	0.0	90.0
-TEIL		168.8
Total	363.2	875.5
Break-up		
-Long term borrowings	167.0	462.2
-Short term borrowings	4.5	125.2
-Other current Liabilities	191.7	288.1

During the year, term loans of ₹ 227.7 million have been repaid and the instalments due for repayment in financial year 2012-13 aggregate to ₹ 191.7 million. The prepayment of loans will be considered in financial year 2012-13 subject to economics of the applicable prepayment premium.

Investments

During the year, the Company has subscribed to the equity share capital of its subsidiary, GE Triveni Ltd., to the extent of ₹ 45 million and the non-current trade investments correspondingly increased to ₹ 55 million. Current investments of ₹ 100 million represent surplus funds parked in the liquid mutual funds.

Working Capital

The Company's business normally operates with negative or minimal working capital. The negative working capital at the year-end stands at ₹ 374 million. Cash & cash equivalents of ₹118.1 million represent fixed deposits of ₹100 million with banks having maturities less than 3 months.

BUSINESS RISKS AND MITIGATION

The Company's business relating to steam turbines falls under capital goods industry which is closely linked with the country's economic activities. Further, domestic sales form a considerable part of its total sales. Apart from the economic growth, the Company is subject to various other business risks. Each of the major risks and the risk mitigation followed by the Company are described here under:

Economic Slowdown

The slowdown in the economy of the country directly impacts the demand of the capital goods / infrastructure requirements, which in turn impacts the growth of the Company. While this risk is beyond the direct control of the Company, under such difficult conditions, the Company endeavours to mitigate the risks by focusing on high-margin after-market revenues, value engineering and exploring other growing markets to preserve its turnover and profitability. The Company has been focusing on new export markets to enlarge its geographical reach. The strategy results in having multiple streams of revenue to reduce dependence on any one market/sector.

Rising Interest Rates

The rising inflation and cost of capital increase the business risk of the project developer, thereby reducing the demand for the capital goods. However, the Company deals in and supplies its turbines in sub 30MW where the project cost is not high and most of these projects have low pay-back period. Under challenging times, the customers in fact opt to implement the project at the earliest to achieve cost optimisation and profitability improvement.

Technology Risk

The Company operates in engineered-to-order capital goods industry, wherein product efficiency and critical product features play an important role in determining the overall life cycle costs. The Company mitigates the technology risk by vigilantly studying and forecasting the trend of the customer preference and accordingly, plans its R&D activities. The Company has a vibrant R&D department which undertakes product development and improvements within the shortest possible lead time and at optimal costs. The Company's emphasis to subject its engineers continually to technical training in its in-house learning centre paves the way for building pipeline of talent in this discipline. Further, the Company also has strong tie-ups for R&D with international design houses and local research institutions. The Company has an impressive track record of developing new models and higher range of turbines which have been well received in the market.

Competition Risk

The Company faces competition from the steam turbine manufacturers of international repute in the domestic and international market. This may compel the Company to quote aggressively impacting its margins. With a view to mitigate these risks, the Company endeavours to provide a value proposition to the customer offering products meeting the benchmark efficiencies at competitive prices and shorter delivery period without compromising on its margins. Further, the products are backed by impeccable service. The products of the Company command enormous goodwill and numerous repeat orders are testament to the quality of its products and the confidence reposed by the customers.

Availability of Capital

The non-availability and high cost of capital may affect the growth plans of the Company. The business model of the Company is technology intensive and not capital intensive with a well developed supply chain. Further, the business operates with minimal, and most of the times with negative working capital. The Company is almost debt free and the free cash flow generation is substantial which is considered adequate to meet its capital expenditure even after distribution of dividend to the shareholders. The Company, even in its initial period of turbine operations, has investment grade external rating which will help it to raise funds at remunerative rates, if required.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 17th Annual Report and audited accounts for the Financial Year ended March 31, 2012

LISTING OF EQUITY SHARES

As informed in our previous year's report, the Scheme of arrangement (Scheme) between Triveni Engineering and Industries Ltd. (TEIL), Triveni Turbine Ltd. (the Company) and their respective shareholders and creditors, providing for the transfer and vesting of the Steam Turbine Business of TEIL in the Company from October1, 2010, was sanctioned by the Hon'ble Allahabad High Court vide its order dated April 19, 2011, and became effective upon its filing with the Registrar of Companies. In accordance with the Scheme 329,880,150 equity shares of ₹1/- each fully paid up, of your Company were listed and admitted for dealing on Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. from October 28, 2011.

FINANCIAL RESULTS

(₹ in Million)

	2011-12	2010-11
Sales (net)	6,318.82	3,050.46
Operating Proft/ (Loss) (EBITDA)	1,561.24	717.06
Finance cost	95.93	47.13
Depreciation & amortisation	115.93	58.77
Profit/ (Loss) before tax (before extraordinary/exceptional items)	1,349.38	611.16
Extraordinary/ Exceptional charges	-	559.82
Profit/ (Loss) before tax (PBT)	1,349.38	51.34
Tax expense	438.57	124.02
Profit/ (Loss) after tax (PAT)	910.81	(72.68)
Earning per equity share of ₹1 each (in ₹)		
- Before Extraordinary charge	2.75	2.27
- After Extraordinary charge	2.75	(0.34)
Surplus/ (Loss) available	580.27	(330.53)
Appropriation:		
Equity dividend (including dividend distribution tax)	249.22	-
Preference dividend (including dividend distribution tax)	2.60	-
Transfer to General Reserve	150.00	-
Surplus / (Loss) carried forward	178.45	(330.53)

During the year under review, the Company was able to wipe off all the accumulated losses and build up reserves of ₹ 328.45 million after payment of dividends. It achieved one of the highest net margins in the industry at 14.4 % of profit after tax on sales.

DIVIDEND

The Board of Directors have recommended a dividend of ₹ 0.80 per preference share of ₹ 10/- each on 2,800,000 - 8% Cumulative Redeemable Preference Shares for the year 2011-12. The total dividend payout would be ₹ 2.60 million (including dividend distribution tax).

The Board of Directors have also recommended a final dividend of ₹ 0.20 per equity share of face value of ₹ 1/- each (20%) for the year 2011-12 in addition to two interim dividends aggregating to ₹ 0.45 per equity share (45%) paid in November 2011 and February 2012. The total equity dividend payout would be ₹ 249.22 million (including dividend distribution tax).

OUTLOOK

Product orders in hand of ₹ 4.95 billion as on April 1, 2012, have been enhanced with further orders of ₹ 0.68 billion in April, 2012, all of which will be executed in financial year 2012-13 without dilution in the margins. The domestic market is a matter of concern but we expect position to improve in the second half of financial year 2012-13. The growth in exports and services is expected to continue, and we expect to build up a sizeable pipeline for execution in financial year 2013-14. Our efforts in Research and Development in the last two years have shown commendable results through the introduction of new world class models in terms of efficiency, robustness, and value to the customer. We intend to intensify these efforts in the coming years which will enhance the Company's competitiveness on a global scale. The Company is conscious of safeguarding its inventions through our R&D initiatives and during the year it has registered a substantial number of patents and copyrights in India and abroad.

SUBSIDIARY COMPANY

In terms of Section 212 of the Companies Act, 1956 read with the General Circular No. 2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs (MCA), the Company is not required to attach the annual accounts of its subsidiary, GE Triveni Limited (GETL), subject to fulfillment of the conditions stipulated in the said circular. Accordingly, these accounts and the related detailed information will be made available to any shareholder of the Company/ subsidiary company seeking such information. The annual accounts of the subsidiary company will also be kept for inspection of shareholders at the Company's Corporate Office and that of its subsidiary company. However, as per the said circular issued by MCA, financial data of the subsidiary has been furnished in the consolidated financial statements forming part of the Annual Report.

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

HUMAN RESOURCES

Critical resources for Research and Development, Design and Project Management were filled during the year. Implementation of the talent pool scheme, skill building programme, and training at 12 man days per employee, coupled with strong communication initiatives, have increased motivation and engagement levels within the organisation. Our new Innovation and Appreciation Policy is now in full force.

CONSOLIDATED FINANCIAL STATEMENTS

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

CORPORATE GOVERNANCE

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

AUDITORS

M/s J.C. Bhalla & Co., Chartered Accountants, Auditors of the Company shall retire at the conclusion of the forthcoming Annual General Meeting and they have consented to continue in office, if appointed. They have confirmed their eligibility under the provisions of the Companies Act, 1956 for their reappointment.

According to the Order dated January 24, 2012 of Cost Audit Branch of Ministry of Corporate Affairs (MCA), read with Section 233 B of the Companies Act, 1956, the audit of cost accounting records are required for the Company in respect of its engineering operations (comprising of steam turbine manufacturing). The Board of Directors of your Company, subject to the approval of the Central Government, has appointed M/s J.H. & Associates, Cost Accountants, Bengaluru to undertake such audit for the financial year 2012-13.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

ii. Appropriate accounting policies have been selected and applied consistently, and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the statement of affairs of the Company as on March 31, 2012 and of the profit of the Company for the year ended March 31, 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 the assets of the Company and detecting fraud and other irregularities;

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

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

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

PARTICULARS OF EMPLOYEES

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

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr K.N. Shenoy and Mr. Amal Ganguli 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 not accepted any public deposits under Section 58A of the Companies Act, 1956 during the year.

APPRECIATION

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

For and on behalf of the Board of Directors,

Place : Noida (U.P.)
Date : May 07, 2012

Dhruv M. Sawhney
Chairman and Managing Director

ANNEXURE – A

(A) CONSERVATION OF ENERGY

(a) Energy Conservation Measures

- Installation of auto power factor correction unit in electrical distribution system of new canteen building resulted in savings of 60,000 KWH/year.
- Utilisation of condenser to recover water from exhaust steam by about 5 lac liters of water/ per annum
- Reduction in Cycle time for casing operation in CNC VTL machine and 5-axis Vertical Machining Centre machine resulted in savings of 1920 KWH/year and 2500 KWH/year respectively.
- Optimal use of smaller and larger capacity compressors in CNC Machine Shop based on air demand has resulted in saving of about 15000 KWH in the year 2011-12.
- Reduction in energy consumption by eliminating continuous running of chip conveyor motor of Mazak machines has resulted into savings of 4100 KWH/year.

(b) Additional Investment and proposals for Reducing Energy Consumption

- Installation of energy efficient Variable Frequency Drive for high energy consuming L-70 lathe & 15 Ton Boiler blower motor

(c) Impact of Above Measures

These measures have helped to conserve electrical energy which would have otherwise gone up further, owing to the commissioning of new machines.

FORM A

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

I Power and Fuel Consumption

Particulars	2011-12	2010-11*
1. Electricity		
a) Purchased		
Units (000's KWH)	2255.47	1183.72
Total Amount (₹ in million)	13.24	6.62
Rate (₹/Unit)	5.87	5.59
b) Own Generation Through Diesel Generators		
Units (000's KWH)	163.29	86.55
Units Per Liter Of Diesel Oil	2.97	3.12
Cost /Unit (₹)	13.09	12.35
2. Furnace Oil		
Quantity in (Kilo Ltrs.)	596.05	366.57
Total Amount (₹ in million)	25.83	13.59
Rate (₹/Ltr.)	43.32	37.07

Note: Since no standard product is manufactured by the Company, figures for consumption per unit of production have not been given.

* Consequent to the scheme of demerger, the turbine business was vested in the Company w.e.f. October 1, 2010, hence the data for the year 2010-11 represents the data relating to six months operations of the turbine business only.

FORM B

Disclosure of particulars with respect to technology absorption

(A) Research & Development (R & D)

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

a) 2 year run of higher steam parameter of extraction steam turbine for sugar application is completed and feedbacks implemented.

b) Newly developed efficient HP reaction stages are incorporated in higher range turbines.

c) Advanced design third generation LP blade family is now incorporated in series of bigger turbines.

d) New design of Cost competitive series of models is completed and orders are being executed.

e) Advanced aero IP stages are developed and incorporated in larger turbines.

Benefits as a result of the above R&D

a) Filling the gap in our range of turbines with improved efficiency and reliability. Carbon foot-print of the machines has also been reduced.

b) Increasing the product range in power rating and higher parameters.

c) Field stabilisation of models in higher steam parameter segment.

Future plan of action

a) Introduction of reaction stages to turbines for efficiency improvement.

b) Cost reduction programme for all models.

c) Development of new small single stage turbines for distributed power generation.

d) Development of turbines for geo-thermal application

EXPENDITURE ON R&D

(₹ in Million)

Particulars	2011-12	2010-11
a) Capital	6.93	3.72
b) Recurring	35.85	16.38
c) Total	42.78	20.10
d) Total R&D expenditure as percentage of turnover	0.68%	0.66%

(B) Technology Absorption, Adaptation and Innovation

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

(C) Foreign Exchange Earnings and Outgo

	(₹ in Million)
1) Earnings in Foreign Exchange	
Value of exports on F.O.B. basis	835.28
Others	35.62
2) Foreign Exchange Outgo	
(Includes raw materials, components, spare parts, and other expenditure in foreign currency)	348.49

ANNEXURE – C

STATEMENT PURSUANT TO SECTION 212 OF COMPANIES ACT, 1956

	Subsidiary Company	GE Triveni Limited
1	Financial Year ended	March 31, 2012
2	Extent of holding Company's interest at the end of financial year of the subsidiary	50% + 1 share
3	The net aggregate amount of the subsidiary's profit/(loss), so far as it concern the members of the holding Company and is not dealt with in the Company's accounts	
	a) For the financial year ended March 31, 2012 of the subsidiary company (₹ in million)	(16.10)
	b) For the previous financial years of the subsidiary since it became the holding Company's subsidiary (₹ in million)	(0.95)
4	a) The net aggregate amount of the subsidiary's profit/(loss), for the financial year of the subsidiary so far as those profit/(loss) are dealt with in the holding Company's accounts	Nil
	b) The net aggregate amount of the subsidiary's profit/(loss), for the previous financial years of the subsidiary since it became the holding Company's subsidiary so far as those profit/(loss) are dealt with in the holding Company's accounts	Nil
5	Changes in the holding Company's interest in the subsidiary between the end of financial year of the subsidiary and holding Company.	N.A
6	Material changes which have occurred between the end of the subsidiary Company's financial year and at the end of the holding Company's financial year in respect of :	
	i. The subsidiary's fixed asset	N.A
	ii. Its investments	N.A
	iii. The money lent by it	N.A
	iv. The funds borrowed by the subsidiary	N.A

ANNEXURE – D
CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is of the belief that sound Corporate Governance is critical to enhance and retain stakeholders' trust. The shareholders and investors remain the focus of our growth strategy. The Company envisages the attainment of a high level of transparency and accountability in the functioning of the Company and conduct of its business internally and externally. The functions of the Board of Directors and Board Committees are well defined and transparent. All the Board Committees are chaired by Independent Directors.

In line with the above philosophy, your Company continuously strives for excellence through adoption of best governance and disclosure practices. The Company has complied with the requirements of the guidelines on Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges for the year ended March 31, 2012.

BOARD OF DIRECTORS

- The Company is managed and guided by the Board of Directors ("Board"). The Board formulates the strategy and regularly reviews the performance of the Company. The Chairman and Managing Director with the support of the Joint Managing Director and senior executives, manages the day to day operations of the Company.
- The Company has an optimum combination of Executive, Non-Executive and Independent Directors who are eminent persons with professional expertise and valuable experience in their respective areas of specialisation and bring a wide range of skills and experience to the Board.
- The Board of Directors comprises Executive and Independent Non-Executive Directors with the Executive Chairman and Managing Director. The present strength of the Board of Directors is six (6), out of which three (3) are Non-Executive Independent Directors constituting 50 percent of the total strength.
- The Independent Directors do not have any material pecuniary relationship or transaction with the Company, its promoters and management or its subsidiary, which in the opinion of the Board may effect the independence of judgment of the Directors.
- None of the Directors on the Board is a Member on more than 10 Committees, and Chairman of more than 5 Committees across the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by the Directors.
- The composition of the Board of Directors and the number of Directorships and Committee Memberships held in other companies are given below :–

Name of Director and DIN	Category	No. of Directorships in other companies ##	No. of Committee positions held in other companies ###	
			Chairman	Member
Mr. Dhruv M. Sawhney # Chairman & Managing Director DIN-00102999	Promoter & Executive Director	5	1	NIL
Mr. Nikhil Sawhney # Joint Managing Director DIN-00029028	Promoter & Executive Director	3	NIL	1
Mr. Tarun Sawhney # DIN-00382878	Promoter & Non-Executive Director	3	NIL	1
Lt. Gen. K.K. Hazari (Retd.) DIN-00090909	Independent Non-Executive Director	3	2	1
Mr. K.N. Shenoy DIN-00021373	Independent Non-Executive Director	4	1	1
Mr. Amal Ganguli DIN-00013808	Independent Non-Executive Director	10	5	4

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.

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. Where it is not practicable to attach or send the relevant information as a part of the agenda papers, the same are tabled at the Meeting.
- The senior management of the Company is invited at the Board meeting to make presentations covering operations of the business of the Company, its Strategy and Business Plans, and provide clarification as and when necessary.
- The Directors bring an independent perspective on the issues deliberated by the Board. They have complete and unfettered access to any information of the Company and to any employee of the Company.
- The information placed before the Board includes strategy, business plans, operating & capital expenditure budgets, investment and exposure limits, adoption of quarterly and annual results of the Company, review of major legal issues, compliance with statutory/ regulatory requirements, human resource related issues, purchase and disposal of equipment or property, details of Joint Ventures or collaboration agreements, significant changes in the accounting policies etc.

ATTENDANCE RECORD OF THE DIRECTORS

The Board of Directors met 7 times during the financial year 2011-12 ended on March 31, 2012. The interval between any two successive meetings did not exceed four months. Board Meetings were held on April 20, 2011, May 10, 2011, June 15, 2011, August 2, 2011, October 19, 2011, October 27, 2011 and January 13, 2012. The attendance record of all Directors at Board meetings and the last Annual General Meeting (AGM) during the year is as under:–

Name of Director	No. of Board Meetings		Attendance at last AGM held on September 6, 2011
	Held	Attended	
Mr. Dhruv M. Sawhney* Chairman & Managing Director	7	6	Yes
Mr. Nikhil Sawhney* Joint Managing Director	7	6	Yes
Mr. Tarun Sawhney	7	4	Yes
Lt. Gen. K.K. Hazari (Retd.)	7	7	Yes
Mr. K.N. Shenoy*	7	5	No
Mr. Amal Ganguli*	7	4	Yes
Mr. Anil Kumar Tanwar**	7	1	NA
Mr. Suresh Taneja**	7	1	NA
Mr. Sameer Sinha**	7	1	NA

* Appointed on May 10, 2011

** Ceased to be Director w.e.f. May 10, 2011.

REAPPOINTMENT OF DIRECTORS

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

BOARD COMMITTEES

In accordance with the listing agreement of stock exchanges on Corporate Governance, the following committees were in operation.

* Audit Committee

* Remuneration Committee

* Investors' Grievance and share transfer committee

(I) Audit Committee

The Committee consists of the following Independent Non-Executive and Executive Directors and is headed by an Independent Director:

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

Members Mr. Amal Ganguli and Mr. Nikhil Sawhney

The Company Secretary is the Secretary to the Audit Committee.

The Audit Committee oversees the Company's financial reporting process and disclosure of its financial information. It reviews the quarterly/ half-yearly and annual financial statements before submission to the Board and also ensures compliance of internal control systems.

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

- Reviewing the Company's financial reporting process and its financial statements.
- Reviewing the accounting and financial policies and practices and compliance with applicable accounting standards.
- Reviewing the efficacy of the internal control mechanism, monitor risk management policies adopted by the Company and ensure compliance with regulatory guidelines.
- Reviewing reports furnished by the internal and statutory auditors, and ensure that suitable follow-up action is taken.
- Examining accountancy and disclosure aspects of all significant transactions.
- Reviewing with management the quarterly, half yearly & annual financial statements including review of qualifications,

if any, in the audit report before submission to the Board for approval.

- Recommending appointment of external and internal auditors and fixation of audit fees.
- Seeking legal or professional advice, if required.

Meetings & Attendance

The Audit Committee met 6 times during financial year 2011-12 ended on March 31, 2012 on June 15, 2011, August 2, 2011, October 19, 2011, October 27, 2011, January 12, 2012 & February 6, 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.)	6	6
Mr. Amal Ganguli*	6	4
Mr. Nikhil Sawhney*	6	6

*Appointed w.e.f. May 10, 2011.

(II) Remuneration Committee

The Committee consists of the following Independent Non-Executive Directors and is headed by an Independent Director:

Chairman	Mr. K.N. Shenoy
Members	Mr. Amal Ganguli and Lt. Gen. K.K. Hazari (Retd.)

The broad terms of reference of the Committee are to evaluate performance, determine & recommend to the Board on the compensation payable to the Executive Directors viz. Chairman & Managing Director (CMD) and Joint Managing Director (JMD) including pension rights and any compensation payment to them; to recommend the annual increments, performance bonus within the salary scale approved by the Members to CMD and JMD, within the ceilings on net profits prescribed under Section 198 and 309 of the Companies Act, 1956; formulates and administers the Company's Employee Stock Option Scheme from time to time in accordance with SEBI guidelines.

Meetings and Attendance

The Remuneration Committee met once during financial year 2011-12 ended on March 31, 2012 on May 10, 2011. The attendance of each Remuneration Committee Member is as under:-

Name of the Members	No. of meetings	
	Held	Attended
Mr. K. N. Shenoy*	1	1
Lt. Gen. K. K. Hazari (Retd.)*	1	1
Mr. Amal Ganguli*	1	1

*Appointed w.e.f. May 10, 2011.

Remuneration to Executive Directors

During the financial year 2011-12, Mr. Dhruv M Sawhney & Mr. Nikhil Sawhney were appointed as Chairman & Managing Director (CMD) & Joint Managing Director (JMD) respectively w.e.f. May10, 2011.

The details of remuneration paid/payable to CMD & JMD during the financial year 2011-12 are as under:

Name of the Executive Director	Mr. Dhruv M. Sawhney CMD	Mr. Nikhil Sawhney JMD
Service Period	10.05.2011 to 09.05.2016	10.05.2011 to 09.05.2016
Salary	1,71,35,484	1,19,94,839
Performance Bonus/ Commission	-	-
Contribution to PF, Gratuity & other funds	12,85,161	20,24,129
Other perquisites	13,36,309	13,97,823
Total	1,97,56,954	1,54,16,791

Remuneration to Non-Executive Directors

During the financial year 2011-12 the Company paid 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 has not paid any remuneration to any of the Non-Executive Directors of the Company.

The details of the sitting fee paid during the financial year 2011-12 to Non-Executive Directors are as under:-

Name of the Non-Executive Director	Sitting Fees for the year ended March 31, 2012 (in ₹)	No. of shares held as on March 31, 2012
Lt. Gen. K.K. Hazari (Retd.)	365000.00	-
Mr. Amal Ganguli*	180000.00	-
Mr. K.N. Shenoy*	120000.00	-
Mr. Tarun Sawhney	20000.00	14266775

*Appointed as Director w.e.f. May 10, 2011

None of the Independent, Non-Executive Directors have any pecuniary relationship or transactions with the Company, its promoters and its senior management, its subsidiaries and associate companies except for the payment of remuneration as stated above. Lt. Gen. K.K. Hazari (Retd.) is also on the Board of Directors of Triveni Enginerring & Industries Ltd. and has received sitting fee as a Director / Committee member and commission from that Company.

Note: A sum of ₹ 40 lac has been provided as commission payable to the Non-Executive Directors for the year 2011-12.

(III) Investors' Grievance and Share Transfer Committee

The Committee consists of the following Directors:

Chairman Lt. Gen. K. K. Hazari (Retd.)
Member Mr. Nikhil Sawhney

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 the Company Secretary relating to approval / confirmation of requests for share transfer/ transmission/ transposition/ consolidation/ issue of duplicate share certificates/ sub-division, remat, demat of shares etc. from time to time.

Meetings & Attendance

The Committee has been constituted w.e.f. May 10, 2011 and met 4 times on August 2, 2011, September 29, 2011, October 19, 2011 and January 12, 2012 during financial year 2011-12 ended on March 31, 2012.

The attendance of each Committee Member is as under:-

Name of the Members	No. of meetings	
	Held	Attended
Lt. Gen. K. K. Hazari (Retd.)*	4	4
Mr. Nikhil Sawhney*	4	4

*Appointed as member w.e.f. May 10, 2011.

During the financial year 2011-2012 ended on March 31, 2012 the Company has received 74 complaints from the various shareholders/ investors directly. All of them were resolved/ replied suitably by furnishing the requisite information/ documents. There was no investor complaint pending for redressal as on March 31, 2012. Further there were no pending share transfers and requests for demateralisation as on March 31, 2012.

GENERAL BODY MEETINGS

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

Year	Date & Day	Location	Time	Special Resolution
2010-11	September 6, 2011, Tuesday	Expo Centre, A-11, Sector-62, NH-24, Noida-201301	10:30 am	1. Appointment of Mr. Dhruv M. Sawhney as Chairman & Managing Director and deciding his remuneration. 2. Appointment of Mr. Nikhil Sawhney as Joint Managing Director and deciding his remuneration. **3.** Payment of remuneration to Non Executive Directors.
2009-10	September 2, 2010, Thursday	Express Trade Towers, 15-16, Sector-16A, 8th Floor, Noida-201301.	11:00 am	None
2008-09	September 29, 2009, Tuesday	Regd. Off: 104, 1st floor, Grand Plaza, 99, Old Rajinder Nagar Market, New Delhi, 110060	11:00 am	None

There was one Extra-Ordinary General Meeting held during the financial year 2011-12 ended on March 31, 2012 on April 22, 2011 to consider the appointment of Branch Auditor.

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

POSTAL BALLOT

I. **Details of the special/ordinary resolutions passed by the Company through postal ballot:**

During the financial year 2011-12 ended on March 31, 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

Related Party Transactions

Related Party Transactions are defined as transactions of the Company of a material nature, with Promoters, Directors or the Management, or their relatives and associate/subsidiary companies etc. that may have potential conflict of interest with the Company at large. The details of related party information and transactions are being placed before the Audit Committee/ Board of Directors from time to time. The details of the related party transactions during the year have been provided in Note-36 of Notes to the financial statements.

Disclosures of Accounting Treatment

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

RISK MANAGEMENT

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

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

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

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

Pursuant to the non-mandatory requirements of the Listing Agreement, the Company has implemented the whistle blower policy to provide an avenue to its employees to raise concerns and to bring to the attention of the management any issues which are perceived to be in voilation or in conflict with the fundamental business principles of the Company. The policy lays down the process to be followed for dealing with the complaints and in exceptional cases, also provides for direct access to audit committee.

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.triveniturbines.com The Chairman & Managing Director has given a declaration that all the Directors and concerned Executives have affirmed compliance with the Code of Conduct and same is annexed hereto.

CEO/CFO CERTIFICATION

A prescribed certificate as stipulated in clause 49(v) of the listing agreement duly signed by the Chairman & Managing Director, General Manager & CFO and CEO (Turbine) was placed before the Board alongwith the financial statements for the year ended March 31, 2012. The said certificate is provided elsewhere in the Annual Report.

SUBSIDIARY COMPANY

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

COMPLIANCE OF THE REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT.

Mandatory Requirements/ Non-Mandatory Requirements

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

Means of Communication

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

(b) **Website www.triveniturbines.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) **Issue of Investor Briefs/ press releases, corporate investor Presentation etc.:** The Company held post result conference calls and issued investor briefs and Press releases for the investors of the Company after the declaration of the Quarterly/Annual Results. The Company also made presentations to institutional investors/analysts during the period. The investor briefs, press releases and conference call transcripts and investor presentation are available on the Company's website.

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

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

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

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

GENERAL SHAREHOLDER INFORMATION

a) General Information

Annual General Meeting

Date & Day	:	July 16, 2012, Monday
Time	:	11:00 A.M
Venue	:	Expo Centre, A- 11, Sector - 62, NH-24 Noida - 201 301
Dates of Book Closure for payment of final dividend	:	July 12, 2012 to July 16, 2012 (both days inclusive)
Dividend Payment Date	:	Within 30 days of declaration by the shareholders.
Financial Year	:	April to March

Financial Calendar (tentative & subject to change)

Financial Reporting for the 1st Quarter ending 30th June, 2012	By the middle of August, 2012
Financial Reporting for the 2nd Quarter ending 30th September, 2012	By the middle of November, 2012
Financial Reporting for the 3rd Quarter ending 31st December, 2012	By the mid of February, 2013
Financial Reporting for the Annual Audited Accounts ending 31st March, 2013	By the end of May, 2013

b) Unclaimed Dividend

The Company has declared two interim dividends during the year since its incorporation therefore no amount is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government under Section 205C of the Companies Act, 1956. The dividends for this year 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
2011-12	1st interim dividend	27.10.2011	26.10.2018
2011-12	2nd interim dividend	13.01.2012	12.01.2019

Shareholders who have not so far encased 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 to be granted in terms of the Scheme of Arrangement.

d) Listing on Stock Exchanges

The Company's entire equity share capital comprising of 329880150 equity shares of ₹1/- each is listed at the following Stock Exchanges w.e.f. October 28, 2011:

Sl.No.	Name and Address of Stock Exchanges	Stock Code
1.	Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai – 400 023.	533655
2.	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No. C/1, G Block, Bandra (E) Mumbai – 400 051.	TRITURBINE

The Company has paid the listing fees for the Financial Year 2012-2013 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.

e) Distribution of Equity Shareholding as on March 31, 2012

Group of Shares	Number of Shareholders	% to total Shareholders	Number of Shares held	% to Total Shares
1-500	31038	88.84	3791390	1.15
501-1000	1847	5.29	1470703	0.45
1001-2000	990	2.84	1430342	0.43
2001-3000	313	0.90	802638	0.24
3001-4000	151	0.43	546452	0.17
4001-5000	116	0.33	547453	0.17
5001-10000	211	0.60	1549963	0.47
10001 & higher	270	0.77	319741209	96.92
Total	**34936**	**100.00**	**329880150**	**100.00**

f) Shareholding Pattern of Equity Shares as on March 31, 2012

Category	Number of Shares held	Shareholding %
Indian Promoters	247322533	74.97
Mutual Funds/UTI	24812055	7.52
Banks, Financial Institutions, Insurance Cos.	0	0
FIIs	36826470	11.16
Bodies Corporate	3969468	1.20
Indian Public(*)	15276664	4.63
NRIs/OCBs	1299844	0.40
Others – Clearing Members & Trust	373116	0.12
Total	**329880150**	**100.00**

(*) Includes 1000 equity shares held by a relative of Lt. Gen. K.K. Hazari (Retd.), Director.

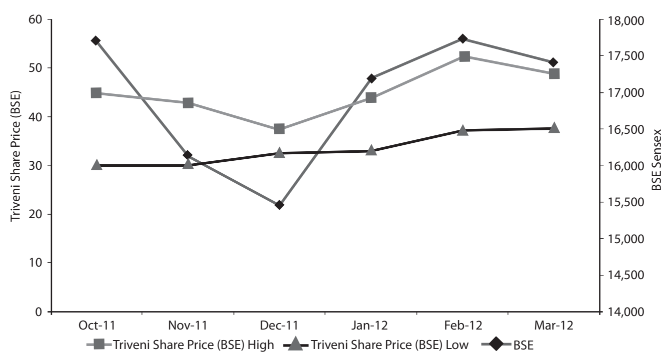
g) Stock Price Data: Financial Year 2011-12

During the financial year 2011-12, the trading in Company's equity shares commenced w.e.f October 28, 2011.

The high low price during the period from October 28, 2011 to March 31, 2012 on the BSE and NSE was as under:

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
October, 2011	45.00	30.00	43.50	30.00
November, 2011	43.00	30.30	43.35	30.00
December, 2011	37.70	32.50	38.70	32.15
January, 2012	44.00	33.05	44.00	33.20
February, 2012	52.50	37.15	52.65	37.15
March, 2012	48.40	37.75	51.50	38.25

h) Stock Performance



i) Dematerialisation of Shares & Liquidity

The Company's equity shares are compulsorily traded in the electronic form. The Company has entered into an Agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for establish electronic connectivity of its shares for scripless trading. Both NSDL & CDSL has admitted the Company's equity share on their system.

The system for getting the shares dematerialised will be as under:

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

As on March 31, 2012, 99.91% of total equity share capital of the Company were held in dematerialised form. The ISIN allotted in respect of equity shares of ₹1/- each of the Company by NSDL/ CDSL is INE152M01016. Confirmation in respect of the requests for dematerialisation of shares is sent to NSDL and CSDL within the stipulated period.

j) Share Transfer System

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

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

k) Reconciliation of Share Capital Audit

As required under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, the audit for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital for each of the quarter in the financial year ended on March 31, 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.

l) Registrar & Share Transfer Agent

M/s Alankit Assignments Ltd.,
Unit: Triveni Turbine Limited
Alankit House, 2E/21,
Jhandewalan Extension,
New Delhi-110 055.
Tel. 011-42541234, 23541234,
Fax 011-42541967
Email: rta@alankit.com

m) Locations

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

Share Department

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

Address for correspondence

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

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

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

n) Compliance Cerificate on Corporate Governance from the Auditor

The certificate dated May 7, 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 May 7, 2012.

ANNEXURE- E

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

To

The Members of

Triveni Turbine Limited

We have examined the compliance of conditions of corporate governance by Triveni Turbine Ltd. for the year ended 31st March, 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 : May 07, 2012

Declaration by Chairman and Managing Director

To

The Members of
Triveni Turbine 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 Turbine Limited

Dhruv M. Sawhney
Chairman and Managing Director

Place : Noida(U.P.)
Date : May 07, 2012

CEO / CFO Certification

To

The Board of Directors
Triveni Turbine Limited

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

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

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 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, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Deepak Kumar Sen
General Manager & CFO

Arun Mote
CEO (Turbine)

Dhruv M. Sawhney
Chairman and Managing Director

Place: Noida(U.P.)
Date : May 07, 2012

Auditors' Report

To the Members of Triveni Turbine Limited

We have audited the attached Balance Sheet of Triveni Turbine Limited as at 31st March 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 report of the auditors of the Company's Bangalore Unit, 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 report of the auditors of the Company's Bangalore Unit where such audit has not been conducted by us.
   c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statements dealt with by this report are in agreement with the books of accounts.
   d) The report of the auditors of the Company's Bangalore Unit has been forwarded to us and has 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 31st March 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 31st March, 2012;

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

c) In the case of 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 : May 07, 2012

Annexure to Auditors' Report

Referred to in Paragraph "1" of our report of even date on the accounts for the year ended March 31, 2012 of Triveni Turbine Limited.

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

   b) The fixed assets have been physically verified by the management during the year. As explained to us, no material discrepancies were noticed on such verification as compared to the book records.

   c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year and hence, going concern status of the Company is not affected.

2. a) Inventories have been physically verified by the Management to the extent practicable at reasonable intervals during the year. In our opinion the frequency of verification is reasonable.

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

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

3. a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly paragraphs 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

   b) The Company has taken unsecured loan from a Company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was ₹ 203.90 Million and outstanding balance at the end of the year was ₹ Nil.

   c) In our opinion and according to the information, rate of interest and other terms and conditions on which loan has been taken by the Company are not prima facie, prejudicial to the interest of the Company.

   d) In respect of the loan taken, the Company is regular in repaying the principal amount as stipulated and has been regular in the payment of interest.

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

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

   b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except that for the purchase of Gears, Gear Boxes, Spares and Services received, payment of rent, sale of Spare parts and rendering of Services no comparable quotations are available. We are informed by the management that the charges so paid and received for such transactions, are reasonable having regard to the volume of business, quality and the specialised nature of goods and services involved.

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

7. In our opinion the Company has an internal audit system commensurate with the size and nature of its business.

8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we are not required to carry out and have not carried out a detailed examination of the records with a view to determine whether they are accurate or complete.

9. a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears as at 31st March, 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 income tax, sales tax, custom duty, wealth tax and cess which have not been deposited on account of any dispute. Disputed excise duty and service tax which have not been deposited on account of matters pending before appropriate authorities is as under:

S.No.	Name of the Statue	Nature of Dues	Period to which it relates	Amount (₹ in Million)	Amount Paid (₹ in Million)	Forum where dispute is pending
1	Central Excise Act, 1944	Excise Duty	FY 1998-99	5.44	2.80	Hon'ble Supreme Court of India
2	Central Excise Act, 1944	Excise Duty	FY 2000-01 To FY 2003-04	30.88	23.35	Hon'ble Supreme Court of India
3	Central Excise Act, 1944	Excise Duty	FY 2007-08	3.36	-	Commissioner of Central Excise (Appeals)
4	Finance Act 1994	Service Tax	FY 2007-08 to FY 2009-10 and FY 2011-12	12.80	-	Commissioner of Central Excise (Appeals) II. Bangalore

10. The Company has no accumulated losses as at 31st March 2012 and has not incurred any cash losses in the financial year covered by our audit and immediately preceding financial year.

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

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

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

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

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

16. In our opinion, the term loans have been applied for the purpose for which they were raised. Further, the term loans transferred to the Company pursuant to the Scheme of Arrangement sanctioned by the Hon'ble Allahabad High Court are considered to have been applied for the purpose for which they were obtained.

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.

18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

19. According to the information and explanations given to us, during the period covered by our audit, the Company has not issued debentures requiring creation of any security or charge.

20. The Company has not raised any money by way of public issue during the year.

21. During the course of our examination of the books of accounts and records carried out in accordance with the generally accepted auditing practice and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year nor have we been informed of such case by the management.

For and on behalf of

J. C. Bhalla & Company
Chartered Accountants
FRN : 001111N

Sudhir Mallick
Partner
Membership No.80051

Place : Noida (U.P.)
Date : May 07, 2012

Balance Sheet as at 31st March 2012

(₹ in Million)

Particulars	Note No	31.03.2012	31.03.2011
I EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share capital	2	357.88	357.88
Reserves and surplus	3	328.46	(330.53)
		686.34	**27.35**
2. Non current liabilities			
Long-term borrowings	4	167.03	462.19
Deferred tax liabilities (net)	5	70.88	58.19
Long-term provisions	6	79.88	78.78
		317.79	**599.16**
3. Current liabilities			
Short-term borrowings	7	4.48	125.19
Trade payables	8	720.72	907.14
Other current liabilities	9	1,079.55	1,548.23
Short-term provisions	6	374.97	242.59
		2,179.72	**2,823.15**
Total		**3,183.85**	**3,449.66**
II ASSETS			
1. Non-current assets			
Fixed assets			
i) Tangible assets	10	1,205.94	1,174.57
ii) Intangible assets	11	30.36	33.10
iii) Capital work-in-progress		1.13	1.65
iv) Intangible assets under development		-	0.35
Non-current investments	12	55.00	10.00
Long-term loans and advances	13	85.92	68.48
Other non-current assets	18	-	0.02
		1,378.35	**1,288.17**
2. Current assets			
Current investments	14	100.01	-
Inventories	15	791.07	959.62
Trade receivables	16	646.17	1,064.71
Cash and bank balances	17	118.06	10.44
Short-term loans and advances	13	142.72	121.76
Other current assets	18	7.47	4.96
		1,805.50	**2,161.49**
Total		**3,183.85**	**3,449.66**
Summary of Significant Accounting Policies	1		

The accompanying Notes are 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 : May 07, 2012

Dhruv M. Sawhney
Chairman &
Managing Director

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

Rajiv Sawhney
Company
Secretary

Deepak Kumar Sen
General Manager
& CFO

Statement of Profit & Loss for the year ended 31st March 2012

(₹ in Million)

Particulars	Note No	31.03.2012	31.03.2011
Continuing operations			
INCOME			
Revenue from operations (gross)	19	6,639.81	3,152.74
Less : Excise duty		320.99	102.28
Revenue from operations (net)		6,318.82	3,050.46
Other income	20	46.86	26.34
Total revenue		**6,365.68**	**3,076.80**
EXPENSES			
Cost of raw material and components consumed	21	3,717.33	2,000.11
(Increase)/decrease in inventories of finished goods and work-in-progress	22	110.26	(117.08)
Employee benefit expenses	23	460.99	195.36
Other expenses	24	516.12	280.03
Total		**4,804.70**	**2,358.42**
Earnings before interest,tax,depreciation and amortisation (EBITDA)		**1,560.98**	**718.38**
Depreciation and amortisation expenses	25	115.93	58.77
Finance costs	26	95.93	47.13
Profit/(loss) before extraordinary items and tax		**1,349.12**	**612.48**
Extraordinary items		-	559.82
Profit/(loss) before tax		**1,349.12**	**52.66**
Tax expenses			
Current tax		425.80	77.82
Deferred tax		12.69	46.63
Profit/(loss) after tax from continuing operations (A)		**910.63**	**(71.79)**
Discontinued operations			
Profit/(loss) from discontinued operations before tax	27	0.26	(1.30)
Tax expense for discontinued operations		0.08	(0.43)
Profit/(loss) from discontinued operations after tax (B)		**0.18**	**(0.87)**
Profit/(loss) for the year (A+B)		**910.81**	**(72.66)**
Earning per equity share of ₹ 1/- each	28		
Basic & Diluted (in ₹) - before extraordinary items		2.75	2.27
Basic & Diluted (in ₹) - after extraordinary items		2.75	(0.34)
Summary of Significant Accounting Policies	1		

The accompanying Notes are an integral part of the financial statements.
This is the Statement of Profit & 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 : May 07, 2012

Dhruv M. Sawhney
Chairman & Managing Director

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

Rajiv Sawhney
Company Secretary

Deepak Kumar Sen
General Manager & CFO

Cash Flow Statement for the year ended 31st March 2012

(₹ in Million)

Particulars	31.03.2012	31.03.2011
A. Cash Flow from Operating Activities		
Profit before tax from continuing operations	1,349.12	612.48
Profit before tax from discontinued operations	0.26	(1.30)
Profit before tax	**1,349.38**	**611.18**
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation / amortisation on continuing operations	115.93	58.77
Depreciation / amortisation on discontinued operations	0.02	0.09
Impairment / other write off on tangible / intangible assets pertaining to discontinued operations	-	0.28
Loss / (profit) on sale of fixed assets	0.82	0.07
Provision for diminution in value of investments (current investments)	0.08	-
Net gain on sale of current investments	(0.06)	-
Interest Expense	95.93	47.13
Interest Income	(5.19)	(1.35)
Dividend Income	(0.36)	-
Operating profit before working capital changes	**1,556.55**	**716.17**
Movements in working capital :		
Increase / (decrease) in trade payables	(186.43)	52.96
Increase / (decrease) in long term provisions	1.10	1.40
Increase / (decrease) in short term provisions	22.38	(5.26)
Increase / (decrease) in other current liabilities	(363.83)	(89.03)
Decrease / (increase) in trade receivables	418.56	(356.54)
Decrease / (increase) in inventories	168.55	(117.24)
Decrease / (increase) in long-term loans and advances	32.37	(18.41)
Decrease / (increase) in short-term loans and advances	(12.23)	21.50
Decrease / (increase) in other current assets	(2.65)	(1.66)
Cash generated from / (used in) operations	**1,634.37**	**203.89**
Direct taxes paid (net of refunds)	(398.45)	(88.27)
Net cash flow from / (used in) operating activities (A)	**1,235.92**	**115.62**
B. Cash Flow from Investing Activities		
Purchase of fixed assets (including intangible assets, CWIP and capital advances)	(194.99)	(66.47)
Proceeds from sale of fixed assets	0.66	4.49
Purchase of non-current investments	(45.00)	(9.50)
Purchase of current investments	(282.86)	-
Proceeds from sale / maturity of current inestments	182.82	-
Investments in bank deposits (having original maturity of more than three months)	-	-
Redemption / maturity of bank deposits (having original maturity of more than three months)	-	-
Interest received	5.33	1.20
Dividends received	0.36	-
Net cash flow from / (used in) investing activities (B)	**(333.68)**	**(70.28)**

(₹ in Million)

Particulars	31.03.2012	31.03.2011
C. Cash Flow from Financing Activities		
Proceeds from issuance of share capital	-	-
Repayment of long-term borrowings	(391.67)	(106.76)
Repayment of short-term borrowings	(120.71)	30.60
Interest paid	(104.43)	(39.30)
Dividend paid on equity shares	(148.28)	-
Tax on equity dividend paid	(24.08)	-
Net cash flow from / (used in) financing activities (C)	**(789.17)**	**(115.46)**
Net increase / (decrease) in cash and cash equivalents (A + B+ C)	113.07	(70.12)
Cash and cash equivalents at the beginning of the year	4.82	2.54
Cash and cash equivalents acquired on vesting of Turbine Business	-	72.40
Cash and cash equivalents at the end of the year	**117.89**	**4.82**
Components of cash and cash equivalents		
Cash on hand	1.58	1.60
Cheques / drafts on hand	5.00	-
Balances with banks :		
on current account	11.31	3.22
on deposit account	100.00	-
Total cash and cash equivalents	**117.89**	**4.82**

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 : May 07, 2012

Dhruv M. Sawhney
Chairman &
Managing Director

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

Rajiv Sawhney
Company
Secretary

Deepak Kumar Sen
General Manager
& CFO

Notes to Financial Statements for the year ended 31st March, 2012

1. **Significant Accounting Policies**

   a) **Basis of Preparation**

      These financial statements have been prepared on the accrual basis of accounting under the historical cost convention and to comply in all material respects with the accounting standards notified under section 211 (3C) and other relevant provisions of the Companies Act, 1956.

   b) **Adoption of revised Schedule VI of the Companies Act, 1956**

      For the year ended 31st March, 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 product, i.e., manufacture and supply of turbine package, the Company has considered a period of 12 months for the purpose of determination of classification between current and non-current assets and liabilities.

   c) **Use of Estimates**

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

   d) **Fixed Assets**

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

   e) **Recognition of Revenue**

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

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

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

      Income and expenditure relating to prior periods and prepaid expenses which do not exceed ₹ 10,000/- in each case, are treated as income/expenditure of the current year.

   f) **Foreign Currency Transactions**

      i) Transactions denominated in foreign currencies are recorded at exchange rates prevailing on the dates of the transactions.

      ii) Foreign currency monetary items (including forward contracts) are translated at year end rates. Exchange differences arising on settlement of transactions and translation of monetary items (including forward contracts) are recognised as income or expense in the year in which they arise.

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

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

   g) **Investments**

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

h) Inventories

i) Inventories of raw materials and components, stores and spares are valued at the lower of cost and net realisable value. Cost for the purpose of valuation of inventories is determined on a weighted average basis.

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

iii) Patterns, loose tools, jigs and fixtures are amortised equally over three years.

i) Depreciation

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

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

j) Employee Benefits

i) Short term Employee Benefits

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

ii) Post-employment benefits

a) Defined contribution plans: The Company's contribution under the employees' provident fund scheme and employees' state insurance scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employees render the related service.

b) Defined benefit plans: The employees' gratuity fund scheme is Company's defined benefit plan. The present value of the obligation under this defined benefit plan is determined based on the actuarial valuation using the Projected Unit Credit method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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

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

iii) Other long-term employee benefits

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

k) Borrowing Costs

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

l) Intangible Assets

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

	Period of amortisation
Computer Software	36 months
Website development cost	36 months
Designs and Drawings	72 months

m) Impairment of Assets

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

n) Provisions, Contingent liabilities and Contingent assets

Provisions are recognised, if :

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

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

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

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

Contingent liability is disclosed in the case of

a) a present obligation arising from a past event, when it is dependent on the outcome of a process such as legal process and it is not probable that an outflow of resources will be required to settle the obligation.

b) a possible obligation, dependent as stated in (a) above unless the probability of outflow of resources is remote.

Contingent Assets are neither recognised nor disclosed.

o) Research and Development

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

2. Share Capital

(₹ in Million)

Particulars	31.03.2012	31.03.2011
AUTHORISED		
450,000,000 Equity Shares of ₹ 1/- each	450.00	450.00
5,000,000 8% Cumulative Redeemable Preference Shares of ₹ 10/- each	50.00	50.00
	500.00	**500.00**
ISSUED , SUSBCRIBED & FULLY PAID UP		
Equity		
329,880,150 (72,000,000) Shares of ₹ 1/- each	329.88	72.00
Equity Share Capital Suspense A/c (257,880,150 equity shares pending allotment)	-	257.88
Preference		
2,800,000 (Nil) 8% Cumulative Redeemable Preference Shares of ₹ 10/- each	28.00	-
Preference Share Capital Suspense A/c (2,800,000 preference shares pending allotment)	-	28.00
	357.88	**357.88**

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

Equity Shares

Particulars	As at 31.03.2012		As at 31.03.2011	
	No of Shares	₹ in Million	No of Shares	₹ in Million
At the beginning of the period	72,000,000	72.00	100,000,000	100.00
Add : Shares allotted to shareholders of Triveni Engineering & Industries Limited in the ratio 1:1 in accordance with the Scheme of Arrangement.	257,880,150	257.88	-	-
Less: Shares Converted into Preference Share Capital in accordance with the Scheme of Arrangement, (lying in Preference Share Capital Suspense A/c).	-	-	28,000,000	28.00
Outstanding at the end of the period	329,880,150	329.88	72,000,000	72.00

Preference Shares

Particulars	As at 31.03.2012		As at 31.03.2011	
	No of Shares	₹ in Million	No of Shares	₹ in Million
At the beginning of the period	-	-	-	-
Equity Shares converted into Preference Share Capital in accordance with the Scheme of Arrangement, (lying in Preference Share Capital Suspense A/c).	-	-	2,800,000	28.00
Add: Shares issued from Preference Share Capital Suspense A/c	2,800,000	28.00	-	-
Outstanding at the end of the period	2,800,000	28.00	-	-

b) Terms/rights attached to equity shares

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

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

c) Terms/rights attached to preference shares

As per the Scheme of Arrangement ("Scheme") duly approved by Allahabad High Court vide order dated April 19, 2011, 28,000,000 equity shares of ₹ 1/- each fully paid up by Triveni Engineering & Industries Limited stood converted into 2,800,000 - 8% Cumulative Reedemable Preference Shares of ₹ 10/- each fully paid up. These Preference Shares carry cumulative dividend @8% p.a. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Preference shares are redeemable at par at the end of 5 years from the date of allotment. However, the Company has an option to redeem these shares at any time after the end of 6 months from the date of allotment. The preference shareholders have a preference vis-à-vis equity shareholders with respect to any dividend that may be declared by the Company as well as with regard to redemption of capital in the event of liquidation.

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

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

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

Particulars	As at 31.03.2012		As at 31.03.2011	
	No of shares	% holding	No of shares	% holding
Equity Shares of ₹ 1/- each fully paid				
Triveni Engineering & Industries Limited	72,000,000	21.83	72,000,000	100
Dhruv M. Sawhney	36,124,645	10.95		
Nalanda India Fund Limited	25,788,000	7.82		
Umananda Trade & Finance Limited	20,157,589	6.11		
Rati Sawhney	18,824,914	5.71		
Tarnik Investments & Trading Limited	18,680,527	5.66		
8% Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid				
Triveni Engineering & Industries Limited	2,800,000	100	28,000,000	100

3. Reserves and Surplus

General reserve

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Balance as per the last financial statements	-	-
Add: Amount transferred from statement of profit & loss account	150.00	-
Closing Balance	150.00	-

Surplus/(deficit) in the statement of profit and loss

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Balance as per the last financial statements	(330.53)	(257.87)
Add: Net profit/(loss) after tax transferred from statement of profit and loss	910.81	(72.66)
Amount available for appropriation (A)	580.28	(330.53)
Appropriations:		
Transfer to General reserve	150.00	-
Dividend on equity shares (Interim)	148.45	-
Proposed dividend on preference share	2.24	-
Proposed dividend on equity share	65.98	-
Tax on equity dividend (Interim)	24.08	-
Tax on proposed equity and preference dividend	11.07	-
Total appropriations (B)	**401.82**	-
Net surplus/(deficit) in the statement of profit and loss (A-B)	**178.46**	**(330.53)**
Total reserves and surplus	**328.46**	**(330.53)**

4. Long Term Borrowings

(₹ in Million)

Particulars	Non-Current portion		Current maturities	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Term loans from banks	162.97	349.63	190.80	231.88
Other loans				
Vehicle loans	4.06	-	0.85	-
Loan from Triveni Engineering & Industries Limited (Related Party)	-	112.56	-	56.28
	167.03	462.19	191.65	288.16
The above amount includes				
Secured loans	167.03	349.63	191.65	231.88
Unsecured loans	-	112.56	-	56.28
	167.03	462.19	191.65	288.16
Less: Amount disclosed under the head "other current liabilities" (Refer Note No 9)			(191.65)	(288.16)
	167.03	**462.19**	-	-

Details of Securities and other terms :-

Name of the Bank/Others	Total loan outstanding	Repayment terms of loan outstanding	Rate of Interest	Nature of Security
1. Canara Bank	24.80 (41.34)	6 (10) equal quarterly instalments.	12.50%	These loans were transferred pursuant to a scheme of arrangement, as approved by Honourable High Court of Allahabad vide order dated 19.04.2011.The necessary formalities of creating security against assets of the company is in progress. Pending completion of the formalities, these loans remained secured against assets of Triveni Engeneering and Industries Limited. (Demerged Company)
2. Bank of Maharashtra	43.75 (68.75)	7(11) equal quarterly instalments.	11.90%	
3. Central Bank of India	178.53 (238.01)	9 (12) equal quarterly instalments.	12.50%	
4. Kotak Mahindra Bank Ltd	102.55 (170.91)	6 (10) equal quarterly instalments.	11.75%	
5. State Bank of Patiala	- (62.50)	(2) equal quarterly instalments.	11.75%	
6. Axis Bank (Vehicle loan)	4.14 (-)	39 equated monthly instalments.	9.90%	Hypothecation of vehicles.
7. Kotak Mahindra Prime Ltd (Vehicle loan)	4.91 (-)	36 to 48 equated monthly instaments.	9.93% to 10.04%	Hypothecation of vehicles.
8. Triveni Engineering & Industries Limited	- (168.84)	(12) equal quarterly instalments with the provision of accelerated payment at the discretion of the Company, tranchwise.	10% to 11%	Unsecured

Figures in brackets relate to previous year.

5. Deferred Tax Liabilities

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Deferred Tax Liabilities :		
Difference in net book value of fixed assets as per books and tax laws	136.29	123.16
Deferred Tax Assets :		
Expenses allowable on a payment basis	29.45	28.56
Others	35.96	36.41
Net Deferred Tax Liabilities	**70.88**	**58.19**

6. Provisions

(₹ in Million)

Particulars	Long term		Short term	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Provisions for Employee Benefits				
Provisions for gratuity (Refer Note No 39)	48.17	45.08	9.34	13.40
Provisions for compensated absences (Refer Note No 39)	15.77	17.36	5.76	6.01
Other Provisions				
Proposed dividend	-	-	68.22	-
Tax on Proposed dividend	-	-	11.07	-
Provision for warranties	15.94	16.34	35.03	28.26
Provision for liquidated damages	-	-	72.93	81.76
Provision for cost to completion	-	-	141.30	112.90
Provision for mark to market loss in foreign currency derivatives	-	-	0.44	0.09
Provision for tax [net of advance tax of ₹ 396.99 Million (₹ 0.03 Million) & Includes Wealth Tax ₹ 0.08 Million(₹ Nil)]	-	-	30.88	0.17
	79.88	**78.78**	**374.97**	**242.59**

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

Movement in provisions

(₹ in Million)

Particulars of disclosure	Nature of provisions		
	Warranty	Liquidated Damages	Cost to Completion
Opening balance	44.60 (-)	81.76 (-)	112.90 (-)
Acquired pursuant to scheme of arrangement	- (43.29)	- (91.12)	- (113.36)
Provision made during the year	34.63 (16.34)	- (27.65)	49.90 (74.80)
Provision used during the year	13.50 (3.62)	3.02 (0.41)	21.50 (75.26)
Provision no longer required reversed	14.76 (11.41)	5.81 (36.59)	- (-)
Closing Balance	50.97 (44.60)	72.93 (81.76)	141.30 (112.90)

Figures in brackets relate to previous year.

Nature of provisions

Warranties: The Company gives warranties on certain products and services, undertaking to repair the items that fail to perform satisfactorily during the warranty period. Provisions made as at March 31,2012 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.

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

Cost to completion: The provision represents costs of materials and services, including balancing of plant, required for integration of turbine package at site, prior to commissioning.

7. Short-Term Borrowings

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Cash credits from banks	4.48	35.20
Foreign currency Loan		
- Buyer's credit	-	89.99
	4.48	**125.19**
The above amount includes		
Secured borrowings	4.48	35.20
Unsecured borrowings	-	89.99

Cash credit from banks is secured by pledge/hypothecation of the stock-in-trade, raw material, stores & spare parts, work-in-progress and receivables and a second charge on the fixed assets on pari-passu basis.

8. Trade Payables

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Trade payables (Refer Note No 33 for details of dues to micro and small enterprises)	720.72	907.14
	720.72	**907.14**

9. Other Current Liabilities

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Current maturities of long term borrowings (Refer Note No 4)	191.65	288.16
Advance from customers	840.56	1,173.02
Deposits from customers	8.06	1.85
Interest accrued but not due on borrowings	0.08	0.71
Interest accrued and due on borrowings	-	7.88
Employee benefits & other dues	20.45	22.10
Indirect taxes & duties payable	0.02	1.37
Statutory dues relating to employees	4.48	3.52
Income tax deducted at source	7.19	9.11
Unpaid dividend	0.17	-
Other payables	6.89	40.51
	1,079.55	**1,548.23**

10. Tangible Assets

(₹ in Million)

Particulars	Land	Buildings	Plant & Machinery	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total
Gross Block								
As at April 1, 2010	**-**	**-**	**-**	**-**	**0.13**	**1.31**	**0.31**	**1.75**
Acquired pursuant to the scheme of arrangement	36.42	332.57	964.51	17.36	44.83	5.74	49.15	1,450.58
Additions	-	0.92	48.82	0.03	0.22	1.56	4.33	55.88
Deductions	-	-	-	0.04	-	2.02	0.62	2.68
As at March 31, 2011	**36.42**	**333.49**	**1,013.33**	**17.35**	**45.18**	**6.59**	**53.17**	**1,505.53**
Additions	-	0.64	111.43	1.08	2.62	17.30	3.08	136.15
Deductions	-	0.38	7.91	0.03	-	-	2.27	10.59
As at March 31, 2012	**36.42**	**333.75**	**1,116.85**	**18.39**	**47.80**	**23.90**	**53.98**	**1,631.09**
Depreciation								
As at April 1, 2010	**-**	**-**	**-**	**-**	**0.12**	**0.37**	**0.24**	**0.73**
Acquired pursuant to the scheme of arrangement	-	47.41	183.33	3.83	10.58	3.14	31.62	279.91
Charge for the year	-	5.39	41.40	0.43	1.31	0.33	2.90	51.76
Deductions	-	-	-	0.02	-	0.90	0.52	1.44
As at March 31, 2011	**-**	**52.80**	**224.73**	**4.24**	**12.01**	**2.94**	**34.24**	**330.96**
Charge for the year*	-	10.82	82.33	0.80	2.72	1.16	5.82	103.65
Deductions	-	0.17	7.19	2.10	-	-	-	9.46
As at March 31, 2012	**-**	**63.45**	**299.87**	**2.94**	**14.73**	**4.10**	**40.06**	**425.15**
Net Block								
As at March 31, 2011	**36.42**	**280.69**	**788.60**	**13.11**	**33.17**	**3.65**	**18.93**	**1,174.57**
As at March 31, 2012	**36.42**	**270.30**	**816.98**	**15.45**	**33.07**	**19.80**	**13.92**	**1,205.94**

* Includes depreciation amounting to ₹ 0.02 Million(₹ 0.09 Million) on assets pertaining to discontinued business. (Refer Note No 27)

11. Intangible Assets

(₹ in Million)

Particulars	Computer Software	Website	Design & Drawings	Technical know-how	Total
Gross Block					
As at April 1, 2010	**0.09**	**-**	**-**	**4.87**	**4.96**
Acquired pursuant to the scheme of arrangement	79.37	-	43.16	-	122.53
Additions	5.98	-	3.10	-	9.08
Disposals	-	-	-	4.87	4.87
As at March 31, 2011	**85.44**	**-**	**46.26**	**-**	**131.70**
Additions	4.33	0.65	4.58	-	9.56
Disposals	-	-	-	-	-
As at March 31, 2012	**89.77**	**0.65**	**50.84**	**-**	**141.26**
Amortisation					
As at April 1, 2010	**0.09**	**-**	**-**	**4.87**	**4.96**
Acquired pursuant to the scheme of arrangement	69.33	-	22.08	-	91.41
Charge for the year	4.35	-	2.75	-	7.10
Disposals	-	-	-	4.87	4.87
As at March 31, 2011	**73.77**	**-**	**24.83**	**-**	**98.60**
Charge for the year	6.53	0.03	5.74	-	12.30
Disposals	-	-	-	-	-
As at March 31, 2012	**80.30**	**0.03**	**30.57**	**-**	**110.90**
Net Block					
As at March 31, 2011	**11.67**	**-**	**21.43**	**-**	**33.10**
As at March 31, 2012	**9.47**	**0.62**	**20.27**	**-**	**30.36**

12. Non-Current Investments

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Long Term		
Trade		
UNQUOTED		
SHARES - Fully paid-up - Subsidiary Company		
5,500,001 (1,000,001) Equity shares of ₹ 10/- each of GE Triveni Limited (At cost)	55.00	10.00
Aggregate value of unquoted investments	**55.00**	**10.00**

13. Loans and Advances

(₹ in Million)

Particulars	Long-term		Short-term	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Capital advances				
Unsecured, considered good	50.22	14.57	-	-
(A)	**50.22**	**14.57**	**-**	**-**
Security deposit				
Unsecured, considered good	2.15	2.15	2.40	2.22
(B)	**2.15**	**2.15**	**2.40**	**2.22**
Other Loans and advances				
Unsecured, considered good				
Prepaid expenses	2.08	2.34	11.21	9.12
Loans to employees	-	-	2.41	2.17
Advances to suppliers	5.37	10.85	68.73	80.21
Service tax recoverable	-	-	7.75	8.94
Excise duty (Cenvat Balance)	-	-	13.58	9.52
Earnest money deposit	-	-	2.28	4.35
Works contract tax recoverable	-	-	0.55	0.55
Advance payment of tax [net of provision for tax of ₹ 79.07 Million (Previous year ₹ 77.78 Million)]	-	11.55	14.82	-
VAT recoverable	-	-	16.43	-
Excise duty recoverable	25.87	26.69	0.76	-
Others	0.23	0.33	1.80	4.68
Unsecured, Considered doubtful				
Advances to suppliers	-	0.10	-	-
Others	-	0.81	-	-
	33.55	52.67	140.32	119.54
Less: Provision for doubtful loans and advances	-	0.91	-	-
(C)	**33.55**	**51.76**	**140.32**	**119.54**
Total (A+B+C)	**85.92**	**68.48**	**142.72**	**121.76**

14. Current Investments (unquoted)- (at lower of cost or fair value)

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Investment in liquid mutual funds	100.01	-
	100.01	**-**
Aggregate value of unquoted investments	**100.01**	-

Current investments held in liquid mutual fund units as at March 31, 2012 are as follows :

(₹ in Million)

	Units	Amount
- Birla Sun Life Cash Plus - Institutional Premium Daily Dividend	499,146.065	50.01
- IDFC-Cash Fund-Institutional Plan B-Weekly Dividend	49,984.251	50.08
		100.09
Less: Provision for diminution in value of current investment		0.08
		100.01
There were no investments in liquid mutual fund units as at March 31, 2011		

15. Inventories

(₹ in Million)

Particulars	31.03.2012	31.03.2011
(valued at lower of cost and net realisable value)		
Raw material & components (includes stock in transit ₹ 6.13 Million (₹ 7.40 Million)	315.37	371.80
Work-in-progress	457.86	568.12
Stores and spares	0.74	0.58
Patterns	8.27	8.05
Tools, jigs and fixtures	8.75	10.66
Others	0.08	0.41
	791.07	**959.62**

16. Trade Receivables

(₹ in Million)

Particulars	Non-Current		Current	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Over Six Months				
Secured - considered good	-	-	-	-
Unsecured - considered good	-	0.02	209.59	118.99
Considered doubtful	-	0.18	21.92	23.14
	-	0.20	231.51	142.13
Less : Provision for doubtful debts	-	0.18	21.92	23.14
(A)	-	0.02	209.59	118.99
Others				
Secured - considered good	-	-	-	-
Unsecured - considered good	-	-	436.58	945.72
(B)	-	-	436.58	945.72
Total (A+B)	**-**	**0.02**	**646.17**	**1,064.71**
Amount disclosed under other non current assets (Refer Note No 18)	-	(0.02)	-	-
	-	**-**	**646.17**	**1,064.71**
Trade receivables includes dues from subsidiary company	-	-	0.02	0.13

17. Cash and Bank Balances

(₹ in Million)

Particulars	Non-Current		Current	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Cash and cash equivalents				
Balance with banks				
Current account	-	-	11.31	3.22
Demand deposits (original maturity of less than three months)	-	-	100.00	-
Cheques /drafts on hand	-	-	5.00	-
Cash on hand	-	-	1.58	1.60
(A)	**-**	**-**	**117.89**	**4.82**
Other bank balances				
Margin money deposit	-	-	-	5.62
Unpaid dividend account	-	-	0.17	-
(B)	**-**	**-**	**0.17**	**5.62**
Total (A+B)	**-**	**-**	**118.06**	**10.44**

18. Other Assets

(₹ in Million)

Particulars	Non-Current		Current	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Non current trade receivables (Refer Note No 16)	-	0.02	-	-
Interest accrued on margin money	-	-	-	0.72
Interest accrued on fixed deposits	-	-	0.58	-
Duty drawback receivable	-	-	6.89	4.24
	-	**0.02**	**7.47**	**4.96**

19. Revenue from Operations

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Sale of products		
Finished goods		
- Turbines	5,464.04	2,678.35
- Spares	743.47	315.17
Sale of services		
- Erection and commissioning	71.70	6.25
- Servicing	273.19	102.78
- Operation and maintenance	59.26	38.16
Other operating revenue		
- Sale of scrap	4.67	2.07
- Selling commission	3.41	9.96
- Technical know-how fee	20.07	-
	6,639.81	**3,152.74**

20. Other Income

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Discount received from suppliers	1.33	1.50
Sale of empties	0.04	0.03
Exchange fluctuation gain on foreign currency forward contracts	9.33	5.71
Rent received	4.64	0.01
Interest income		
- Bank Deposits	4.93	0.24
- Customers	0.26	1.11
Dividend from current investment	0.36	-
Profit on sale of current Investment	0.06	-
Provision of liquidated damages reversed (Net) - (Refer Note No 6)	5.81	8.95
Provision for doubtful debts & advances written back	1.22	0.72
Customs duty drawback	9.37	3.13
Credit balances written back	1.82	-
Discount received on foreign currency forward contracts	7.69	4.94
	46.86	**26.34**

21. Material Consumed

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Stock at commencement	371.80	-
Acquired pursuant to Scheme of Arrangement	-	368.16
Purchases	3,660.90	2,003.75
	4,032.70	2,371.91
Less: Stock at close	315.37	371.80
	3,717.33	**2,000.11**
Details of raw material and components consumed		
Iron and steel	36.34	19.84
Castings and forgings	255.22	162.62
Alternator, panels and other direct bought out items	1,761.08	915.70
Pumps	30.79	14.40
Bearings	59.80	36.83
Couplings	50.03	23.12
Governor and assembly items	111.19	60.93
Instruments	42.29	26.19
Gear boxes	214.49	118.18
Oil cooler	49.31	21.14
Base plates	62.68	29.14
Oil filters	19.74	12.61
Valves	29.75	19.81
Others	994.62	539.60
	3,717.33	**2,000.11**

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

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Stock at commencement		
- Work-in-progress (turbines)	568.12	-
Acquired pursuant to Scheme of Arrangement		
- Work-in-progress (turbines)	-	432.82
- Finished goods (turbines)	-	18.22
	568.12	451.04
Stock at close		
- Work-in-progress (turbines)	457.86	568.12
	110.26	**(117.08)**

23. Employee Benefit Expenses

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Salaries, wages & bonus	385.70	162.87
Contributions to provident and other funds	30.07	12.55
Gratuity	11.88	3.23
Employee welfare	33.34	16.71
	460.99	**195.36**

24. Other Expenses

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Stores, spares and tools consumed	111.02	66.17
Power and fuel	15.59	7.50
Design and engineering charges	11.67	2.85
Repairs and maintenance		
- Machinery	5.65	5.08
- Buildings	3.44	2.12
- Others	7.92	4.09
Travelling and conveyance	86.45	37.39
Rent	5.43	3.26
Rates and taxes	3.50	0.97
Insurance	2.30	1.21
Directors' commission	4.00	-
Group shared service cost	43.88	37.48
Printing and stationery	8.02	2.56
Postage, telegram and telephone	11.82	3.56
VAT /service tax paid	1.00	1.25
Bank charges and guarantee commission	15.41	6.39
Provision for mark to market loss on foreign exchange derivatives	0.44	0.09
Bad debts/sundry amount written off	2.08	0.07
Warranty Expenses (Refer Note No 6 for provision for warranty)	36.93	10.38
Payment to Auditors (Refer Note No 41)	1.99	0.67
Non moving /obsolete inventory written off	1.20	4.21
Loss on sale of assets	0.82	0.07
Packing and forwarding	56.30	24.98
Decrease in carrying amount of current investments	0.08	-
Miscellaneous expenses	79.18	57.68
	516.12	**280.03**

25. Depreciation and Amortisation Expenses

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Depreciation	103.63	51.67
Amortisation	12.30	7.10
	115.93	**58.77**

26. Finance Costs

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Interest	87.09	43.27
Other borrowing cost	3.86	1.57
Exchange fluctuation loss on foreign currency forward contracts	0.06	0.82
Premium paid on foreign currency forward contracts	4.92	1.47
	95.93	**47.13**

27. The Company had exited the rural and semi-urban retail business and engineering business of design, supply and commissioning of specialised sugar manufacturing machineries during the previous financial year. The following statement shows the profit / (loss) on disposal of assets and settlement of liabilities relating to the discontinued operations:

(₹ in Million)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Revenue		
Revenue from disposal of inventories (gross)	-	2.65
Other income (including provisions against expense and inventories written back)	1.60	1.74
Total revenue	**1.60**	**4.39**
Expenses		
Cost of inventories disposed	-	2.41
Bad debts/sundry amount written off	1.25	0.03
Loss on sale of assets	-	0.29
Provision for bad and doubtful debts & advances	-	0.47
Employee benefit expenses	-	0.31
Rent	-	1.02
Travelling and conveyance	-	0.10
Legal and professional fees	0.04	0.40
Miscellaneous expenses	0.03	0.52
Depreciation and amortisation	0.02	0.09
Finance cost	-	0.05
Total expenses	**1.34**	**5.69**
Profit/(loss) before tax from discontinued operations	0.26	(1.30)
Income tax (expense)/benefit	(0.08)	0.43
Profit/(loss) after tax	**0.18**	**(0.87)**

The net cash flows attributable to the discontinued operations are as follows:

(₹ in Million)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Operating activities	(0.11)	3.31
Investment activities	-	0.62
Financing activities	-	0.05
Net cash inflow/ (outflow)	**(0.11)**	**3.98**

28. Earnings Per Share (EPS)

(₹ in Million)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Net profit/(loss) after tax	910.81	(72.66)
Less: Dividend on preference shares (including dividend distribution tax)	2.60	-
Adjusted net profit/(loss) after tax and preference dividend [A]	908.21	(72.66)
Add : Extraordinary items (net of tax)	-	559.82
Adjusted net profit/(loss) after tax and preference dividend but before extraordinary items [B]	908.21	487.16
Weighted average number of equity shares outstanding during the year [C]	329.88	214.62*
Basic and diluted EPS before extraordinary items [B/C] in ₹	2.75	2.27
Basic and diluted EPS after extraordinary items [A/C] in ₹	2.75	(0.34)

*Weighted average number of shares is determined taking into consideration the allotment of new equity shares and conversion of part of existing equity capital into preference capital in accordance with the Scheme of Arrangement, from the appointed date of 01.10.2010.

29. Contingent Liabilities (to the extent not provided for)

a) Claims against the Company not acknowledged as debts:

(₹ in Million)

S. No.	Particulars	Amount of Contingent Liability	Amount Paid
1	Excise duty	39.68 (39.45)	26.15 (26.15)
2	Service tax	12.80 (5.21)	- (-)
3	Others	2.08 (2.08)	- (-)
	Total	54.56 (46.74)	26.15 (26.15)

Excise duty: The outflow arising from these claims is uncertain. Such outflow, if any, will be after adjusting reimbursement of ₹ 8.06 Million received from customers (Previous year: likely reimbursement of ₹ 12.02 Million) in respect of central excise demand on account of denial of benefit under Notification No. 6/2000 issued by the Central Government under Section 5A(1) of the Central Excise Act,1944.

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

30. Estimated amount of contracts remaining to be executed on capital account and not provided for : ₹ 0.29 Million (₹ 72.34 Million) after adjusting advances paid amounting to ₹ 0.10 Million (₹14.45 Million). The Company has also made a commitment to purchase 25 acres of industrial land near Bangalore and paid ₹ 50.12 Million (₹ 0.12 Million) as advance. The total amount of commitment in this respect is not determinable as the allotment and price are yet to be finalised by Karnataka Industrial Areas Development Board.

31. Title to certain assets vested in the Company under the Scheme of Arrangement and arising out of business conducted till the date the Scheme became effective, could not be transferred to the name of the Company. Hence, these assets are being held in trust, by Triveni Engineering & Industries Ltd. The requisite duties, if any, on determination thereof by the Authorities, shall be paid and accounted for by the Company appropriately.

32. Pursuant to the Employee Stock Option Scheme (ESOP 2009) framed by Triveni Engineering & Industries Ltd. (demerged company), 2,00,000 stock options had been granted to certain eligible employees of the demerged company including certain employees of the demerged undertaking. The stock options were granted on April 30, 2010 at a grant price of ₹ 108.05 per option, at the then prevailing market price of the shares of the demerged company. The options had a graded vesting period – 50% after 12 months and the balance after 24 months from the date of grant and such options were to be exercised within 2 years from the date of vesting.

Consequent to the demerger of the Turbine Business (demerged undertaking) of the demerged company and vesting of business in the Company, all the employees of the demerged undertaking have become employees of the Company. Pending receipt of necessary approvals/clarifications from the Securities and Exchange Board of India ("SEBI")/Bombay Stock Exchange/National Stock Exchange under the SEBI Guidelines, to give effect to the entitlements to stock options as a result of the demerger, such options granted have not been considered or accounted for in the financial statements of the Company.

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

(₹ in Million)

S. No.	Particulars	As on 31.03.2012	As on 31.03.2011
1	Amounts due to Micro and Small enterprises		
	i) Principal amount	23.46	27.10
	ii) Interest due on above	Nil	Nil
2	i) Principal amount paid after due date or appointed day during the year	Nil	Nil
	ii) Interest paid during the year on (i) above	Nil	Nil
3	Interest due & payable (but not paid) on principal amounts paid during the year after the due date or appointed day	Nil	Nil
4	Total interest accrued and remaining unpaid	Nil	Nil
5	Further interest in respect of defaults of earlier years due and payable in current year upto the date when actually paid	Nil	Nil

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

34. i) The Company has taken various residential and office premises under operating leases. These are not non-cancellable and the unexpired period ranges between 6 months and 3 years and are renewable by mutual consent. The Company has given refundable interest- free security deposits under certain agreements.

a) Lease payments under operating leases of ₹ 5.43 Million (₹ 3.26 Million) are recognised in the statement of profit and loss under "Rent" in Note No 24.

b) There are no minimum future lease payments as there are no non-cancellable operating leases.

ii) The Company has also given certain portions of its office premises under cancellable as well as non-cancellable operating leases. These leases are extendable by mutual consent and on mutually agreeable terms. The gross carrying amount, accumulated depreciation and depreciation recognised in the statement of profit and loss in respect of such 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. Future minimum lease payments under non-cancellable leases are as under:

(₹ in Million)

Unexpired period of lease	Year ended 31.03.2012	Year ended 31.03.2011
Not later than one year	4.62	-
Later than one year but not later than five years	4.62	-
Later than five years	-	-

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

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) Subsidiary
GE Triveni Limited

ii) Key Management Personnel
Mr. Dhruv M. Sawhney – Chairman & Managing Director

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

GE Triveni Limited (GETL) – Subsidiary Company

Triveni Engineering & Industries Ltd (TEIL) – Investing company holding substantial interest

Mr. Dhruv M. Sawhney (DMS) – Chairman & Managing Director (Key Management Personnel)

Mr. Nikhil Sawhney (NS) – Joint Managing Director (Key Management Personnel)

Mr. Tarun Sawhney (TS) – Relative of the Key Management Personnel

Kameni Upaskar Ltd (KUL) – Company in which Key Management Personnel or their relatives have substantial interest/ significant influence

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

(₹ in Million)

S. No.	Nature of Transaction	TEIL	GETL	DMS	NS	TS	KUL	Total
1	Sales and rendering of services	26.94	22.35	-	-	-	-	49.29
		(2.80)	(-)	(-)	(-)	(-)	(-)	(2.80)
2	Purchase of goods and receiving of services	366.27	-	-	-	-	-	366.27
		(219.45)	(-)	(-)	(-)	(-)	(-)	(219.45)
3	Sales of fixed assets	-	-	-	-	-	-	-
		(2.22)	(-)	(-)	(-)	(-)	(-)	(2.22)
4	Rent paid	2.45	-	-	-	-	-	2.45
		(1.07)	(-)	(-)	(-)	(-)	(-)	(1.07)
5	Unsecured loan taken	233.67	-	-	-	-	-	233.67
		(250.36)	(-)	(-)	(-)	(-)	(-)	(250.36)
6	Expenses incurred by the party on behalf of the Company/(-) by the Company on behalf of the party - net	42.79	-	-	-	-	0.07	42.86
		(69.24)	(-0.13)	(-)	(-)	(-)	(-)	(69.11)
7	Interest paid	12.36	-	-	-	-	-	12.36
		(8.75)	(-)	(-)	(-)	(-)	(-)	(8.75)
8	Remuneration	-	-	19.76	15.42	-	-	35.18
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
9	Sellling commission received	1.36	-	-	-	-	-	1.36
		(7.53)	(-)	(-)	(-)	(-)	(-)	(7.53)
10	Investment in shares	-	45.00	-	-	-	-	45.00
		(-)	(9.50)	(-)	(-)	(-)	(-)	(9.50)
11	Rent received	-	5.10	-	-	-	-	5.10
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
12	Directors' fee paid	-	-	-	-	0.02	-	0.02
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
13	Refund against amount received on behalf of the party	-	-	-	5.00	-	-	5.00
		(-)	(-)	(-)	(-)	(-)	(-)	(-)
14	Outstanding balances as at year end							
	A Receivable	-	0.02	-	-	-	-	0.02
		(-)	(0.13)	(-)	(-)	(-)	(-)	(0.13)
	B Payable	41.68	13.53	0.73	0.16	-	-	56.10
		(272.91)	(-)	(-)	(-)	(-)	(-)	(272.91)

Figures in brackets pertain to the previous year.

37. a) Derivatives outstanding as at the balance sheet date

(₹ in Million)

Forward Contract to Sell	Purpose
1. US$ 1,050,000 (₹ 53.24 Million) [Prev. Yr.: US $ 4,150,000 (₹ 183.55 Million)]	Hedging of export receivables and highly probable forecast transactions.
2. Euro 1,550,000 (₹ 104.53 Million) [Prev. Yr.: Euro 1,950,000 (₹ 121.60 Million)]	Hedging of export receivables and highly probable forecast transactions.
3. GBP 750,000 (₹ 60.57 Million) [Prev. Yr.: Nil (₹ Nil)]	Hedging of highly probable forecast transactions.

b) Particulars of unhedged foreign currency exposures as at the balance sheet date

Import trade payable

1. US$ 602,747 (₹ 31.06 Million) [Prev. Yr. : US$ 262,655 (₹ 1.18 Million)]
2. Euro 175,333 (₹ 12.11 Million) [Prev. Yr. : Euro 314,482 (₹ 20.12 Million)]
3. CHF 20,845 (₹ 1.20 Million) [Prev. Yr. : CHF 29,500 (₹ 1.46 Million)]
4. GBP 88,246 (₹ 7.29 Million) [Prev. Yr. : GBP 16,537 (₹ 1.20 Million)]
5. JPY 19,607,878 (₹ 12.39 Million) [Prev. Yr. : JPY 33,187,484 (₹ 18.20 Million)]

Export trade receivable

1. US$ Nil (₹ Nil) [Prev. Yr. : US$ 34,661 (₹ 1.53 Million)]
2. Euro Nil (₹ Nil) [Prev. Yr.: Euro 24,711 (₹ 1.54 Million)]

38. The Company has incurred an expenditure of ₹ 42.78 Million (₹ 20.10 Million) including capital expenditure of ₹ 6.93 Million (₹ 3.72 Million) in respect of research and development activities.

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

i) Defined Contribution Plans

(₹ in Million)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
i) Employer's contribution to employees' provident fund scheme	20.02	8.28
ii) Employer's contribution to employees' state insurance scheme	1.39	0.67
iii) Employer's contribution to superannuation scheme	6.83	2.97

ii) Defined Benefit Plans

Change in present value of obligation

(₹ in Million)

Particulars	Gratuity (un-funded)		Compensated absence (un-funded)	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Present value of obligation as at the beginning of the year	58.48	-	21.82	-
Obligation acquired pursuant to the Scheme of Arrangement	-	58.32	-	19.59
Interest cost	4.82	2.40	1.80	0.81
Current service cost	4.88	2.00	4.37	1.57
Benefits paid	(12.85)	(3.06)	(2.42)	(0.64)
Actuarial (gain)/loss on obligation	2.17	(1.18)	(5.13)	0.49
Present value of obligation as at the end of the year	57.50	58.48	20.44	21.82

Amounts recognised in balance sheet

(₹ in Million)

Particulars	Gratuity (un-funded)		Compensated absence (un-funded)	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Present value of obligation as at the end of the year	57.50	58.48	20.44	21.82
Funded status/ difference	(57.50)	(58.48)	(20.44)	(21.82)
Net assets/(liability) recognised in the balance sheet	(57.50)	(58.48)	(20.44)	(21.82)

Amounts recognised in the statement of profit & loss

(₹ in Million)

Particulars	Gratuity (un-funded)		Compensated absence (un-funded)	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Current service cost	4.88	2.00	4.37	1.57
Interest cost	4.83	2.40	1.80	0.81
Expected return on plan assets	-	-	-	-
Net actuarial (gain)/loss recognised during the year	2.17	(1.18)	(5.12)	0.49
Expenses recognised in the statement of profit & loss	11.88	3.22	1.05	2.87

Experience adjustment

(₹ in Million)

Particulars	Gratuity				Compensated absences			
	31.03.12	31.03.11	31.03.10	31.03.09	31.03.12	31.03.11	31.03.10	31.03.09
Defined benefit obligation	57.50	58.48	-	0.51	20.44	21.82	-	0.98
Fair value of Plan Assets	-	-	-	-	-	-	-	-
Surplus/(deficit)	(57.50)	(58.48)	-	(0.51)	(20.44)	(21.82)	-	(0.98)
Experience adjustment on Plan Liabilities	(2.17)	1.18	-	0.18	5.12	0.49	-	0.30
Experience adjustment on Plan Assets	-	-	-	-	-	-	-	-

Major actuarial assumptions

(₹ in Million)

Particulars	Gratuity		Compensated absences	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Discounting rate	8.25%	8.25%	8.25%	8.25%
Future salary increase	5.50%	5.50%	5.50%	5.50%
Expected rate of return on plan assets	-	-	-	-
Mortality table	LIC (1994-96)			
Method used	Projected unit credit method			

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

40. Statement of Additional Information :

(₹ in Million)

Particulars	2011-12	2010-11
1. **a) Value of imports on CIF basis :**		
i) Raw materials	212.17	126.47
ii) Components & spare parts	3.67	3.61
iii) Capital goods	90.42	33.56
b) Expenditure in foreign currency		
i) Travelling	10.32	4.01
ii) Royalty	1.62	1.41
iii) Selling commission	9.30	4.56
iv) Erection and commissioning	10.60	-
v) Engineering services	5.35	-
vi) Others	8.34	5.28
c) Earnings in foreign currency		
i) Exports of goods on F.O.B. basis	799.67	332.47
ii) Service charges	33.44	16.06
iii) Selling commission	2.18	3.13

d) Consumption of raw material, spare parts and components

Particulars	2011-2012		2010-2011	
	(₹ in Million)	(%)	(₹ in Million)	(%)
i) Raw Material				
- Directly imported	166.92	4.49%	88.81	4.44%
- Indigenous	3,550.41	95.51%	1,911.30	95.56%
Total	**3,717.33**	**100.00%**	**2,000.11**	**100.00%**
ii) Components & Spare Parts				
- Directly imported	-	-	-	-
- Indigenous	111.02	100.00%	66.17	100.00%
Total	**111.02**	**100.00%**	**66.17**	**100.00%**

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

(₹ in Million)

S. No.	Particulars	Statutory auditors Year ended 31.03.2012	Statutory auditors Year ended 31.03.2011	Branch auditors Year ended 31.03.2012	Branch auditors Year ended 31.03.2011
1.	Audit fee	0.19	0.12	0.35	0.17
2.	Tax audit fee	0.07	0.06	0.24	0.12
3.	Limited review audit	0.12	-	0.16	-
4.	Certification charges	0.37	-	0.24	0.16
5.	Consultancy fees	0.05	-	-	-
6.	Out of pocket expenses	0.00	-	0.59	0.37
Total		**0.80**	**0.18**	**1.58**	**0.82**

42. In view of the vesting of the turbine business in the Company with effect from October 1, 2010 under the Court approved Scheme of Arrangement, the figures for the financial year ended March 31, 2011 include the operations of the turbine business for a period of six months. Accordingly, the performance for the current year is not comparable with that of the earlier year.

	Dhruv M. Sawhney	**Lt.Gen.K.K.Hazari (Retd)**	**Rajiv Sawhney**	**Deepak Kumar Sen**
Place : Noida (U.P.)	Chairman &	Director & Chairman	Company	General Manager
Date : May 07, 2012	Managing Director	Audit Committee	Secretary	& CFO

Auditors' Report

To the Board of Directors of Triveni Turbine Limited

1. We have audited the attached Consolidated Balance Sheet of Triveni Turbine Limited Group, as at 31st March 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 Turbine 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 GE Triveni Ltd, included in the Consolidated Financial Statements which constitute total assets of ₹ 122.40 Million as at March 31, 2012, total revenue of ₹ 1.42 Million, net loss of ₹ 32.19 Million and net cash flows amounting to (₹ 16.27 Million) for the year then ended. The financial statements of GE Triveni Ltd 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 report that the consolidated financial statements have been prepared by the Triveni Turbine Limited's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and on the basis of the separate audited financial statements of the Company and its subsidiary for the year ended 31st March 2012 included in the consolidated financial statements.

5. 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 and its subsidiary, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India;

   a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the group as at 31st March, 2012;

   b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the group for the year ended on that date and

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

For and on behalf of

J. C. Bhalla & Company
Chartered Accountants
FRN : 001111N

Sudhir Mallick
Partner
Membership No.80051

Place : Noida (U.P.)
Date : May 07, 2012

Consolidated Balance Sheet as at 31st March 2012

(₹ in Million)

Particulars	Note No	31.03.2012	31.03.2011
I EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share capital	2	357.88	357.88
Reserves and surplus	3	290.64	(331.48)
		648.52	**26.40**
2. Minority interest		**37.95**	**9.05**
3. Non current liabilities			
Long-term borrowings	4	167.03	462.19
Deferred tax liabilities (net)	5	70.88	58.19
Long-term provisions	6	80.02	78.78
		317.93	**599.16**
4. Current liabilities			
Short-term borrowings	7	4.48	125.19
Trade payables	8	728.39	908.89
Other current liabilities	9	1,100.96	1,548.26
Short-term provisions	6	378.70	242.59
		2,212.53	**2,824.93**
Total		**3,216.93**	**3,459.54**
II ASSETS			
1. Non-current assets			
Fixed assets			
i) Tangible assets	10	1,206.93	1,174.57
ii) Intangible assets	11	59.14	33.10
iii) Capital work-in-progress		1.13	1.65
iv) Intangible assets under development		-	0.35
Long-term loans and advances	12	112.19	68.48
Other non-current assets	17	-	0.02
		1,379.39	**1,278.17**
2. Current assets			
Current investments	13	100.01	-
Inventories	14	791.07	959.62
Trade receivables	15	646.15	1,064.59
Cash and bank balances	16	146.29	30.44
Short-term loans and advances	12	146.11	121.76
Other current assets	17	7.91	4.96
		1,837.54	**2,181.37**
Total		**3,216.93**	**3,459.54**
Summary of Significant Accounting Policies	1		

The accompanying Notes are an integral part of the 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 : May 07, 2012

Dhruv M. Sawhney	**Lt.Gen.K.K.Hazari (Retd)**	**Rajiv Sawhney**	**Deepak Kumar Sen**
Chairman & Managing Director	Director & Chairman Audit Committee	Company Secretary	General Manager & CFO

Consolidated Statement of Profit & Loss for the year ended 31st March 2012

(₹ in Million)

Particulars	Note No	31.03.2012	31.03.2011
Continuing operations			
INCOME			
Revenue from operations (gross)	18	6,619.52	3,152.74
Less : Excise duty		320.99	102.28
Revenue from operations (net)		6,298.53	3,050.46
Other Income	19	43.66	26.34
Total revenue		**6,342.19**	**3,076.80**
EXPENSES			
Cost of raw material and components consumed	20	3,717.33	2,000.11
(Increase)/decrease in inventories of finished goods and work-in-progress	21	110.26	(117.08)
Employee benefit expenses	22	468.41	195.36
Other expenses	23	535.33	281.93
Total		**4,831.33**	**2,360.32**
Earnings before interest,tax,depreciation and amortisation (EBITDA)		**1,510.86**	**716.48**
Depreciation and amortisation expenses	24	118.78	58.77
Finance costs	25	95.93	47.13
Profit/(loss) before extraordinary items and tax		**1,296.15**	**610.58**
Extraordinary items		-	559.82
Profit/(loss) before tax		**1,296.15**	**50.76**
Tax expenses			
Current tax		425.80	77.82
Deferred tax		12.69	46.63
Profit/(loss) after tax from continuing operations (A)		**857.66**	**(73.69)**
Discontinued operations			
Profit/(loss) from discontinued operations before tax	26	0.26	(1.30)
Tax expense for discontinued operations		0.08	(0.43)
Profit/(loss) from discontinued operations after tax (B)		**0.18**	**(0.87)**
Profit/(loss) for the year before Minority interest (A+B)		**857.84**	**(74.56)**
Less: Minority interest		(16.10)	(0.95)
Profit/(loss) for the year after Minority interest		**873.94**	**(73.61)**
Earning per equity share of ₹ 1/- each	27		
Basic & Diluted (in ₹) - before extraordinary items		2.64	2.27
Basic & Diluted (in ₹) - after extraordinary items		2.64	(0.34)
Summary of Significant Accounting Policies	1		

The accompanying Notes are an integral part of the financial statements.
This is the Consolidated Statement of Profit & 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 : May 07, 2012

Dhruv M. Sawhney
Chairman &
Managing Director

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

Rajiv Sawhney
Company
Secretary

Deepak Kumar Sen
General Manager
& CFO

Consolidated Cash Flow Statement for the year ended 31st March 2012

(₹ in Million)

	Particulars	31.3.2012	31.3.2011
A	**Cash Flow from Operating Activities**		
	Profit before tax from continuing operations	1,296.15	610.58
	Profit before tax from discontinued operations	0.26	(1.30)
	Profit before tax	**1,296.41**	**609.28**
	Non-cash adjustment to reconcile profit before tax to net cash flows		
	Depreciation / amortisation on continuing operations	118.78	58.77
	Depreciation / amortisation on discontinued operations	0.02	0.09
	Impairment / other write off on tangible / intangible assets		
	pertaining to discontinued operations	-	0.28
	Loss / (profit) on sale of fixed assets	0.82	0.07
	Provision for diminution in value of investments (current investments)	0.08	-
	Net gain on sale of current investments	(0.06)	-
	Interest Expense	95.93	47.13
	Interest Income	(6.07)	(1.35)
	Dividend Income	(0.85)	-
	Operating profit before working capital changes	**1,505.06**	**714.27**
	Movements in working capital :		
	Increase / (decrease) in trade payables	(180.50)	54.83
	Increase / (decrease) in long term provisions	1.24	1.40
	Increase / (decrease) in short term provisions	26.10	(5.26)
	Increase / (decrease) in other current liabilities	(342.45)	(89.00)
	Decrease / (increase) in trade receivables	418.46	(356.54)
	Decrease / (increase) in inventories	168.55	(117.24)
	Decrease / (increase) in long-term loans and advances	6.10	(18.41)
	Decrease / (increase) in short-term loans and advances	(15.54)	21.50
	Decrease / (increase) in other current assets	(2.65)	(1.66)
	Cash generated from / (used in) operations	**1,584.37**	**203.89**
	Direct taxes paid (net of refunds)	(398.54)	(88.27)
	Net cash flow from / (used in) operating activities (A)	**1,185.83**	**115.62**
B	**Cash Flow from Investing Activities**		
	Purchase of fixed assets (including intangible assets, CWIP	(227.61)	(66.47)
	and capital advances)		
	Proceeds from sale of fixed assets	0.66	4.49
	Purchase of current investments	(326.78)	-
	Proceeds from sale / maturity of current inestments	226.74	-
	Investments in bank deposits (having original maturity of more than three months)	(32.00)	-
	Redemption / maturity of bank deposits (having original maturity of more than three months)	7.50	-
	Interest received	5.78	1.20
	Dividends received	0.85	-
	Net cash flow from / (used in) investing activities (B)	**(344.86)**	**(60.78)**

(₹ in Million)

	Particulars	31.3.2012	31.3.2011
C	**Cash Flow from Financing Activities**		
	Proceeds from issuance of share capital	45.00	10.50
	Repayment of long-term borrowings	(391.67)	(106.76)
	Repayment of short-term borrowings	(120.71)	30.60
	Interest paid	(104.43)	(39.30)
	Dividend paid on equity shares	(148.28)	-
	Tax on equity dividend paid	(24.08)	-
	Net cash flow from / (used in) financing activities (C)	**(744.17)**	**(104.96)**
	Net increase / (decrease) in cash and cash equivalents (A + B+ C)	96.80	(50.12)
	Cash and cash equivalents at the beginning of the year	24.82	2.54
	Cash and cash equivalents acquired on vesting of Turbine Business	-	72.40
	Cash and cash equivalents at the end of the year	**121.62**	**24.82**
	Components of cash and cash equivalents		
	Cash on hand	1.58	1.60
	Cheques / drafts on hand	5.00	-
	Balances with banks :		
	on current account	15.04	23.22
	on deposit account	100.00	-
	Total cash and cash equivalents	**121.62**	**24.82**

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 : May 07, 2012

Dhruv M. Sawhney
Chairman &
Managing Director

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

Rajiv Sawhney
Company
Secretary

Deepak Kumar Sen
General Manager
& CFO

Notes to Financial Statements for the year ended 31st March 2012

1. **Significant Accounting Policies**

   a) **Basis and Principles of Consolidation**

      i) The consolidated financial statements have been prepared on a going concern basis in accordance with Accounting Standard (AS) 21 Consolidated Financial Statements.

      ii) The consolidated financial statements comprise the financial statements of Triveni Turbine Ltd (Holding Company) incorporated in India and its subsidiary incorporated in India, namely GE Triveni Limited in which it holds fifty percent +1 equity shares of the total paid up capital.

      iii) The consolidated financial statements have been prepared based on a line-by-line consolidation using uniform accounting policies. The effects of inter- company transactions are eliminated in consolidation.

   b) **Basis of Preparation**

      These financial statements have been prepared on the accrual basis of accounting under the historical cost convention and to comply in all material respects with the accounting standards notified under section 211 (3C) and other relevant provisions of the Companies Act, 1956.

   c) **Adoption of revised Schedule VI of the Companies Act, 1956**

      For the year ended 31st March, 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 product, i.e., manufacture and supply of turbine package, the Company has considered a period of 12 months for the purpose of determination of classification between current and non-current assets and liabilities.

   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/ materialise.

   e) **Fixed Assets**

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

   f) **Recognition of Revenue**

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

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

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

      Income and expenditure relating to prior periods and prepaid expenses which do not exceed ₹ 10,000/- in each case, are treated as income/expenditure of the current year.

   g) **Foreign Currency Transactions**

      i) Transactions denominated in foreign currencies are recorded at exchange rates prevailing on the dates of the transactions.

      ii) Foreign currency monetary items (including forward contracts) are translated at year end rates. Exchange differences arising on settlement of transactions and translation of monetary items (including forward contracts) are recognised as income or expense in the year in which they arise.

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

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

h) Investments

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

i) Inventories

i) Inventories of raw materials and components, stores and spares are valued at the lower of cost and net realisable value. Cost for the purpose of valuation of inventories is determined on a weighted average basis.

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

iii) Patterns, loose tools, jigs and fixtures are amortised equally over three years.

j) Depreciation

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

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

k) Employee Benefits

i) Short term Employee Benefits

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

ii) Post-employment benefits

a) Defined contribution plans: The Company's contribution under the employees provident fund scheme and employees' state insurance scheme are defined contribution plans. The contributions paid/payable under the schemes is recognised during the period in which the employees render the related service.

b) Defined benefit plans: The employees' gratuity fund scheme is Company's defined benefit plan. The present value of the obligation under this defined benefit plan is determined based on the actuarial valuation using the Projected Unit Credit method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

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

iii) Other long-term employee benefits

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

l) Borrowing Costs

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

m) Intangible Assets

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

Particulars	Period of amortisation
Computer Software	36 months
Website development cost	36 months
Design and Drawings	72 months
Technical know-how	Within Ten Years

n) Impairment of Assets

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

o) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised, if;

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

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

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

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

Contingent liability is disclosed in the case of

a) a present obligation arising from a past event, when it is dependent on the outcome of a process such as a legal process and it is not probable that an outflow of resources will be required to settle the obligation.

b) a possible obligation, dependent as stated in (a) above unless the probability of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed.

p) Research and Development

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

2 . Share Capital

(₹ in Million)

Particulars	31.03.2012	31.03.2011
AUTHORISED		
450,000,000 Equity Shares of ₹ 1/- each	450.00	450.00
5,000,000 8% Cumulative Redeemable Preference Shares of ₹ 10/- each	50.00	50.00
	500.00	**500.00**
ISSUED , SUBSCRIBED & FULLY PAID UP		
Equity		
329,880,150 (72,000,000) Shares of ₹ 1/- each	329.88	72.00
Equity Share Capital Suspense A/c (257,880,150 equity shares pending allotment.)	-	257.88
Preference		
2,800,000 (Nil) 8% Cumulative Redeemable Preference Shares of ₹ 10/- each	28.00	-
Preference Share Capital Suspense A/c (2,800,000 preference shares pending allotment)	-	28.00
	357.88	**357.88**

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

Equity Shares

Particulars	As at 31.03.2012		As at 31.03.2011	
	No of Shares	₹ in Million	No of Shares	₹ in Million
At the beginning of the period	72,000,000	72.00	100,000,000	100.00
Add : Shares allotted to shareholders of Triveni Engineering & Industries Limited in the ratio 1:1 in accordance with the Scheme of Arrangement.	257,880,150	257.88	-	-
Less: Shares Converted into Preference Share Capital in accordance with the Scheme of Arrangement, (lying in Preference Share Capital Suspense A/c).	-	-	28,000,000	28.00
Outstanding at the end of the period	329,880,150	329.88	72,000,000	72.00

Preference Shares

Particulars	As at 31.03.2012		As at 31.03.2011	
	No of Shares	₹ in Million	No of Shares	₹ in Million
At the beginning of the period	-	-	-	-
Equity Shares converted into Preference Share Capital in accordance with the Scheme of Arrangement, (lying in Preference Share Capital Suspense A/c).	-	-	2,800,000	28.00
Add: Shares issued from Preference Share Capital Suspense A/c	2,800,000	28.00	-	-
Outstanding at the end of the period	2,800,000	28.00	-	-

b. Terms/rights attached to equity shares

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

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

c. Terms/rights attached to preference shares

As per the Scheme of Arrangement("Scheme")duly approved by Allahabad High Court vide order dated April 19, 2011, 28,000,000 equity shares of ₹ 1/- each fully paid up by Triveni Engineering & Industries Limited stood converted into 2,800,000 - 8% Cumulative Reedemable Preference Shares of ₹ 10/- each fully paid up. These Preference Shares carry cumulative dividend @8% p.a. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors subject to the approval of the shareholders in the ensuing Annual General Meeting. The Preference shares are redeemable at par at the end of 5 years from the date of allotment. However, the Company has an option to redeem these shares at any time after the end of 6 months from the date of allotment .The preference shareholders have a preference vis-à-vis equity shareholders with respect to any dividend that may be declared by the Company as well as with regard to redemption of capital in the event of liquidation.

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

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

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

Particulars	As at 31.03.2012		As at 31.03.2011	
	No of shares	% holding	No of shares	% holding
Equity Shares of ₹ 1/- each fully paid				
Triveni Engineering & Industries Limited	72,000,000	21.83	72,000,000	100
Dhruv M. Sawhney	36,124,645	10.95		
Nalanda India Fund Limited	25,788,000	7.82		
Umananda Trade & Finance Limited	20,157,589	6.11		
Rati Sawhney	18,824,914	5.71		
Tarnik Investments & Trading Limited	18,680,527	5.66		
8% Cumulative Redeemable Preference Shares of ₹10/- each fully paid				
Triveni Engineering & Industries Limited	2,800,000	100	28,000,000	100

3. Reserves and Surplus

General reserve (₹ in Million)

Particulars	31.03.2012	31.03.2011
Balance as per the last financial statements	-	-
Add: Amount transferred from consolidated statement of profit & loss	150.00	-
Closing balance	150.00	-

Surplus/(deficit) in the consolidated statement of profit and loss (₹ in Million)

Particulars	31.03.2012	31.03.2011
Balance as per the last financial statements	(331.48)	(257.87)
Add: Net profit/(loss) after tax transferred from consolidated statement of profit and loss	873.94	(73.61)
Amount available for appropriation (A)	542.46	(331.48)
Appropriations:		
Transfer to General reserve	150.00	-
Dividend on equity share (Interim)	148.45	-
Proposed dividend on preference share	2.24	-
Proposed dividend on equity share	65.98	-
Tax on equity dividend (Interim)	24.08	-
Tax on proposed equity and preference dividend	11.07	-
Total appropriations (B)	**401.82**	**-**
Net surplus/(deficit) in the consolidated statement of profit and loss (A-B)	**140.64**	**(331.48)**
Total reserves and surplus	**290.64**	**(331.48)**

4. Long-Term Borrowings

(₹ in Million)

Particulars	Non-Current Portion		Current Maturities	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Term loans from banks	162.97	349.63	190.80	231.88
Other loans				
Vehicle loans	4.06	-	0.85	-
Loan from Triveni Engineering & Industries Limited (Related Party)	-	112.56	-	56.28
	167.03	462.19	191.65	288.16
The above amount includes				
Secured loans	167.03	349.63	191.65	231.88
Unsecured loans	-	112.56	-	56.28
	167.03	462.19	191.65	288.16
Less: Amount disclosed under the head "other current liabilities" (Refer Note No 9)	-	-	(191.65)	(288.16)
	167.03	**462.19**	-	-

Details of Securities and other terms :-

Name of the Bank/Others	Total loan outstanding	Repayment terms of loan outstanding	Rate of Interest	Nature of Security
1. Canara Bank	24.80 (41.34)	6 (10) equal quarterly instalments.	12.50%	These loans were transferred pursuant to a scheme of arrangement, as approved by Honourable High Court of Allahabad vide order dated 19.04.2011.The necessary formalities of creating security against assets of the company is in progress. Pending completion of the formalities, these loans remained secured against assets of Triveni Engeneering and Industries Limited. (Demerged Company)
2. Bank of Maharashtra	43.75 (68.75)	7(11) equal quarterly instalments.	11.90%	
3. Central Bank of India	178.53 (238.01)	9 (12) equal quarterly instalments.	12.50%	
4. Kotak Mahindra Bank Ltd	102.55 (170.91)	6 (10) equal quarterly instalments.	11.75%	
5. State Bank of Patiala	- (62.50)	(2) equal quarterly instalments.	11.75%	
6. Axis Bank (Vehicle loan)	4.14 (-)	39 equated monthly instalments.	9.90%	Hypothecation of vehicles.
7. Kotak Mahindra Prime Ltd (Vehicle loan)	4.91 (-)	36 to 48 equated monthly instal-ments.	9.93% to 10.04%	Hypothecation of vehicles.
8. Triveni Engineering & Industries Limited	- (168.84)	(12) equal quarterly instalments with the provision of accelerated payment at the discretion of the Company, tranchwise.	10% to 11%	Unsecured

Figures in brackets relate to previous year.

5. Deferred Tax Liabilities

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Deffered Tax Liabilities:		
Difference in net book value of fixed assets as per books and tax laws	136.29	123.16
Deferred Tax Assets :		
Expenses allowable on a payment basis	29.45	28.56
Others	35.96	36.41
Net Deferred Tax Liabilities	**70.88**	**58.19**

6. Provisions

(₹ in Million)

Particulars	Long-term		Short-term	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Provisions for Employee Benefits				
Provision for gratuity (Refer Note No 38)	48.31	45.08	9.34	13.40
Provision for compensated absences (Refer Note No 38)	15.77	17.36	5.88	6.01
Other provisions				
Proposed dividend	-	-	68.22	-
Tax on proposed dividend	-	-	11.07	-
Provision for warranties	15.94	16.34	35.03	28.26
Provision for liquidated damages	-	-	72.93	81.76
Provision for cost to completion	-	-	141.30	112.90
Provision for mark to market loss in foreign currency derivatives	-	-	4.05	0.09
Provision for tax [net of advance tax ₹ 396.99 Million (₹ 0.03 Million) & includes wealth tax ₹ 0.08 Million (₹ Nil)]	-	-	30.88	0.17
	80.02	**78.78**	**378.70**	**242.59**

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

Movement in provisions

(₹ in Million)

Particulars of disclosure	Nature of provisions		
	Warranty	Liquidated Damages	Cost to Completion
Opening balance	44.60 (-)	81.76 (-)	112.90 (-)
Acquired pursuant to scheme of arrangement	- (43.29)	- (91.12)	- (113.36)
Provision made during the year	34.63 (16.34)	- (27.65)	49.90 (74.80)
Provision used during the year	13.50 (3.62)	3.02 (0.41)	21.50 (75.26)
Provision no longer required reversed	14.76 (11.41)	5.81 (36.59)	- (-)
Closing Balance	50.97 (44.60)	72.93 (81.76)	141.30 (112.90)

Figures in brackets relate to previous year.

Nature of provisions

Warranties: The Company gives warranties on certain products and services, undertaking to repair the items that fail to perform satisfactorily during the warranty period. Provisions made as at March 31,2012 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.

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

Cost to completion: The provision represents costs of materials and services, including balancing of plant, required for integration of turbine package at site, prior to commissioning.

7. Short-Term Borrowings

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Cash credits from banks	4.48	35.20
Foreign currency loan		
- Buyer's credit	-	89.99
	4.48	**125.19**
The above amount includes		
Secured borrowings	4.48	35.20
Unsecured borrowings	-	89.99

Cash credit from banks is secured by pledge/hypothecation of the stock-in-trade, raw material, stores & spare parts, work-in-progress and receivables and a second charge on the fixed assets on a pari-passu basis.

8. Trade Payables

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Trade payables (Refer Note No 32 for details of dues to micro and small enterprises)	728.39	908.89
	728.39	**908.89**

9. Other Current Liabilities

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Current maturities of long term borrowings (Refer Note No 4)	191.65	288.16
Advance from customers	860.73	1,173.02
Deposits from customers	8.06	1.85
Interest accrued but not due on borrowings	0.08	0.71
Interest accrued and due on borrowings	-	7.88
Employee benefits & other dues	20.45	22.10
Indirect taxes & duties payable	0.02	1.37
Statutory dues relating to employees	5.72	3.55
Income tax deducted at source	7.19	9.11
Unpaid dividend	0.17	-
Other payables	6.89	40.51
	1,100.96	**1,548.26**

10. Tangible Assets

(₹ in Million)

Particulars	Land	Buildings	Plant & Machinery	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total
Gross block								
As at April 1, 2010	**-**	**-**	**-**	**-**	**0.13**	**1.31**	**0.31**	**1.75**
Acquired pursuant to the Scheme of Arrangement	36.42	332.57	964.51	17.36	44.83	5.74	49.15	1,450.58
Additions	-	0.92	48.82	0.03	0.22	1.56	4.33	55.88
Deductions	-	-	-	0.04	-	2.02	0.62	2.68
As at March 31, 2011	**36.42**	**333.49**	**1,013.33**	**17.35**	**45.18**	**6.59**	**53.17**	**1,505.53**
Additions	-	0.64	111.44	1.37	2.62	17.30	4.09	137.46
Deductions	-	0.38	7.92	0.02	-	-	2.27	10.59
As at March 31, 2012	**36.42**	**333.75**	**1,116.85**	**18.70**	**47.80**	**23.89**	**54.99**	**1,632.40**
Depreciation								
As at April 1, 2010	**-**	**-**	**-**	**-**	**0.12**	**0.37**	**0.24**	**0.73**
Acquired pursuant to the Scheme of Arrangement	-	47.41	183.33	3.83	10.58	3.14	31.62	279.91
Charge for the year	-	5.39	41.40	0.43	1.31	0.33	2.90	51.76
Deductions	-	-	-	0.02	-	0.90	0.52	1.44
As at March 31, 2011	**-**	**52.80**	**224.73**	**4.24**	**12.01**	**2.94**	**34.24**	**330.96**
Charge for the year*	-	10.82	82.33	0.82	2.72	1.16	6.12	103.97
Deductions	-	0.18	7.19	2.09	-	-	-	9.46
As at March 31, 2012	**-**	**63.44**	**299.87**	**2.97**	**14.73**	**4.10**	**40.36**	**425.47**
Net Block								
As at March 31, 2011	**36.42**	**280.69**	**788.60**	**13.11**	**33.17**	**3.65**	**18.93**	**1,174.57**
As at March 31, 2012	**36.42**	**270.31**	**816.98**	**15.73**	**33.07**	**19.79**	**14.63**	**1,206.93**

* Includes depreciation amounting to ₹ 0.02 Million (₹ 0.09 Million) on assets pertaining to a discontinued business. (Refer Note No 26)

11. Intangible Assets

(₹ in Million)

Particulars	Computer Software	Website	Design & Drawings	Technical know-how	Total
Gross block					
As at April 1, 2010	**0.09**	**-**	**-**	**4.87**	**4.96**
Acquired pursuant to the Scheme of Arrangement	79.37	-	43.16	-	122.53
Additions	5.98	-	3.10	-	9.08
Disposals	-	-	-	4.87	4.87
As at March 31, 2011	**85.44**	**-**	**46.26**	**-**	**131.70**
Additions	9.91	0.65	4.57	25.74	40.87
Disposals	-	-	-	-	-
As at March 31, 2012	**95.35**	**0.65**	**50.83**	**25.74**	**172.57**
Amortisation					
As at April 1, 2010	**0.09**	**-**	**-**	**4.87**	**4.96**
Acquired pursuant to the Scheme of Arrangement	69.33	-	22.08	-	91.41
Charge for the year	4.35	-	2.75	-	7.10
Disposals	-	-	-	4.87	4.87
As at March 31, 2011	**73.77**	**-**	**24.83**	**-**	**98.60**
Charge for the year	7.54	0.04	5.74	1.51	14.83
Disposals	-	-	-	-	-
As at March 31, 2012	**81.31**	**0.04**	**30.57**	**1.51**	**113.43**
Net Block					
As at March 31, 2011	**11.67**	**-**	**21.43**	**-**	**33.10**
As at March 31, 2012	**14.04**	**0.61**	**20.26**	**24.23**	**59.14**

12. Loans and Advances

(₹ in Million)

Particulars		Long-term		Short-term	
		31.03.2012	31.03.2011	31.03.2012	31.03.2011
Capital advances					
Unsecured, considered good		76.40	14.57	-	-
	(A)	**76.40**	**14.57**	**-**	**-**
Security deposit					
Unsecured, considered good		2.15	2.15	2.40	2.22
	(B)	**2.15**	**2.15**	**2.40**	**2.22**
Other loans and advances					
Unsecured, considered good					
Prepaid expenses		2.08	2.34	11.91	9.12
Loans to employees		-	-	2.41	2.17
Advances to suppliers		5.37	10.85	71.38	80.21
Service tax recoverable		-	-	7.75	8.94
Excise duty (Cenvat Balance)		-	-	13.58	9.52
Earnest money deposit		-	-	2.28	4.35
Works contract tax recoverable		-	-	0.55	0.55
Advance payment of tax [net of provision for tax of ₹ 79.07 Million (Previous year ₹ 77.78 Million)]		0.09	11.55	14.82	-
VAT recoverable		-	-	16.43	-
Excise duty recoverable		25.87	26.69	0.76	-
Others		0.23	0.33	1.84	4.68
Unsecured, Considered doubtful					
Advances to suppliers		-	0.10	-	-
Others		-	0.81	-	-
		33.64	**52.67**	**143.71**	**119.54**
Less: Provision for doubtful loans and advances		-	0.91	-	-
	(C)	**33.64**	**51.76**	**143.71**	**119.54**
	Total(A+B+C)	**112.19**	**68.48**	**146.11**	**121.76**

13. Current Investments (unquoted)- (at lower of cost or fair value)

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Investment in liquid mutual funds	100.01	-
	100.01	**-**
Aggregate value of unquoted investments	**100.01**	**-**

Current investments held in liquid mutual fund units as at March 31, 2012 are as follows :

(₹ in Million)

	Units	Amount
- Birla Sun Life Cash Plus - Institutional Premium Daily Dividend	499,146.065	50.01
- IDFC-Cash Fund-Institutional Plan B-Weekly Dividend	49,984.251	50.08
		100.09
Less: Provision for diminution in value of current investment		0.08
		100.01

There were no investments in liquid mutual fund units as at March 31,2011

14. Inventories

(₹ in Million)

Particulars	31.03.2012	31.03.2011
(valued at lower of cost and net realisable value)		
Raw material and components (includes stock in transit ₹ 6.13 Million (₹ 7.40 Million)	315.37	371.80
Work-in-progress	457.86	568.12
Stores and spares	0.74	0.58
Patterns	8.27	8.05
Tools, jigs and fixtures	8.75	10.66
Others	0.08	0.41
	791.07	**959.62**

15. Trade Receivables

(₹ in Million)

Particulars	Non-Current		Current	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Over Six Months				
Secured - considered good	-	-	-	-
Unsecured-considered good	-	0.02	209.59	119.00
Considered doubtful	-	0.18	21.92	23.14
	-	0.20	231.51	142.14
Less : Provision for doubtful debts	-	0.18	21.92	23.14
(A)	**-**	**0.02**	**209.59**	**119.00**
Others				
Secured-considered good	-	-	-	-
Unsecured-considered good	-	-	436.56	945.59
(B)	**-**	**-**	**436.56**	**945.59**
Total (A+B)	**-**	**0.02**	**646.15**	**1,064.59**
Amount disclosed under other non current assets (Refer Note No 17)	-	(0.02)	-	-
	-	**-**	**646.15**	**1,064.59**
Trade receivables includes dues from subsidiary company	-	-	0.02	0.13

16. Cash and Bank Balances

(₹ in Million)

Particulars	Non-Current		Current	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Cash and cash equivalents				
Balance with banks				
Current accounts	-	-	15.04	23.22
Demand deposits (original maturity of less than three months)	-	-	100.00	-
Cheques /drafts on hand	-	-	5.00	-
Cash on hand	-	-	1.58	1.60
(A)	**-**	**-**	**121.62**	**24.82**
Other bank balances				
Margin money deposit	-	-	-	5.62
Deposits with original maturity of more than three months but less than 1 year	-	-	24.50	-
Unpaid dividend account	-	-	0.17	-
(B)	**-**	**-**	**24.67**	**5.62**
Total (A+B)	**-**	**-**	**146.29**	**30.44**

17. Other Assets

(₹ in Million)

Particulars	Non-Current		Current	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Non current trade receivables (Refer Note No15)	-	0.02	-	-
Interest accrued on margin money	-	-	-	0.72
Interest accrued on fixed deposits	-	-	1.02	-
Duty drawback receivable	-	-	6.89	4.24
	-	**0.02**	**7.91**	**4.96**

18. Revenue from Operations

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Sale of products		
Finished goods		
Turbines	5,464.04	2,678.35
Spares	743.47	315.17
Sale of services		
Erection and commissioning	71.70	6.25
Servicing	272.97	102.78
Operation and maintenance	59.26	38.16
Other operating revenue		
Sale of scrap	4.67	2.07
Selling commission	3.41	9.96
Technical know-how fee	-	-
	6,619.52	**3,152.74**

19. Other Income

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Discount received from suppliers	1.33	1.50
Sale of empties	0.04	0.03
Exchange fluctuation gain on foreign currency forward contracts	9.38	5.71
Rent received	0.02	0.01
Interest income		
Bank Deposits	5.81	0.24
Customers	0.26	1.11
Dividend from current investment	0.85	-
Profit on sale of current investment	0.06	-
Provision of liquidated damages reversed (Net) (Refer Note No 6)	5.81	8.95
Provision for doubtful debts & advances written back	1.22	0.72
Customs duty drawback	9.37	3.13
Credit balances written back	1.82	-
Discount received on foreign currency forward contracts	7.69	4.94
	43.66	**26.34**

20. Material Consumed

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Stock at commencement	371.80	-
Acquired pursuant to Scheme of Arrangement	-	368.16
Purchases	3,660.90	2,003.75
	4,032.70	2,371.91
Less: Stock at close	315.37	371.80
	3,717.33	**2,000.11**
Details of raw material and components consumed		
Iron and steel	36.34	19.84
Castings and forgings	255.22	162.62
Alternator, panels and other direct bought out items	1,761.08	915.70
Pumps	30.79	14.40
Bearings	59.80	36.83
Couplings	50.03	23.12
Governor and assembly items	111.19	60.93
Instruments	42.29	26.19
Gear box	214.49	118.18
Oil cooler	49.31	21.14
Base plate	62.68	29.14
Oil filters	19.74	12.61
Valves	29.75	19.81
Others	994.62	539.60
	3,717.33	**2,000.11**

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

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Stock at commencement		
- Work-in-progress (turbines)	568.12	-
Acquired pursuant to Scheme of Arrangement		
- Work-in-progress (turbines)	-	432.82
- Finished goods (turbines)	-	18.22
	568.12	451.04
Stock at close		
- Work-in-progress (turbines)	457.86	568.12
	110.26	**(117.08)**

22. Employee Benefit Expenses

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Salaries, wages & bonus	392.64	162.87
Contributions to provident and other funds	30.42	12.55
Gratuity	11.88	3.23
Employee welfare	33.47	16.71
	468.41	**195.36**

23. Other Expenses

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Stores, spares and tools consumed	111.02	66.17
Power and fuel	15.59	7.50
Design and engineering charges	11.67	2.85
Repairs and maintenance		
- Machinery	5.65	5.08
- Building	3.44	2.12
- Others	7.95	4.09
Travelling and conveyance	87.00	37.39
Rent	5.91	3.26
Rates and taxes	5.59	0.97
Insurance	2.29	1.21
Directors' commission	4.00	-
Group shared service cost	43.88	37.48
Printing and stationery	8.23	2.56
Postage, telegram and telephone	12.11	3.59
VAT / service tax paid	1.00	1.25
Bank charges and guarantee commission	16.17	6.39
Provision for mark to market loss on foreign exchange derivatives	4.05	0.09
Bad debts / sundry amount written off	2.08	0.07
Warranty expenses (Refer Note No 6 for provision for warranty)	36.93	10.38
Payment to Auditors (Refer Note No 40)	2.51	0.93
Non moving /obsolete inventory written off	1.20	4.21
Loss on sale of assets	0.82	0.07
Packing and forwarding	56.30	24.98
Decrease in carrying amount of current investments	0.08	-
Miscellaneous expenses	89.86	59.29
	535.33	**281.93**

24. Depreciation and Amortisation Expenses

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Depreciation	103.95	51.67
Amortisation	14.83	7.10
	118.78	**58.77**

25. Finance Costs

(₹ in Million)

Particulars	31.03.2012	31.03.2011
Interest	87.09	43.27
Other borrowing cost	3.86	1.57
Exchange fluctuation loss on foreign currency forward contracts	0.06	0.82
Premium paid on foreign currency forward contracts	4.92	1.47
	95.93	**47.13**

26. The Company had exited the rural and semi-urban retail business and engineering business of design, supply and commissioning of specialised sugar manufacturing machineries during the previous financial year. The following statement shows the profit / (loss) on disposal of assets and settlement of liabilities relating to discontinued operations:

(₹ in Million)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Revenue		
Revenue from disposal of inventories (gross)	-	2.65
Other income (including provisions against expense and inventories written back)	1.60	1.74
Total revenue	**1.60**	**4.39**
Expenses		
Cost of inventories disposed	-	2.41
Bad debts/sundry amount written off	1.25	0.03
Loss on sale of assets	-	0.29
Provision for bad and doubtful debts and advances	-	0.47
Employee benefit expenses	-	0.31
Rent	-	1.02
Travelling and conveyance	-	0.10
Legal and professional fees	0.04	0.40
Miscellaneous expenses	0.03	0.52
Depreciation and amortisation	0.02	0.09
Finance cost	-	0.05
Total expenses	**1.34**	**5.69**
Profit/(loss) before tax from discontinued operations	0.26	(1.30)
Income tax (expense)/benefit	(0.08)	0.43
Profit/(loss) after tax	**0.18**	**(0.87)**

The net cash flows attributable to the discontinued operations are as follows:

(₹ in Million)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Operating activities	(0.11)	3.31
Investment activities	-	0.62
Financing activities	-	0.05
Net cash inflow/ (outflow)	**(0.11)**	**3.98**

27. Earnings Per Share (EPS)

(₹ in Million)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Net profit/(loss) after tax & minority interest	873.94	(73.61)
Less: Dividend on preference shares (including dividend distribution tax)	2.60	-
Adjusted net profit/(loss) after tax and preference dividend [A]	871.34	(73.61)
Add : Extraordinary items (net of tax)	-	559.82
Adjusted net profit/(loss) after tax and preference dividend but before extraordinary items [B]	871.34	486.21
Weighted average number of equity shares outstanding during the year [C]	329.88	214.62*
Basic and diluted EPS before extraordinary items [B/C] in ₹	2.64	2.27
Basic and diluted EPS after extraordinary items [A/C] in ₹	2.64	(0.34)

*Weighted average number of shares is determined taking into consideration the allotment of new equity shares and conversion of part of existing equity capital into preference capital in accordance with the Scheme of Arrangement, from the appointed date on 01.10.2010.

28. Contingent Liabilities (to the extent not provided for)

a) Claims against the Company not acknowledged as debts :

(₹ in Million)

S. No.	Particulars	Amount of Contingent Liability	Amount Paid
1	Excise duty	39.68 (39.45)	26.15 (26.15)
2	Service tax	12.80 (5.21)	- (-)
3	Others	2.08 (2.08)	- (-)
	Total	**54.56** **(46.74)**	**26.15** **(26.15)**

Excise duty: The outflow arising from these claims is uncertain. Such outflow, if any, will be after adjusting reimbursement of ₹ 8.06 Million received from customers (Previous year: likely reimbursement of ₹ 12.02 Million) in respect of central excise demand on account of denial of benefit under Notification No. 6/2000 issued by the Central Government under Section 5A(1) of the Central Excise Act,1944.

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

29. Estimated amount of contracts remaining to be executed on capital account and not provided for : ₹ 107.79 Million (₹ 72.34 Million) after adjusting advances paid amounting to ₹ 26.28 Million (₹ 14.45 Million). The Company has also made a commitment to purchase 25 acres of industrial land near Bangalore and paid ₹ 50.12 Million (₹ 0.12 Million) as advance. The total amount of commitment in this respect is not determinable as the allotment and price are yet to be finalised by Karnataka Industrial Areas Development Board.

30. Title to certain assets vested in the Company under the Scheme of Arrangement and arising out of business conducted till the date the Scheme became effective, could not be transferred to the name of the Company. Hence, these assets are being held in trust, by Triveni Engineering & Industries Ltd. The requisite duties, if any, on determination thereof by the Authorities, shall be paid and accounted for by the Company appropriately.

31. Pursuant to the Employee Stock Option Scheme (ESOP 2009) framed by Triveni Engineering & Industries Ltd. (demerged company), 2,00,000 stock options had been granted to certain eligible employees of the demerged company including certain employees of the demerged undertaking. The stock options were granted on April 30, 2010 at a grant price of ₹ 108.05 per option, at the then prevailing market price of the shares of the demerged company. The options had a graded vesting period – 50% after 12 months and the balance after 24 months from the date of grant and such options were to be exercised within 2 years from the date of vesting.

Consequent to the demerger of the Turbine Business (demerged undertaking) of the demerged company and vesting of such business in the Company, all the employees of the demerged undertaking have become employees of the Company. Pending receipt of necessary approvals/clarifications from the Securities and Exchange Board of India ("SEBI")/Bombay Stock Exchange/ National Stock Exchange under the SEBI Guidelines, to give effect to the entitlements to stock options as a result of the demerger, such options granted have not been considered or accounted for in the financial statements of the Company.

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

(₹ in Million)

S.No	Particulars	As on 31.03.2012	As on 31.03.2011
1	Amounts due to Micro and Small enterprises		
	i) Principal amount	23.46	27.10
	ii) Interest due on above	Nil	Nil
2	i) Principal amount paid after due date or appointed day during the year	Nil	Nil
	ii) Interest paid during the year on (i) above	Nil	Nil
3	Interest due & payable (but not paid) on principal amounts paid during the year after the due date or appointed day.	Nil	Nil
4	Total interest accrued and remaining unpaid	Nil	Nil
5	Further interest in respect of defaults of earlier years due and payable in current year upto the date when actually paid	Nil	Nil

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

33. i) The Company has taken various residential and office premises under operating leases. These are not non-cancellable and the unexpired period ranges between 6 months and 3 years and are renewable by mutual consent. The Company has given refundable interest-free security deposits under certain agreements.

a) Lease payments under operating leases of ₹ 5.91 Million (₹ 3.26 Million) are recognised in the statement of profit and loss under "Rent" in Note No 23.

b) There are no minimum future lease payments as there are no non-cancellable operating leases.

ii) The Company has also given certain portions of its office premises under cancellable operating lease. These leases are extendable by mutual consent and on mutually agreeable terms. The gross carrying amount, accumulated depreciation and depreciation recognised in the statement of profit and loss in respect of such 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.

Future minimum lease payments under non-cancellable leases are as under :

(₹ in Million)

Unexpired period of lease	Year ended 31.03.2012	Year ended 31.03.2011
Not later than one year	4.62	-
Later than one year but not later than five years	4.62	-
Later than five years	-	-

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

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

a) Related Party where control exists

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

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

Triveni Engineering & Industries Ltd (TEIL) – Investing company holding substantial interest.

Mr. Dhruv M. Sawhney (DMS) – Chairman & Managing Director (Key Management Person)

Mr. Nikhil Sawhney (NS) – Joint Managing Director (Key Management Person)

Mr. Tarun Sawhney (TS) – Relative of the Key Management Personnel

Kameni Upaskar Ltd (KUL) – Company in which Key Management Personnel or their relatives have substantial interest/significant influence

c) Details of Transactions with the Related Parties during the year:

(₹ in Million)

S. No.	Nature of Transaction	TEIL	DMS	NS	TS	KUL	Total
1	Sales and rendering of services	26.94 (2.80)	- (-)	- (-)	- (-)	- (-)	26.94 (2.80)
2	Purchase of goods and receiving of services	366.27 (219.45)	- (-)	- (-)	- (-)	- (-)	366.27 (219.45)
3	Sales of fixed assets	- (2.22)	- (-)	- (-)	- (-)	- (-)	- (2.22)
4	Rent paid	2.45 (1.07)	- (-)	- (-)	- (-)	- (-)	2.45 (1.07)
5	Unsecured loan taken	233.67 (250.36)	- (-)	- (-)	- (-)	- (-)	233.67 (250.36)
6	Expenses incurred by the party on behalf of the Company/ (-) by the Company on behalf of the party - net	42.79 (69.24)	- (-)	- (-)	- (-)	0.07 (-)	42.86 (69.24)
7	Interest paid	12.36 (8.75)	- (-)	- (-)	- (-)	- (-)	12.36 (8.75)
8	Remuneration	- (-)	19.76 (-)	15.42 (-)	- (-)	- (-)	35.18 (-)
9	Sellling commission received	1.36 (7.53)	- (-)	- (-)	- (-)	- (-)	1.36 (7.53)
10	Investment in shares	- (-)	- (-)	- (-)	- (-)	- (-)	- -
11	Rent received	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
12	Directors' fees paid	- (-)	- (-)	- (-)	0.02 (-)	- (-)	0.02 (-)
13	Refund against amount received on behalf of the party	- (-)	- (-)	5.00 (-)	- (-)	- (-)	5.00 (-)
14	**Outstanding balances as at year end** A Receivable	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
	B Payable	41.68 (272.91)	0.73 (-)	0.16 (-)	- (-)	- (-)	42.57 (272.91)

Figures in brackets pertain to the previous year.

36. a) Derivatives outstanding as at the balance sheet date

S. No.	Forward Contract to Sell	Purpose
1.	US$ 1,050,000 (₹.53.24 Million) [Prev. Yr.: US$ 4,150,000 (₹ 183.55 Million)]	Hedging of export receivables and highly probable forecast transactions.
2.	Euro 1,550,000 (₹ 104.53 Million) [Prev. Yr.: Euro 1,950,000 (₹ 121.60 Million)]	Hedging of export receivables and highly probable forecast transactions.
3.	GBP 750,000 (₹ 60.57 Million) [Prev. Yr.: Nil (₹ Nil)]	Hedging of highly probable forecast transactions.
S. No.	**Forward Contract to buy**	**Purpose**
1.	Euro 8,71,200 (₹ 63.14 Million) (Prev. Yr. : Nil (₹ Nil)	Contract for import of machine

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

Import trade payable

1. US$ 602,747 (₹ 31.06 Million) [Prev. Yr.: US$ 262,655 (₹ 1.19 Million)]
2. Euro 175,333 (₹ 12.11 Million) [Prev. Yr.: Euro 314,482 (₹ 20.12 Million)]
3. CHF 20,845 (₹ 1.20 Million) [Prev. Yr.: CHF 29,500 (₹ 1.46 Million)]
4. GBP 88,246 (₹ 7.29 Million) [Prev. Yr.: GBP 16,537 (₹ 1.21 Million)]
5. JPY 19,607,878 (₹ 12.39 Million) [Prev. Yr.: JPY 33,187,484 (₹ 18.20 Million)]

Export trade receivable

1. US$ Nil (₹ Nil) [Prev. Yr.: US$ 34,661 (₹ 1.53 Million)]
2. Euro Nil (₹ Nil) [Prev. Yr.: Euro 24,711 (₹ 1.54 Million)]

37. The Company has incurred an expenditure of ₹ 42.78 Million (₹ 20.10 Million) including capital expenditure of ₹ 6.93 Million (₹ 3.72 Million) in respect of research and development activities.

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

i) Defined Contribution Plans

(₹ in Million)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
i) Employer's contribution to employees' provident fund scheme	20.36	8.28
ii) Employer's contribution to employees' state insurance scheme	1.39	0.67
iii) Employer's contribution to superannuation scheme	6.83	2.97

ii) Defined Benefit Plans

Change in present value of obligation

(₹ in Million)

Particulars	Gratuity (un-funded)		Compensated absence (un-funded)	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Present value of obligation as at the beginning of the year	58.48	-	21.82	-
Obligation acquired pursuant to the Scheme of Arrangement	-	58.32	-	19.60
Interest cost	4.83	2.40	1.80	0.81
Current service cost	5.02	2.00	4.37	1.57
Benefits paid	(12.85)	(3.06)	(2.42)	(0.65)
Actuarial (gain)/loss on obligation	2.17	(1.18)	(5.13)	0.49
Present value of obligation as at the end of the year	57.65	58.48	20.44	21.82

Amounts recognised in balance sheet

(₹ in Million)

Particulars	Gratuity (un-funded)		Compensated absence (un-funded)	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Present value of obligation as at the end of the year	57.65	58.48	20.44	21.82
Funded status/ difference	(57.65)	(58.48)	(20.44)	(21.82)
Net assets/(liability) recognised in the balance sheet	(57.65)	(58.48)	(20.44)	(21.82)

Amounts recognised in the statement of profit & loss

(₹ in Million)

Particulars	Gratuity (un-funded)		Compensated absence (un-funded)	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Current service cost	5.02	2.00	4.37	1.57
Interest cost	4.83	2.41	1.80	0.81
Expected return on plan assets	-	-	-	-
Net actuarial (gain)/loss recognised during the year	2.17	(1.18)	(5.12)	0.49
Expenses recognised in the statement of profit & loss	12.02	3.23	1.05	2.87

Experience adjustment

(₹ in Million)

Particulars	Gratuity				Compensated absences			
	31.3.12	**31.3.11**	**31.3.10**	**31.3.09**	**31.3.12**	**31.3.11**	**31.3.10**	**31.3.09**
Defined benefit obligation	57.65	58.48	-	0.51	20.44	21.82	-	0.98
Fair value of Plan Assets	-	-	-	-	-	-	-	-
Surplus/(deficit)	(57.65)	(58.48)	-	(0.51)	(20.44)	(21.82)	-	(0.98)
Experience adjustment on Plan Liabilities	(2.17)	1.18	-	0.18	5.12	0.49	-	0.30
Experience adjustment on Plan Assets	-	-	-	-	-	-	-	-

Major actuarial assumptions

Particulars	Gratuity		Compensated absence	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Discounting rate	8.25%	8.25%	8.25%	8.25%
Future salary increase	5.50%	5.50%	5.50%	5.50%
Expected rate of return on plan assets	-	-	-	-
Mortality table	LIC (1994-96)			
Method used	Projected unit credit method			

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

39. Statement of Additional Information :

(₹ in Million)

Particulars	2011-12	2010-11
a) Value of imports on CIF basis :		
i) Raw materials	212.17	126.47
ii) Components & spare parts	3.67	3.61
iii) Capital goods	90.42	33.56
b) Expenditure in foreign currency		
i) Travelling	10.32	4.01
ii) Royalty	1.62	1.41
iii) Selling commission	9.30	4.56
iv) Erection and commissioning	10.60	-
v) Engineering services	5.35	-
vi) Technical Know-how	23.37	-
vii) Others	8.34	5.28
c) Earnings in foreign currency		
i) Exports of goods on F.O.B. basis	799.67	332.47
ii) Service charges	33.44	16.06
iii) Selling commission	2.18	3.13

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

Particulars	2011-2012		2010-2011	
	₹ in Million	%	₹ in Million	%
i) Raw Material				
- Directly imported	166.92	4.49%	88.81	4.44%
- Indigenous	3,550.41	95.51%	1,911.30	95.56%
Total	**3,717.33**	**100.00%**	**2,000.11**	**100.00%**
ii) Components & Spare Parts				
- Directly imported	-	-	-	-
- Indigenous	111.02	100.00%	66.17	100.00%
Total	**111.02**	**100.00%**	**66.17**	**100.00%**

40. Auditors' remuneration represent amount paid/payable to the statutory auditors on account of:

(₹ in Million)

S. No	Particulars	Statutory auditors		Branch auditors	
		Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2012	Year ended 31.03.2011
1	Audit fee	0.54	0.37	0.35	0.18
2	Tax audit fee	0.07	0.06	0.24	0.12
3	Certification charges	0.61	-	0.40	0.15
4	Consultancy fees	0.05	-	-	-
5	Out of pocket expenses	0.06	-	0.59	0.37
	Total	**1.33**	**0.43**	**1.58**	**0.82**

41. In view of the vesting of the turbine business in the Company with effect from October 1, 2010 under the Court approved Scheme of Arrangement, the figures for the financial year ended March 31, 2011 include the operations of the turbine business for a period of six months. Accordingly, the performance for the current year is not comparable with that of the earlier year.

	Dhruv M. Sawhney	**Lt.Gen.K.K.Hazari (Retd)**	**Rajiv Sawhney**	**Deepak Kumar Sen**
Place : Noida (U.P.)	Chairman &	Director & Chairman	Company	General Manager
Date : May 07, 2012	Managing Director	Audit Committee	Secretary	& CFO

Information on Company's Business Locations

Registered Office

A-44, Hosiery Complex,
Phase II Extension,
Noida-201 305 (U.P.)
STD Code: 0120
Phone: 4748000
Fax: 4243049
Website: www.triveniturbines.com

Corporate Office

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

Manufacturing Facility

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

Share Department/ Investors' Grievances

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

Subsidiary Company GE Triveni Limited

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

Auditors

M/s J. C. Bhalla & Co.

Branch Auditors

M/s Virmani & Associates

Triveni Group website

www.trivenigroup.com

Corporate Information

Chairman and Managing Director

Mr. Dhruv M. Sawhney
(DIN-00102999)

Jt. Managing Director

Mr. Nikhil Sawhney
(DIN-00029028)

Directors

Mr. Tarun Sawhney
(DIN-00382878)

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

Mr. K.N. Shenoy
(DIN-00021373)

Mr. Amal Ganguli
(DIN-00013808)

Company Secretary

Mr. Rajiv Sawhney

Registrar and Share Transfer Agents

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

M/s Alankit Assignments Ltd.,
Unit: Triveni Turbine Limited
Alankit House, 2E/21,
Jhandewalan Extension,
New Delhi-110 055.
STD Code: 011
Phone: 42541234, 23541234
Fax: 42541967
Email: rta@alankit.com

Bankers

Axis Bank Ltd.
Citi Bank N.A
Yes Bank Ltd.
IDBI Bank
Punjab National Bank

TURBINES

TRIVENI TURBINE LIMITED

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