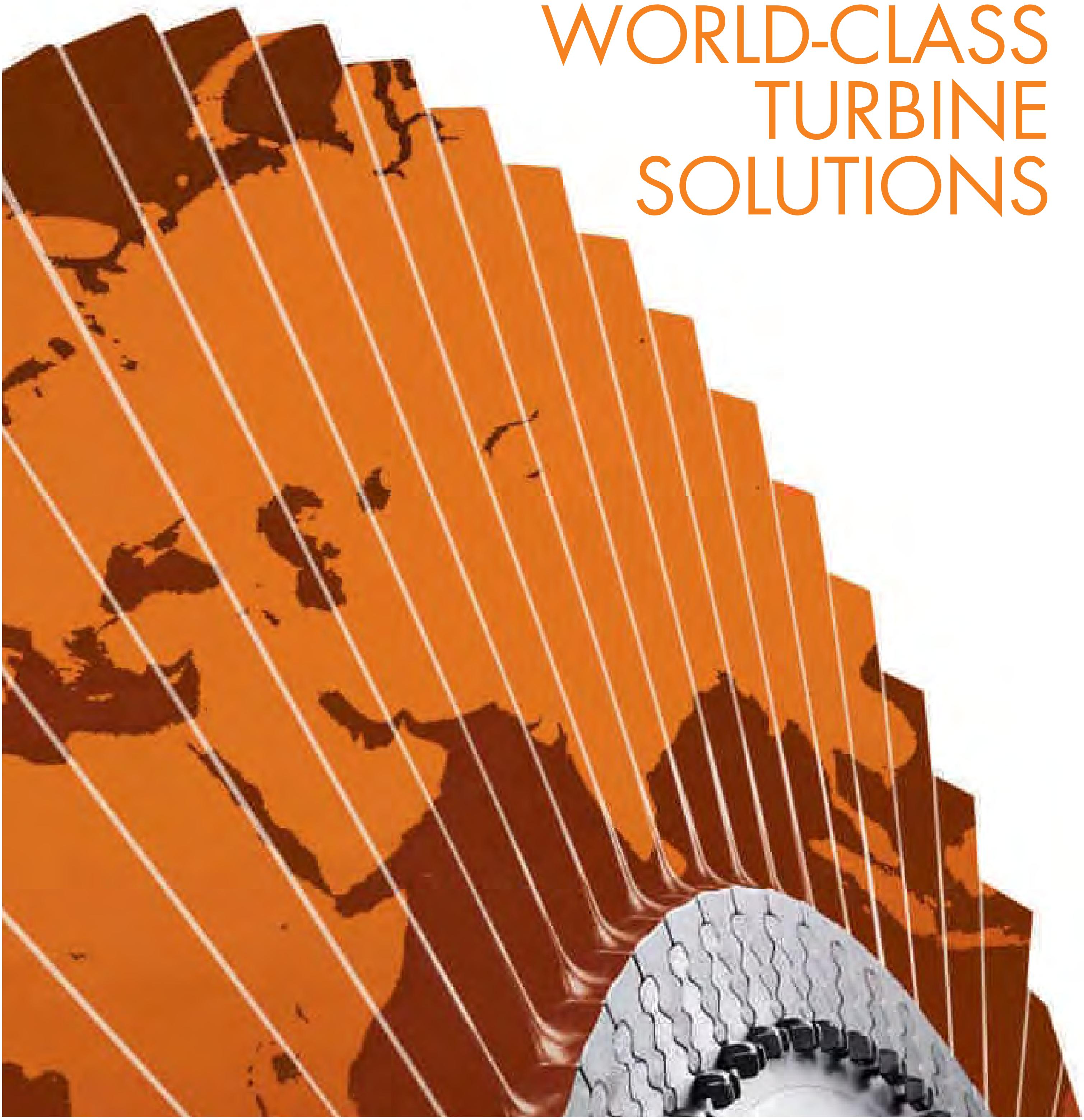
TRIVENI TURBINE LIMITED

ANNUAL REPORT 2010-11

WORLD-CLASS TURBINE SOLUTIONS



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FORWARD LOOKING STATEMENT

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

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

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

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

WORLD-CLASS TURBINE SOLUTIONS

At Triveni Turbine Limited, we have been helping our customers in achieving power self-sufficiency as well as sustainability with engineered-to-order turbines and unparallel after-sales services. With over 2500 turbine installations in more than 30 countries, what we have been bringing to our global customers is world-class turbine solutions.


SMW-AUTOBLOK

WORLD-CLASS R&D

Triveni's market leadership in steam turbines, in a range upto 30 MW, has been built on a foundation of strong and continuously evolving research, development and engineering capabilities. A strong internal team, strengthened by collaborative associations with globally leading institutions, has placed Triveni at the forefront of a technically challenging field dominated by large multi-nationals.

The customer centric approach to R&D, along with a keen focus on delivered product and life-cycle cost has allowed Triveni to set benchmarks for efficiency, robustness and up-time of the turbine.

WORLD-CLASS MANUFACTURING

Triveni's hallmark is engineered-to-order steam turbines that are cost-efficient. Precision, technology and quality form the cornerstones of its manufacturing philosophy. Designed to increase efficiency and reduce power and steam cost, Triveni's turbines are versatile in nature and can be customised to suit a multitude of requirements.

High manufacturing productivity coupled with large economies of scale in purchasing and cost efficient designs has allowed Triveni to be a cost leader in this highly competitive market. Elements of standardisation in manufacturing and tight controls on processes lead to a product of the highest standards of quality.

WORLD-CLASS SERVICE

Supply of the turbine doesn't end Triveni's engagement with a customer. Instead, it marks the beginning of an unending relationship that ensures smooth commissioning and 360 degree after-sales services including annual maintenance, refurbishment, spares and much more.

By viewing Triveni's role from its customer's viewpoint and minimising downtime through an intricate network of servicing centers and inventory of spares, has allowed Triveni to attain an extremely high repeat customer record.

WORLD-CLASS RETURNS

A highly efficient and cost competitive turbine, coupled with a robust after-market business has led to the business delivering high margins and a consistent market share of over 60% in its expanding but applicable market. A near consistent negative working capital position allows the business to perform at exceedingly high metrics of return on capital.

The greatest measure of the success of any business is in terms of long term financial performance, which this business has exhibited through a variety of metrics.

WORLD-CLASS PARTNERSHIP

*GET^2... 2 heritages, 1 future.**

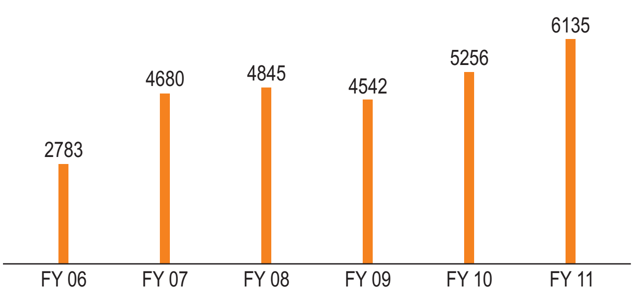
The game-changer in Triveni's prospects is its recent Joint Venture with global advanced technology leader, General Electric (GE). The JV, GE Triveni Ltd. (GETL), is making rapid progress on its envisioned strategy of manufacturing turbines in above 30 to 100 MW range at Triveni's turbine manufacturing unit at Bengaluru and marketing it to customers across the globe including India.

This partnership is testimony of the value of all stages of the production and engineering process at Triveni. The competitive nature of the product will allow this venture to strive for the pinnacle in the industry by delivering technology with value.

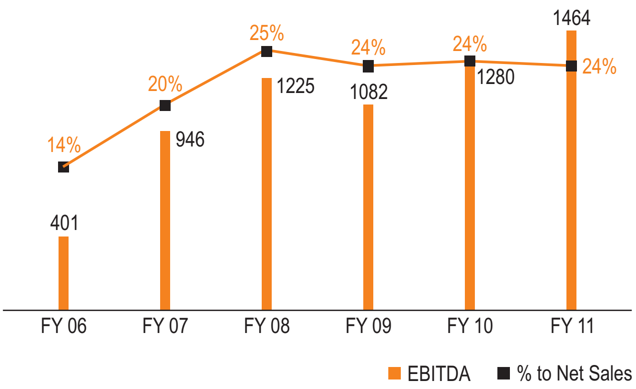
* The motto adopted jointly by the partners for the Joint Venture, GE Triveni Ltd.

FINANCIAL HIGHLIGHTS

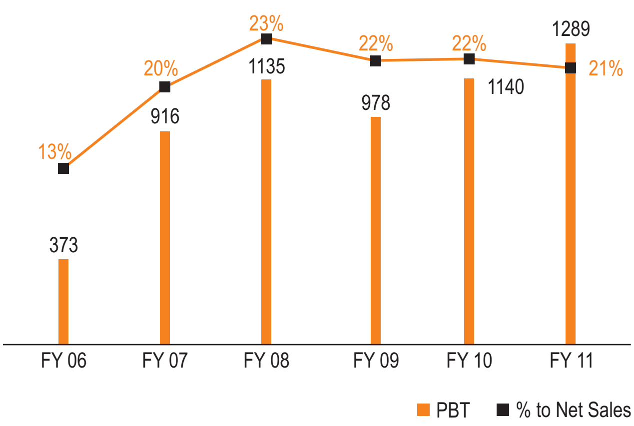
NET SALES (₹ in million)
CAGR - 17%



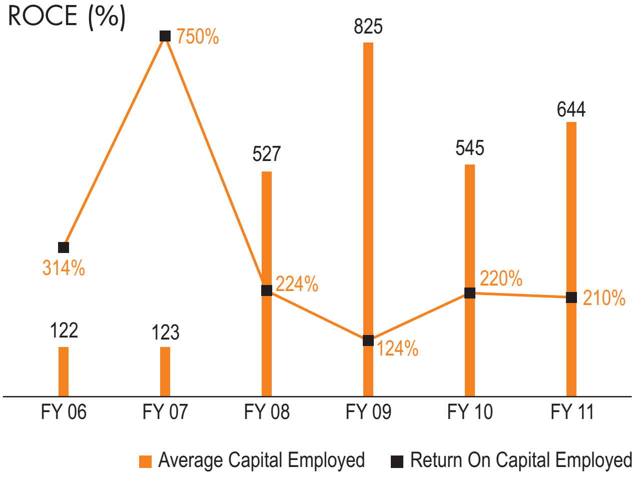
EBITDA (₹ in million)
CAGR: 30%



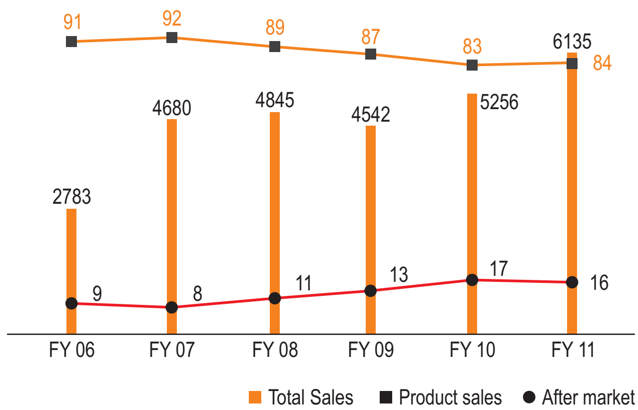
PBT (₹ in million)
CAGR: 28%



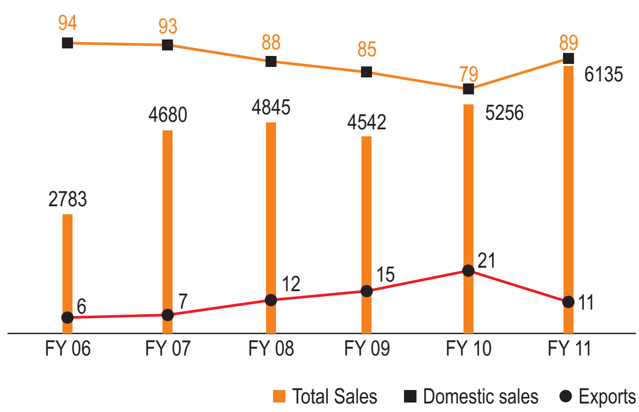
ROCE (%)



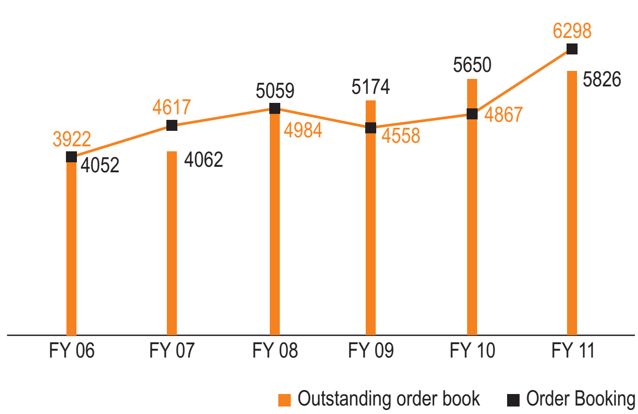
PRODUCT & AFTER-MARKET:
Contribution to total sales (%)



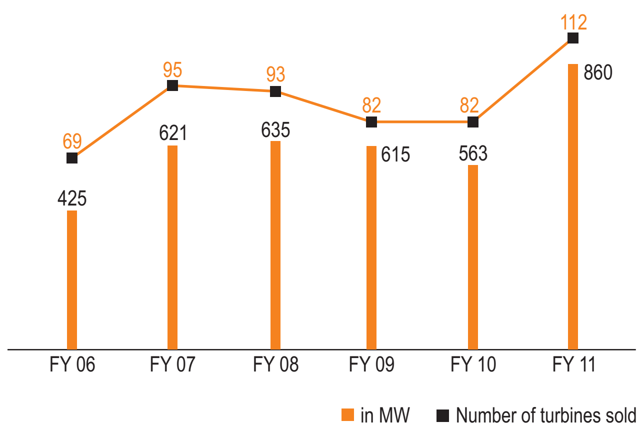
DOMESTIC & EXPORT SALES:
Contribution to total sales (%)



ORDER BOOKING
& OUTSTANDING ORDER BOOK (₹ in million)



TURBINES SOLD



Note:

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

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

I am delighted to address the fellow shareholders post the demerger of the steam turbine business from Triveni Engineering & Industries Ltd. into this Company. The listing of the Company is under progress and is expected to be accomplished in the next 6-8 weeks. We would like to see our shareholders gain significantly through unlocking of the value of the business, which may not have been fully realised in the composite company prior to the demerger.

A world-class business

The demerger has afforded us an opportunity to have an undiluted focus on steam turbine business and it is our vision to make it a truly world-class one. We have had rewarding and learning experience in nurturing and growing the business and we are cognisant of our strengths and competitive advantages in Research & Development, supply chain and value engineering, continual up-gradation of technology, manufacturing excellence and customer centric approach. We have done the basics right and now we need to leverage our learning and strengths to globalise our product offerings and scale up our operations.

The steam turbine business has recorded a compounded annual growth rate of 17% for revenues, 30% for EBITDA and 28% for PBT achieved between FY 06 and FY 11. Yet, we cannot afford to be complacent. Instead, we need to be hungry for more success and growth, going forward.

An encouraging performance

The performance analysis of the turbine business in this report is for a period of six months, from the appointed date for demerger i.e., 1st October, 2010. During this period, the Company recorded an all-round growth, with enhanced performance across the parameters of sales, profitability and order booking.

The revenue mix from domestic sales and exports were 89% and 11% respectively. Contribution from export shall go up in the future as the Company is working on expanding the export market in a big way. The outsourcing of turbine manufacturing by our subsidiary and joint venture company, GE Triveni Limited, will bring in additional business. The share of high margin segment of after-sales component in the total sales has gone up to 16 % of our turnover and shall continue to grow further in the coming years with our installation base increasing and refurbishment of higher sized turbines catching up. All these will help us in achieving our growth plans and preserving our margins.

Continuous Research & Development

The Company's in-house Research & Development (R&D) programme, which started nearly a decade ago with a primary objective of meeting the emerging needs of customers in a commercially viable manner, is continuing in full vigour. Our efforts have resulted in developing and supplying many new variants of steam turbines including for high pressure, high temperature applications. Our R&D team continues to further its value engineering initiatives towards bringing down the cost of the products. Another focus area for this group has been to secure its developments by getting the design patented and for which an in-house IPR team is getting all the processes and designs registered under various IPR tools within India & abroad.

Human Resources

Our steam turbines are highly engineered mechanical equipments and require skilled technical manpower for design, engineer and manufacture. I am proud to mention that we are one of the few companies globally, who could foresee the need for developing its own skill set through setting up of a world class learning centre. The Learning Centre in Bengaluru provides training, both classroom and on the job, for developing technical expertise in the areas of design, manufacture and servicing of steam turbines besides the managerial & leadership skills. Various specific and focused training modules have been designed for training graduate engineering trainees. Apart from refresher courses, the job specific programmes are also organised at the centre for existing employees. In future, we believe we could make this institution a world class centre of excellence in steam turbines training, in collaboration with leading international technical and research outfits.

A defining partnership

The coming together of respective strengths of Triveni Turbine Limited and General Electric (GE) in form of our Joint Venture Company, GE Triveni Limited (GETL), bears game-changing potential for our Company. First amongst many benefits will be our entry into above 30 to 100 MW turbine segment. GETL, as a subsidiary company, will get technology from the partners and outsource its manufacturing to our Company. The international marketing for the GETL will be done by GE while our Company will undertake the domestic marketing. The market for above 30 to 100 MW turbines is currently estimated at around US$ 2.5 billion globally, of which the Indian market is about US$ 300 million.

GETL's operational activities have started and key managerial personnel have been inducted in FY 11. The enquiries from domestic as well as international markets are encouraging and GETL has started quoting against these enquiries. While we shall have domestic and international order-bookings in the next two quarters, the vision of both partners is to make GETL a global leader in above 30 to 100 MW segment.

Concerns about economic growth

Our country has witnessed prolonged period of high inflation and the persistent efforts of the Government to contain it. Consequently, we are not far away from the stage when the high interest rates may actually start impacting the growth. Our business caters to the capital goods industry and thus, it is reasonable to expect that some of customers may defer their growth requirements. We do not expect to be substantially affected in view of our robust product-mix and our plans to have geographical diversification for our products. In any case, long term economic outlook for the country still appears promising.

Acknowledgement

I thank you all for your unwavering support and we will endeavour to make your investment rewarding. What await us ahead are new set of challenges, an exciting phase of accelerated growth of business, and I am pleased to invite each one of you to accompany us in our journey of creating value.

With best regards,

Dhruv M. Sawhney

Chairman and Managing Director

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: 28395211

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

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.
Tel. 011-42541234, 23451234,
Fax 011-42541967
Email: rta@alankit.com

Subsidiary Company

GE Triveni Limited
12-A, Peenya Industrial Area,
Peenya, Bengaluru-560 058
STD Code: 080
Phone: 22164000
Fax: 28395211

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

Bankers
Axis Bank Ltd.
Citi Bank N.A
HSBC Bank
IDBI Bank
Punjab National Bank
State Bank of India

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

Branch Auditors
M/s Virmani & Associates

Triveni Group website
www.trivenigroup.com

MANAGEMENT DISCUSSION & ANALYSIS

INDIAN POWER SECTOR

Power, as a critical resource, would play a vital role in sustaining and furthering India's economic growth. In order to achieve a consistent 9% growth in the GDP, India will need around 331 GW of total installed capacity by 2016-17, according to the Economic Survey 2010-11.

Historically, the Indian power sector has witnessed an increasing gap between demand and supply. Rapid urbanisation and industrialisation is resulting into rising demand for electricity. Installed power generation capacity in the country was 174 GW, as at the end of April, 2011. Out of this, the capacity to generate power by using renewable energy sources was 18.4 GW.

Distributed Energy Generation

In order to reduce the country's dependence on conventional thermal power and harness India's underlying potential in renewable energy, the Government of India has been promoting clean and green power amongst other forms of distributed power generation.

In the 2011 Union Budget, the Government of India has launched the Mission of '10 year Green India' with the allotment of dedicated funds from its budget for National Clean Energy initiative. The Electricity Act (2003) and the resultant functional open-access policy has enabled captive power generating units to supply surplus power to the grid. The catalyst for this policy has been the consistent delay and shortfall in planned power-generation capacity addition. The delays have primarily come from mega and ultra-mega power plants as well as from hydro plants. The reasons are many: acquisition of land, environmental clearances, water availability, availability of coal, non-availability of adequate debt and equity funding. These are issues that smaller power generating plants do not face, and therefore such distributed power generation through captive power plants (CPPs) and renewable source based Independent Power Projects (IPPs) are increasingly becoming a focus area for power augmentation.

Biomass based Power Generation

In the Indian context, biomass fuel plays a crucial role in renewable energy generation. As per the Ministry of New & Renewable Energy (MNRE) statistics, as at the end of March 2011, the estimated potential for power generation through bagasse and other agro residues is approximately 21.8 GW, while the actual achievement till date is only 2.6 GW.

The Government is providing various incentives for biomass power generation through a slew of measures like Exemption/Reduction in Customs Duty, Excise Duty, Sales Tax etc., besides allowing accelerated depreciation

and an income tax holiday. The business proposition of establishing biomass power plants gets further strengthened by potential tradable carbon offset credits, in the form of Renewable Energy Credits in India and Certified Emission Reduction credits under the Kyoto Protocol.

As per an industry research firm, it is estimated that power generation by using all forms of biomass including industrial and urban waste will reach 42 GW by 2020. It is also estimated that Indian sugar mills have the potential of generating an additional 5 to 7 GW of power through bagasse if the sugar mills adopt technically and economically optimal levels of co-generation for extracting power from the bagasse produced by them.

Apart from grid-interactive power applications, Indian renewable energy sector also caters to off-grid applications. It does so by providing energy access through decentralised generation using locally available biomass and by meeting the process heat as well power requirements of large number of small and medium enterprises. Captive power investments help business entities in reducing the opportunity cost of production loss resulting from unreliable and inadequate grid power. MNRE is giving an increased importance to deployment of off-grid, distributed and decentralised systems.

Captive Power Generation

Captive power refers to generation of electricity for captive consumption, primarily by industries. Industries, in India, are one of the largest users of electrical energy, accounting for close to a half of country's total electricity consumption. Multiple factors lead to the setting up of captive power plants (CPPs). Non-availability and lack of reliable supplies from the grid has forced many industries to set up their own captive generation unit, while the lower cost of generation vis-a-vis the cost of power from the grid has also prompted many industries to self-generate, especially when process steam or heat is either needed or produced as part of the industrial process. This economic rationale usually encourages CPPs to supply surplus generation to either the grid or to merchant power traders. There has been an increasing trend in the proportion of exportable surplus of installed CPP capacity, suggesting an opportunistic motivation of entrepreneurs to capitalise on high merchant power tariffs.

According to a report on captive power in India, the total installed captive power capacity in India is estimated at 58.6 GW which is expected to rise by about 12 GW in the next three years. While 70% of the CPPs are small-sized with capacities below 10 MW, only 2.4% of the total capacity is in the above 100 MW range. Power-intensive sectors, such as metals and minerals (steel,

aluminium, zinc, copper), account for almost one-third of the total installed capacity. Some of the major sectors with captive power generation are:

SECTOR	TOTAL CAPACITY (MW)
Metals & minerals	12,991
Cement	4,768
Chemicals	4,291
Petrochemicals	3,668
Textiles	3,476
Engineering	3,115
Sugar	2,950
Paper	1,403

Global Small Power Generation Potential

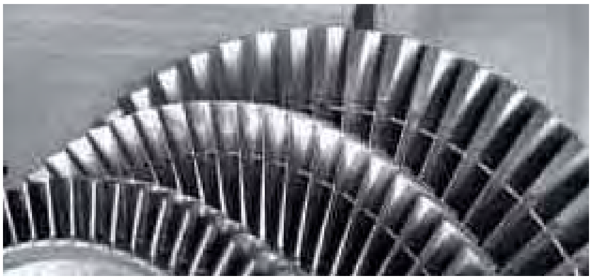
It is projected that worldwide industrial energy consumption, which constitutes 50% of the total delivered energy today, will grow from 184 quadrillion BTU in 2007 to 262 quadrillion BTU in 2035. Biomass for heat and power production currently provides the vast majority of renewable energy, consumed in the industrial sector and it is expected to remain one of the largest components of the industrial sector's renewable energy mix for the projection period.

With a focus on clean energy, Governments across the globe are implementing promotional policies for attracting investments in the renewable energy sector. Most of the countries have adopted more than one promotional policy, and there is huge diversity in policies in place at national, state/provincial, and local levels.

Biomass and geo-thermal heating markets within the renewable energy sector are expanding steadily, particularly in the western countries. Biomass power plants exist in over 50 countries around the world and supply a growing share of electricity. The latest trends include use of biomass in building-scale or community-scale combined-heat and power plants (CHP), and use of biomass for centralised district heating systems. Several European countries are expanding their total share of power generation from biomass than oil. The use of biomass for district heating and CHP provides about 67 % of all biomass heat sold in Europe. Among developing countries, it is common to produce small-scale power and heat from agricultural waste such as rice or coconut husks. The use of bagasse for power and heat production is significant in countries that have a large base of sugar industry, such as Argentina, Australia, Brazil, Cuba, India, Philippines and Thailand.

COMPANY'S BUSINESS PROFILE

Consequent to the Sanction of Scheme of Arrangement between Triveni Engineering & Industries Limited (TEIL), Triveni Turbine Limited (TTL) and their respective shareholders and creditors, the steam turbine business of TEIL was demerged into TTL (this Company) from the appointed date of 1st October 2010. The discussions herein also include the period during which the steam turbine business was a segment of TEIL.



The main business of the Company is manufacturing and selling steam turbines in accordance with the customers' specifications. To support the steam turbines, it also manufactures and supplies spare parts and provides various turbine related services in respect of turbines manufactured by it as well as other makes. It strives to capture value in all activities incidental and related to turbines. TTL prides itself in providing a value proposition to the customers, having lasting mutually beneficial relations with them and rendering world-class services. It uses research and development and its state-of-the-art manufacturing facility to make its product comparable with the best in the industry.

PRODUCT STREAMS

Steam turbines

The Company manufactures engineered-to-order steam turbines upto 30 MW. With 40 years of experience and over 60% of market share, TTL has gained a global repute for its cost-effective, highly efficient and reliable products and solutions. The Company is the first steam turbine Company in India to be certified with ISO 9001 and ISO 14001 for its quality standards. The Company's world-class manufacturing facility has a capacity of manufacturing over 150 turbines per year which is under further expansion. It has installed over 2500 turbines in more than 30 countries.

The Company designs, manufactures and delivers a wide range of customised Condensing and Back Pressure steam turbines up to 30 MW, at high pressure (110 ata steam pressure) and high temperature (540 deg.C superheat temperature). The Company ensures that every turbine it manufactures is engineered-to-order to suit customer's specifications. With continuous in-house research & development, the Company, during the past few years, have upgraded its turbines in terms of size (MW) as well as developed variants relating to various pressure and temperature limits to cater to wide range of customers.

The steam turbines meet national and international benchmarks like IS, CE, API, IEC etc. and cater to a wide range of industries including biomass and municipal solid waste based Independent Power Plants (IPP), Captive Power Plants (CPPs) and Co-generation plants.

Aftermarket Services

The Company's focus on the aftermarket services has proved to be a decisive differentiator from its competitors. The Company has been providing prompt, efficient and reliable services including a wide range of integrated offerings like refurbishing and operation & maintenance (O&M). Its aftermarket services are integrated under Customer Care Cell (CCC) which currently contributes to nearly 16% of its total revenues. The Company's strong and dedicated team of customer-care professionals

provides solutions for all after-sales requirements from erection and commissioning (E&C) to maintenance and spare parts to efficiency improvement. It provides proactive solutions to ensure that turbine operates smoothly and effectively, fulfilling commitments and forging a lifelong relationship. CCC deploys 180 employees, which is almost one-third of the total employee strength of the Company, across 13 service centres in India and provides 24/7 customer service support in providing 99% up-time of turbo-generator island.

Major activities undertaken by the CCC

Erection & Commissioning

The Company does the complete erection and commissioning for all the turbines sold by it and ensures that the turbine performs as per the requirements agreed with the customer through proper integration of the steam turbine island into customer's plant.

Spares

The Company, over a period of time, has created an effective system to support the spares requirement of the customers. It offers quick response in the delivery of spares and provides OEM support as well as continually works on value engineered parts to increase the efficiency and reliability of steam turbine. The quality parts are manufactured in-house, delivering performance, reliability and guarantee.

Services

CCC serves customers through a network of 13 service centres spread across the country. Even though the Company has to respond within 48 hours contractually, its service engineers report to the customer site within a maximum of 24 hours. The Company's services include overhauling services, troubleshooting and service contracts i.e. annual maintenance contracts (AMCs). Its service division helps customers in optimizing the performance as well as reducing their maintenance costs and downtime. All turbines which are installed overseas are also supported from India with a response time of 48 hours through a group of service engineers holding valid travel documents.

Refurbishment

The Company has developed in-house capabilities for refurbishment. It can provide complete steam turbine refurbishing solution of any make of turbine upto 200 MW including restoration/improvement, renovation, and re-engineering. The expertise has been developed in-house by teams of highly skilled engineers backed by product engineering, R&D, advanced technology and a high-tech facility to refurbish the turbines. The refurbishing services help the customers in attaining lower operating costs, extended turbine life and improved reliability besides offering economically viable alternate solutions.

Operation & Maintenance

The Company's operation and maintenance services help customers operate their power plant efficiently and reliably, by maximizing its output and minimizing downtime. O&M package includes optimum day-to-day plant management, optimum plant efficiency, reduction in the cost of man management, superior level of maintenance, local and remote monitoring and continuous onsite training programme.

INDUSTRIES SERVED

The Company provides steam turbine solutions to diverse industry segments in applications like co-generation/ Combined Heat & Power (CHP), Captive Power Generation (CPP) and Independent Power (IPP) Generation.

Company's steam turbines are used in a variety of industries such as Sugar, Steel, Biomass IPP, Pulp & Paper, Textiles, Chemical, Carbon Black, Municipal Solid Waste (MSW) IPP, Oil & Gas and Food Processing Industries. The dominant Industry segments are Process co-generation (Paper, Textiles, Solvent Oil and Chemical) and Sugar followed by Steel and IPPs.

The Company has installed steam turbo-generators in Biomass IPPs in India, United Kingdom, Spain, South Africa, Thailand and Malaysia. The Company has delivered turbines for process co-generation industries such as pulp and paper industry, textile plants, chemical, food processing industries etc., that co-generate consistent and reliable power and heat.

It has successfully installed turbines for municipal solid waste based IPPs in India and abroad. The Company has designed and delivered steam turbines for district heating projects in Europe through reputed EPC contractors. The Company has also designed and delivered steam turbo-generators complying with API specifications for the oil and gas industry segment.

MANUFACTURING FACILITY

The Company has a world-class manufacturing facility located in Bengaluru. The facility is equipped with the state-of-the-art high precision equipments to manufacture critical components in-house such as the turbine blade, rotor, casing etc, and also has assembly bays to assemble and test the turbines before it is despatched to the customers.

The facility has 5-Axis CNC Machining Center for blade machining. For machining of the rotor shaft, it has a high precision 5-Axis CNC Mill Turn Center. For meeting quality parameters and also for undertaking refurbishment and re-engineering, it has the Zeiss Co-ordinate Measuring Machines (CMM) for precision measurements of critical components and Vacuum tunnel for high speed balancing of rotors with capabilities of over-speed testing.

The turbine casing machining is undertaken using the most modern 5-face CNC Gantry Machine and every turbine shipped by the Company undergoes Mechanical Steam Run Test to ensure its mechanical integrity and safety. Apart from the above mentioned specialised machines, it has a fleet of 4-Axis CNC machines for blade machining, casing etc.

Apart from the hardware, the facility also uses the latest software such as Integrated CAD/CAM for seamless manufacturing of turbine parts, computerised wireless Advanced Data Acquisition System (ADAS) for capturing mechanical run test data and automatic generation of test reports etc. The facility is equipped with material handling equipments for handling the heavy castings and forgings.

With this infrastructure, the Company ensures faster delivery of quality turbines thereby making TTL a reliable name in the turbine industry.

SUPPLY CHAIN

Effective and efficient supply chain and project management enables the Company to keep its cost under control. A strong supply chain and project execution team are the key for efficient performance. It has the adequate volumes to access the global market for sourcing cost effective materials. Even though the Company uses its in-house manufacturing facility for all critical components and assembly and testing of the turbines, it has developed a strong, reliable and quality adhering sub-contracting network to support its operations. With an optimal usage of in-house manufacturing and sub-contracting, the Company is able to meet its delivery schedules while maintaining its cost leadership.

QUALITY

The Company is committed to provide products and services of consistent quality that exceed the expectation of domestic and international customers and achieve competitive edge. In order to ensure the delivery of quality turbine solutions to customers, the Company follows multiple stage quality check and adheres to contract specific quality requirements.

The product strength lies in achieving relevant product standards such as API, ASME, AGMA, NEMA, IEC etc. To maintain full quality control, Company has a network of approved suppliers and dedicated sub-contractors complying with stringent quality norms. In day-to-day activities, Company employs tools and techniques such as Six-Sigma methodology, Kaizen, Small Group Activities, Daily Work Management and Root Cause Analysis, etc. in order to provide its customers with reliable and high performing turbine solutions.

To create and bring culture of continuous improvements throughout the organisation, TTL has introduced "Kaizen"

scheme with proper reward and recognition covering small improvements in productivity, quality, cost and safety by eliminating waste and improving processes. This move has enabled setting and achieving ever higher standards through employee participation. The results are immediate, significant and satisfying. In 2011, TTL team has presented their Kaizen in 15th All India Kaizen Competition at Pune, organised by CII.

TTL has demonstrated its presence as one of the successful organisations in India. TTL has been awarded "Commendation for Strong Commitment to Excel" on Journey towards Business Excellence during the last three years of participation in CII Exim Bank Award and the scores granted are showing upward trend since 2008. CII-EXIM bank Award for Business Excellence is based on Excellence Model of European Foundation of Quality Management (EFQM) and the award process is administrated by CII in India.

RESEARCH & DEVELOPMENT

The Company embarked upon a focused Research & Development (R&D) programme nearly a decade ago. The R&D program has been led by Company's in-house design and development teams ably supported by consultants and domain experts. The main focus of the Company's R&D programme is to meet the emerging needs of customers. It also has association with leading academic institutions such as IIT Chennai and IISc, Bengaluru to strengthen its R&D programme. The Company's association with globally acclaimed turbo-machinery design houses based in United States of America helps in developing best-in-class products. This has resulted in the introduction of many new variants of high pressure and temperature applications, cost effective and highly efficient steam turbines which meet the market expectations. Over the past 10 years, the Company has developed and commercialised 22 basic new models. Company uses combination of impulse and reaction blade path to achieve optimised product parameters.

The Company has invested in the state-of-the-art design tools and software and the in-house team is trained using these tools. Over these years of learning is helping the Company to design internally many variants and is currently using the external agencies for the validation and approval of such in-house developments. R&D team utilize the latest computer aided design and engineering software for Finite Element Analysis (FEA), Computational Fluid Dynamics (CFD), Aero and Thermal Design, Modeling, Rotor Dynamics and Lifeing analysis of turbo-machinery components.

Various tools used in the process are turbo-machinery blade design and CFD tools (AGILE by Concept NREC,

USA) and general purpose CFD tools CFX, FEA & Lifeing Analysis Tools (ANSYS, Hypermesh, BladePRO by Impact Technologies, USA), CAD modelling (PRO-E, AUTOCAD), lateral & torsional rotor dynamics software (CRISP, TORSION, ARMD, Dyrobes). To ensure the functionality, safety and reliability of the steam turbo-generator, R&D team uses high-tech testing facilities for validation for design like blade frequency test bed, campbell analysis of blades, strain gauging, over-speed vacuum tunnel balancing machine, mechanical steam run test, high pressure seal testing, hydraulic simulation facility etc.

The R&D team is also engaged in value engineering to bring down the cost of the product thereby making the product more competitive and profitable. There is continuous product improvement program which focuses on higher power density and reduction in the size of turbines. Various reliability and operation improvement features such as high automation levels, additional safety redundancy, high speed control system, quick start cycles etc. are incorporated in the products. Semi modular product design philosophy is employed which optimises product performance and cost due to standardisation. Focus is both on product value enhancement and product cost reduction so that value proposition to customer is continuously enhanced.

Innovative product development concepts such as Design to cost, QFD, FMEA techniques, DOE techniques for robustness, cost/performance optimization are employed. TTL's R&D designs are getting patented and the in-house IPR team is getting all the processes and designs registered under various IPR tools within India & abroad. This will help in safeguarding TTL's in-house technology and get the competitive edge over the other OEMs. The Company has filed 11 (Nos.) patents and has registered 7 design patents out of 9 filed by it in India & EU countries. Totally there are 21 IP filings in India & EU and the Company shall shortly file the IPs in US too. The IP area covers various components enabling high efficiency energy conversion in the turbine and reliability improvement features.

LEARNING CENTRE

As the Company is expanding its products and servicing, it requires technical manpower to support its growth plan. The Company realised this well ahead of its competitors and has set up a world class Learning Centre for meeting the future requirement of skilled and trained manpower. The Company's training programme is focused on developing technical expertise in the areas of design, manufacture and servicing of steam turbines besides the managerial & leadership skills. Various specific and focused training modules have been designed for training

graduate engineering trainees. Refresher courses and the job specific programmes are also organised at the centre for existing employees. Since its inception, 351 training sessions have been concluded covering 71 GETs/DETs and 513 experienced employees. During the year under review, 35 training sessions were held resulting in 1800 of man-hour training.

PERFORMANCE ANALYSIS

The performance analysis of the turbine business is for a period of six months, from the appointed date of demerger i.e., 1st October, 2010. During this period, the Company recorded an all-round growth, with enhanced performance across the parameters of sales, profitability and order booking.

The Company continues to maintain its market share of over 60% in the steam turbines market upto 30 MW. It has established its dominance in the sub 20 MW with a market share of more than 75%, while the market share in the 20 to 30 MW segment has grown to about 35% in three years time. The current overall domestic market for steam turbines upto 30 MW range is estimated at about 2000 MW and is expected to grow at 10-15% in the foreseeable future.

During the period, the net sales grew by 19.54% and profit before tax increased by 21.30% over the corresponding period of previous year (during which it was a division of TEIL). The order intake during the period totalled ₹2.71 billion, while the outstanding order book as on 31st March, 2011 stood at ₹5.83 billion, representing 988 MW. It dispatched turbines aggregating to 427 MW during the six months period.

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

The Company continued its thrust on exports and is on course to expand its overseas market in a big way. The Company's efforts in this direction will be augmented by opening off-shore marketing and servicing offices which will help it in being close to its customers and thereby understand their needs better and serve them well. The factors leading the growth in global market for steam turbines include the revival of industries in South East Asia, Biomass IPP growth driven by mandatory targets of EU nations for share of energy from non–renewable source, fuel shift i.e., oil to solid, and instances of some specific segments doing well.

During the period, the revenue mix from domestic sales and exports were 89% and 11% respectively, which is an indication of improved global market conditions for the customers.

Service remains the key differentiator for the Company in the industrial turbine segment. It continued to strengthen its work-force during the year. It also forayed into refurbishing in utility range. The share of after-sales component in the total sales has gone up to ₹440.2 million during the period from ₹410.0 million in the corresponding period of the previous year. The increasing share of after-sales component will enable the Company to sustain its profitability going forward.

GE TRIVENI LIMITED (GETL)

Triveni Engineering & Industries Limited (TEIL) formed a Joint Venture (JV) with an affiliate of GE for design, manufacture, supply, sell and service of advanced technology steam turbines in the above 30 to 100 MW for power generation applications in India and across the globe. The JV agreement was signed on 15th April 2010, while the JV became operational from 3rd November 2010 after obtaining all regulatory approvals etc. The JV Company, GE Triveni Ltd. (GETL), is headquartered in Bengaluru. Upon the demerger becoming effective, all agreements including the investment in GETL by TEIL has been novated to the Company (TTL) which holds 50 % + one share in the equity share capital of GETL, with both parties having equal representation on the board. Consequently, GETL is a subsidiary of the Company. GETL will use GE technology and the manufacturing will be outsourced to the Company (TTL). The marketing for the JV will be undertaken by both partners with GE handling the international market and the TTL responsible for the domestic market. The market for these products is currently estimated at around US$ 2.5 billion globally, of which the Indian market is about US$ 300 million.

GETL's operational activities have already started and key managerial personnel have been inducted. The strong enquiry book both in domestic and international markets has been encouraging and GETL has started quoting against these enquiries. GETL is expected to have domestic and international order-bookings in the next two quarters. The vision of both partners is to make GETL a global leader in above 30 to 100 MW segment.

FINANCIAL REVIEW

The Scheme of Arrangement (Scheme) between Triveni Engineering & Industries Ltd. (TEIL), Triveni Turbine Ltd. (TTL) and their respective shareholders and creditors was approved by the Hon'ble Allahabad High Court vide order dated 19th April 2011 and had become effective on 21st April 2011 upon filing of the order of the Hon'ble High Court with the Registrar of Companies. Pursuant to the Scheme, all the assets and liabilities of the steam turbine business of TEIL have been transferred to and vested in TTL from the appointed date of 1st October 2010. Accordingly, financials for the year ended 31st March 2011

include financial results of the steam turbine business for a period of six months from 1st October 2010 to 31st March 2011. In the previous financial year 2009-10, the Retail business, being carried on by the Company in semi urban/rural areas, was substantially wound up and the complete winding up has been achieved during the current financial year. Hence, the figures of the current financial year and the previous financial year are not comparable.

With the complete winding-up of the Retail Business, all provisions/losses in respect thereof have been accounted for and henceforth the results of the Company will not be impacted in any manner by the erstwhile Retail business.

Profitability

Summarized results for the FY 2010-11 and 2009-10 are provided here:

₹ in million

	31st March, 2011	31st March, 2010
Net Turnover	3054.2	60.3
Operating Profit (EBITDA)	715.6	(53.3)
Depreciation and Amortization	58.9	3.9
Finance Cost	45.6	0.1
Profit before Tax (PBT) before Extra ordinary / Exceptional Items	611.1	(57.3)
Extra ordinary / Exceptional Items	559.8	23.5
PBT after Extra ordinary / Exceptional Items	51.3	(80.8)
Tax	124.0	(4.9)
Profit After Tax	(72.7)	(75.9)

Pursuant to and arising from the Scheme, goodwill of ₹559.8 million was recognized and accounted for and the entire amount has been written off during the year. This is a one-time non-cash charge and has been categorised as an Extraordinary Charge. After writing off the entire amount of goodwill and booking all losses/provisions relating to the erstwhile Retail business, the financial results for the subsequent years would only reflect the operations of the Turbine business. The segment reporting of the Company is provided in the Note No. 10 of Schedule 24 to the audited accounts and the summarised segment results are provided here:

₹ in million

	31st March, 2011			31st March, 2010		
	Steam Turbine	Retail	Total	Steam Turbine	Retail	Total
Segment Revenue	3153.8	2.6	3156.4	-	60.3	60.3
Other Income	23.8	1.9	25.7	-	6.2	6.2
Total Revenue	3177.6	4.5	3182.1	-	66.5	66.5
Segment Results	657.0	(1.5)	655.5	-	(59.0)	(59.0)

The financial results of the steam turbine business are only for a period of six months from 1st October 2010. As may be observed, there have been minimal operations of Retail business during the current financial year and in view of the fact that the business has been duly exited, it will not appear as a reportable business segment from next year. Steam turbine business has achieved margins at 20.7% of its segmental revenue.

BALANCE SHEET

Share Capital

Prior to the Scheme becoming effective, the Company was a wholly owned subsidiary of TEIL. Pursuant to the Scheme, 257.88 million equity shares of ₹1/- each fully paid up have been allotted to the equity shareholders of TEIL in the ratio of 1 (one) fully paid up equity share of ₹1/- each of the Company for every 1 (one) equity share of ₹1/- each fully paid up held by them in TEIL. Further, out of the paid up capital of 100 million equity shares of ₹1/- each fully paid up of the Company entirely held by TEIL (prior to the Scheme), 28 million equity shares of ₹1/- each stood converted into 2.8 million, 8% cumulative redeemable preference shares of ₹10/- each. Consequently, the paid up share capital has increased from ₹100 million to ₹357.9 million. Since the aforesaid change in share capital has taken place subsequent to 31st March 2011, after the approval of the Scheme, such shares have been shown in the suspense account in the audited financial statements.

Loans

The total loans aggregate to ₹883.4 million as against ₹175.4 million as on 31st March 2010. The breakup of the loans is provided here:

₹ in million

	31st March, 2011	31st March, 2010
Term loans	581.5	0.1
Cash Credit	35.2	-
Unsecured loans - Buyers credit	90.0	-
Unsecured loans - TEIL	176.7	175.3
Total	883.4	175.4

Pursuant to the Scheme, the allocation of term loans pertaining to steam turbine business has been carried out in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961.

Investments

In accordance with the Scheme, investments made by TEIL in the equity share capital of its subsidiary Company, GE Triveni Turbine Ltd., (GETL), were transferred to TTL and hence, GETL has become a subsidiary of the Company. As of 31st March 2011, the Company holds equity investment of ₹10 million in GETL.

As explained in the Directors' Report, there is an enormous market, both global and domestic, for the business contemplated by GETL in the range of above 30 to 100 MW turbines. The results of the subsidiary will be consolidated with this Company.

Accumulated Losses

As on 31st March 2010, the Company had accumulated

loss of ₹257.9 million arising from the erstwhile Retail business. Further, during the year there is a loss of ₹72.7 million as goodwill of ₹559.8 million has been fully written off during the year. Thus, the accumulated loss as on 31st March 2011 stands at ₹330.5 million. In view of the profitable nature of steam turbine business, the Company is hopeful of liquidating all such losses in the next year.

BUSINESS RISKS AND MITIGATION

The Company's business, manufacturing and marketing of steam turbines, falls under capital goods industry and has a direct bearing with the country's economic activity. Even though several factors are not within the control of the Company, the Company strives to mitigate those externalities in the best possible manner so as to achieve optimal and diversified revenue stream in order to grow and improve the profitability.

Major risks

Economic Slow Down

The slowdown in economy reduces the demand for capital goods/infrastructure requirements. It may adversely impact the growth of the Company's business.

Rising Interest rate

Rising interest rates and non-availability of adequate financing generally has direct impact on the growth and viability of creation/expansion of production capacities.

Technology Risk

Considering the industry in which the Company operates, it is imperative to continually upgrade the products to meet the expectations of the customers and product offerings of the competitors and failure to do so may lead to obsolescence of the products and decline in market share.

Competition Risk

The Company faces competition from both the domestic as well as international manufacturers.

Risk mitigation measures

The Company has developed a framework under which the risks are reviewed on a continuous basis and appropriate action is taken as warranted by the situation. The Company is cognisant of the major risks and takes following measures for mitigating the risks associated with the business:

Presently, the Company predominantly caters to the requirements of the domestic market, with export forming only about 11% of its total turnover. While the economic growth of the country is expected to increase by 7-8% for the next several years, the Company is focusing to diversify its market by introducing different models of its products and to increase the proportion of exports in the turnover. The Company's focus on expanding its geographical spread will insulate the business from any

slackness in demand from one region. The Company's recent joint venture with GE to offer turbines in the above 30 to 100 MW range would also help the Company to enhance its product range and to access global as well as domestic market. Further, to maintain and enhance the profit margins, the Company strives to also increase the proportion of the after-market business including the refurbishment and re-engineering of larger size turbines. This two-pronged strategy will help the Company to reduce its over-dependence on one market as well as to maintain its profitability even under any difficult business conditions.

The Company manufactures products which, to a large extent, cater to the captive and co-generation power users. During times of high interest rates or scarce bank credit, such units are compelled to focus on efficiencies and cost control to protect their bottom lines and are thus not averse to make investment to reduce the operating costs and to economize the operations. Further, the Company also offers aggressive after-market services to the customers who are not inclined to invest in new or expansion of existing production capacities. This helps the Company to maintain its profitability. The opportunities for export of surplus power at competitive prices are also another driver for the end-users in investing in captive/ co-generation facilities in view of shorter pay-back period.

The Company is continuously investing in its in-house R&D programmes for the development of new models and for enhancing the product ranges to broaden its market and to increase its market share. The Company takes cognizance of the competition and accordingly, benchmarks its products to stay ahead by continuously upgrading the technology. Further, the Company, through value engineering, endeavours to provide an outstanding value proposition to the customers. The Company attaches greater importance to its supply chain with a view to source the inputs of good quality raw materials at competitive prices and with reliable delivery timelines.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 16th Annual Report and audited accounts for the Financial Year ended 31st March, 2011

SCHEME OF ARRANGEMENT (Scheme)

The Scheme of Arrangement between Triveni Engineering & Industries Limited (TEIL), Triveni Turbine Ltd. (TTL / the Company) and their respective shareholders and creditors providing for the transfer and vesting of the Steam Turbine Business of TEIL in the Company with effect from the appointed date, 1st October, 2010 was sanctioned by Hon'ble Allahabad High Court vide its order dated 19th April, 2011. The Scheme was made effective on 21st April, 2011 on filing of the aforesaid order with the Registrar of Companies. Accordingly, the Steam Turbine Business of TEIL, including all assets and liabilities, stood transferred and vested in TTL, with effect from the appointed date, 1st October, 2010.

Pursuant to and in accordance with the terms of the Scheme the pre-demerger authorized share capital of the Company has been reclassified from 500,000,000 equity shares of ₹1/- each to 450,000,000 equity shares of ₹1/- each and 5,000,000 cumulative redeemable preference shares of ₹10/- each.

Out of the pre-demerger issued, subscribed and paid-up capital of 100,000,000 equity shares of ₹1/- each fully paid-up of the Company entirely held by TEIL, 28,000,000 equity shares of ₹1/- each stood converted into 2,800,000 – 8% cumulative redeemable preference shares (Preference Shares) of ₹10/- each fully paid-up. In accordance with the Scheme the Board of Directors of your Company had at its meeting held on 10th May, 2011 issued and allotted, 2,800,000- 8% Preference Shares of ₹10/- each fully paid up to TEIL and 257,880,150 equity share of ₹1/- each fully paid-up to the equity shareholders of TEIL in the ratio of 1(one) fully paid-up equity share of ₹1/- each of the Company for every 1 (one) equity share of ₹1/- each fully paid-up held by them in TEIL as on the Record Date i.e. 4th May, 2011 fixed by TEIL for this purpose. With restructuring of the pre-demerger paid up equity share capital of the Company and allotment of 2,800,000 Preference Shares to TEIL and 257,880,150 equity shares to the shareholders of TEIL, the subscribed and paid-up share capital of the Company is as under:

Issued, Subscribed and Paid-up Capital	Amount (₹)
329,880,150 Equity Shares of ₹1/- each	329,880,150
2,800,000 – 8% Cumulative Redeemable Preference Shares of ₹10/- each	28,000,000
Total	**357,880,150**

LISTING OF EQUITY SHARES

In accordance with the Scheme, 329,880,150 Equity Shares of your Company will be listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), where the Equity Shares of TEIL are listed. Your Company has received "In-principle" approval for listing of the Equity shares from BSE and the Equity Shares of your Company would be listed and admitted to dealings (on BSE & NSE), on receipt of approval of Securities and Exchange Board of India (SEBI) by relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957.

FINANCIAL RESULTS

(₹ in Million)

	2010-11	2009-10
Sales (net)	3054.17	60.31
Operating Profit (EBITDA)/ (Loss)	715.64	(53.31)
Finance cost	45.61	0.05
Depreciation & amortization	58.85	3.93
Profit/ (Loss) before tax (before extraordinary / exceptional items)	611.18	(57.29)
Extraordinary / Exceptional charge	559.82	23.48
Profit / (Loss) before Tax (PBT)	**51.36**	**(80.77)**
Tax	124.02	(4.88)
Profit/ (Loss) after Tax (PAT)	(72.66)	(75.89)
Loss brought forward	(257.87)	(181.98)
Loss carried forward	(330.53)	(257.87)
Earning per equity share of ₹1 each (in ₹)		
- Before Extraordinary charge	2.26	(0.76)
- After Extraordinary charge	(0.34)	(0.76)

In view of the demerger of Steam Turbine Business of TEIL and its vesting in your Company, the accounts of the Company for the year ended 31st March, 2011 include the financials of the Steam Turbine Business for the six months period from the appointed date on 1st October, 2010.

During the year under review, the Company has registered a turnover of ₹3.05 billion and Profit before Tax (PBT) of ₹611.18 million for the year, before extraordinary charge. Pursuant to and arising from the Scheme of Arrangement, goodwill of ₹559.82 million was recognized and accounted for. The entire amount of goodwill, has been written off during the year as a one-time non-cash charge and depicted as an extraordinary charge.

Accordingly, the profit before tax, after considering the extraordinary charge is at ₹51.36 million. However, there is a net loss of ₹72.66 million after provision of Income tax. After taking into account the losses relating to erstwhile Retail Business of ₹257.87 million brought forward from the previous year, the accumulated losses of ₹330.53 million as at 31st March, 2011 are being carried forward.

DIVIDEND

In view of the net loss during the year, the Directors are constrained to declare any dividend for the year. However, the Board expects the Company to earn adequate profits in future to declare dividends to the shareholders.

PERFORMANCE

Apart from the Steam Turbine Business, the year under review includes minor activities relating to final winding-up of the Retail Business earlier carried on by the Company. The Company has fully exited from the Retail Business and all losses and provisions in respect thereof have been fully accounted for / provided in the Accounts. Thus, the business segment relating to Retail Business will cease to exist in the subsequent years.

As per the Segment Reporting relating to the Steam Turbine Business, as detailed in Note 10 of Schedule 24 to the Audited Accounts, the business has registered a gross turnover of ₹3153.80 million with PBIT of ₹657.04 million. After having fully written off the amount of goodwill during the year, the results for the subsequent years will not be influenced by any adverse impact relating to the erstwhile Retail Business or any other extraneous factors.

Your Company continues to maintain its leadership position in India in the small steam turbine market upto 30 MW. The Company successfully introduced indigenously developed turbines in the higher megawatt range with technical parameters and efficiencies comparable with the best globally. A new range of high efficiency blades have been developed by Concepts NREC of Vermont, USA with the intellectual property belonging to your Company. Patents and copyrights are being registered in India and overseas.

Your Company's Research and Development Department has successfully developed and implemented a number of technologically advanced improvements in our traditional range of turbines. This has resulted in better efficiencies and reduced costs, and given an outstanding value proposition to our customers. We are accelerating our efforts at registering these intellectual properties in India and overseas, and will now be aggressively marketing the Company's products in the global market .

Orders on hand at ₹5.83 billion representing 988 MW have improved over the previous year, and the marketing and operations have been separately discussed in the Management Discussion and Analysis section.

JOINT VENTURE/SUBSIDIARY COMPANY

GE Triveni Ltd (GETL) was incorporated on 28th May, 2010 for implementing the Joint Venture Agreement (JVA) dated 15th April, 2010 between TEIL and the General Electric (GE) through GE Mauritius Infrastructure Holdings Limited (GEMIHL), an affiliate of GE. GETL will design, manufacture, supply, sell and service advanced technology steam turbines in the above 30 to 100 MW range for power generation applications in the Indian and worldwide markets with TEIL holding 50% plus one share and GEMIHL holding 50% minus one share in GETL. Both the partners will have equal representations on the Board. In accordance with the terms of JVA and the Scheme, all agreements between TEIL and GEMIHL have been novated by TEIL in favour of your Company and the investment of TEIL in the equity share capital of GETL also stands transferred to your Company. Accordingly, GETL has become a subsidiary of your Company. Technology transfer from the partners to GETL has commenced and marketing efforts have been initiated.

The market for the GETL range of products is currently estimated at over US $ 2.5 Billion globally, of which the Indian market is US$ 300 Million. The International marketing is being done by GE, and the domestic marketing by your Company. The Company has received a good response from both domestic and overseas markets and we expect to book orders in both sectors in the coming year.

Manufacture of the base steam turbine for the first 3- 4 years will be done by your Company under a supply chain agreement between GETL and your Company. Enough capacity exists with the Company to cater to these new and expanding opportunities.

In terms of Section 212 of the Companies Act, 1956 read with the Ministry of Corporate Affairs, General Circular No. 2/2011 dated 8th February, 2011, the Company is not required to attach the annual accounts of its subsidiary, GETL, subject to fulfillment of 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 have 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

The Company believes that its human resources are the most valuable asset and is committed to continuously develop them.

With the above in view, the Company's Learning Centre at Bengaluru, is one of the best training facilities in the industry in the field of design, engineering, service and customer support. During the last one year over 9 mandays of training was provided to officers and workmen. The focus of the learning centre is to develop in-house expertise for service, design and engineering. Fresh graduates and diploma trainees are inducted and through structured training modules, the Company is in a position to develop its personnel, which are critical to the success of this business. The learning centre, going forward, envisages training to customer as well. The centre uses state-of-the-art training tools which include computer simulated programmes, which are developed in-house using the expertise within the Company. This approach enables the Company to provide hands-on training to the trainees and after training their induction to jobs becomes easier.

The Company provides empowerment to its employees and encourages entrepreneurship at all levels. It has a robust Performance Management System, and has introduced various initiatives for developing a performance oriented culture and improving employee engagement. Industrial relations remained cordial.

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 forms 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 and M/s Virmani and Associates, Branch Auditors of the Company, shall retire at the conclusion of the forthcoming Annual General Meeting, have consented to continue in office, if appointed. They have confirmed their eligibility under the provisions of the Companies Act, 1956 for their reappointment.

CLARIFICATION ON THE COMMENTS IN THE AUDITORS' REPORT

The comments of the Auditors in Paragraph 10 of the Annexure to their Report, have been adequately addressed in Note 8 of Schedule

24 forming the Notes to Accounts. Prior to the vesting of the Steam Turbine Business in the company, the Company had incurred cash losses as a non-Industrial company. The loss during the year is due to one-time non-cash charge on account of writing off the goodwill recognized pursuant to the Scheme. In view of the profitable nature of its Steam Turbine Business, the Company is hopeful of liquidating all the accumulated losses in the forthcoming year.

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 31st March, 2011 and of the loss of the Company for the year ended 31st March, 2011;

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 Tarun Sawhney and Lt Gen K.K. Hazari (Retd.) 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.

By virtue of provisions of Section 260 of the Companies Act, 1956, Mr Dhruv M. Sawhney, Mr Nikhil Sawhney, Mr. Amal Ganguli and Mr. K.N. Shenoy were appointed as Additional Directors by the Board on 10th May, 2011 and shall hold office up to the date of the ensuing AGM of your Company. The Company has received notices, pursuant to Section 257 of the Companies Act, 1956 from members signifying their intention to propose the appointment of Mr. Dhruv M. Sawhney, Mr. Nikhil Sawhney, Mr. Amal Ganguli and Mr. K.N. Shenoy as Directors of the Company. All of them being eligible, offer themselves for appointment as Directors. The Board has recommended to members for the approval of the appointment of Mr Dhruv M. Sawhney, Mr Nikhil Sawhney, Mr Amal Ganguli and Mr K.N. Shenoy as Directors of the Company.

The Board, subject to approval of shareholders by a special resolution at the ensuing AGM, approved the appointment of Mr Dhruv M. Sawhney and Mr Nikhil Sawhney as Managing Director (designated as Chairman and Managing Director) and Joint Managing Director respectively of the Company for a period of five years effective 10th May, 2011, and fixed their remuneration.

Mr. A.K. Tanwar, Mr Suresh Taneja and Mr Sameer Sinha ceased to be directors of the Company due to resignation with effect from 10th May, 2011. Your Directors would like to place on record their gratitude and appreciation for the guidance provided by the outgoing directors.

PUBLIC DEPOSITS

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

EMPLOYEE STOCK OPTIONS

A new Stock Option Scheme of the Company will be implemented in accordance with the Scheme of Arrangement subject to the approval of the Stock Exchanges/SEBI.

Under Triveni Employee Stock Option Scheme 2009, the Demerged Company (TEIL) had issued 200,000 stock options to its Senior Management Employees at market price in April' 2010. The employee compensation cost was computed using Intrinsic Value Method. As per the Stock Option Scheme, 50% of the options were to be vested after one year and the balance after two years of the issue of the options. The employees can exercise the options within two years of vesting. Certain employees to whom such options were issued by the Demerged Company, have been transferred to the Company pursuant to the Scheme of Arrangement.

In accordance with the Scheme of Arrangement, subject to the approval of the Stock Exchanges / SEBI, the options holders will be entitled for one share each of TEIL and the Company for each vested option or alternatively, the employees of the TEIL and the Company will receive shares of their respective companies within the value of options granted to them. The Company through its Remuneration Committee will take necessary decision in this respect based on the approval of the Stock Exchanges / SEBI.

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.) — **Dhruv M. Sawhney**
Date : June 15, 2011 — Chairman and Managing Director

ANNEXURE - A

(A) CONSERVATION OF ENERGY

(a) Energy Conservation Measures

- Rationalization of testing process resulted in reduction in consumption of furnace oil by about 30 litres /per turbine.
- Installation of UPS for LIECHTI and MAZAK machines resulted in saving of about 1350 KWH/per month by elimination of restart cycle.
- Rationalization of blade cutting in BFW machines resulted in saving of 780 KWH/per month.
- Installation of auto level controllers for boilers feed water tanks has resulted into saving of about 15 KL water /per month.

(b) Additional Investment and Proposals for Reducing Energy Consumption

- Replacement of energy inefficient motors in high consumption utilities like cooling tower.

(c) Impact of Above Measures

Above measures will further help in conservation of electric energy in our plant.

FORM A

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

Power and Fuel Consumption

	Particulars	2010- 11	2009-10
1.	**Electricity**		
a)	**Purchased**		
	Units (000's KWH)	1183.72	-
	Total Amount ₹ in million	6.62	-
	Rate (₹/unit)	5.59	-
b)	**Own Generation**		
	Through Diesel Generators		
	Units (000's KWH)	86.55	-
	Units Per Litre of Diesel Oil	3.12	-
	Cost / Unit (₹)	12.35	-
2.	**Furnace Oil**		
	Quantity (Kilo Ltrs)	366.57	-
	Total Amount (₹ in million)	13.59	-
	Rate (₹/ Ltr)	37.07	-

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

FORM B

Disclosure of particulars with respect to technology absorption

(A) Research & Development (R & D)

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

a) Development, shop test and field trials of high pressure/ temperature turbines were completed.

b) Field trial of higher steam parameter of steam turbine for sugar application was completed.

c) Development of new efficient HP reaction stages was completed and being incorporated to higher range turbines.

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

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

a) Improved efficiency and reliability. Carbon foot-print of the machines are reduced.

b) Increasing the product range with higher parameters.

3. Future plan of action

a) Cost reduction program for all models.

b) Development of daily start-up cycle turbines for Solar application.

4. Expenditure on R&D

(₹ in Million)

	Particulars	2010-11	2009-10
a)	Capital	3.72	-
b)	Recurring	16.38	-
c)	Total	20.10	-
d)	Total R& D expenditure as percentage of turnover	0.66%	-

(B) Technology absorption, adaptation and innovation

Efforts made and the benefits derived have already been given under (A) above. The Company has not imported any technology during last five years.

(C) Foreign Exchange Earning and Outgo

(₹ in Million)

1)	**Earnings in Foreign Exchange**	
	Value of exports on F.O.B. basis	332.47
	Others	19.19
2)	**Foreign Exchange Outgo**	178.90

ANNEXURE - C

Statement pursuant to section 212 of Companies Act, 1956

	Subsidiary company	GE Triveni Limited *
1	Financial Year ended	31st March 2011
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 31st March, 2011 of the subsidiary company (₹ in million)	(0.95)
	b) For the previous financial years of the subsidiary since it became the holding Company's subsidiary	N.A.
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	N.A.
5	Changes in the holding Company's interest in the subsidiary between the end of financial year of the subsidiary and holding Company	N.A.
6	Material changes which have occurred between the end of the subsidiary Company's financial year and at the end of the holding Company's financial year in respect of :	
	i) The subsidiary's fixed assets	N.A.
	ii) Its investments	N.A.
	iii) The money lent by it	N.A.
	iv) The funds borrowed by the subsidiary	N.A.

Note: As a result of Scheme of Arrangement u/s 391 to 394 of the Companies Act 1956 between the Company and M/s Triveni Engineering & Industries Ltd and their respective shareholders and creditors, M/s GE Triveni Limited has become subsidiary of the Company.

ANNEXURE-D
CORPORATE GOVERNANCE

Introduction

Following the spin off of the Steam Turbine Business of Triveni Engineering & Industries Ltd. (TEIL) w.e.f. 1st October, 2010 into the Company through a process of Scheme of Arrangement pursuant to Section 391-394 of the Companies Act, 1956 approved by Hon'ble Allahabad High Court vide order dated 19th April, 2011, the equity shares of the Company are in the process of getting listed for the first time at the Bombay and National Stock Exchanges. Accordingly, as required under Clause 49 of the Listing Agreements to be signed by the Company with the Stock Exchanges, Triveni Turbine Ltd is publishing a report of Corporate Governance. This is the first report, post demerger of the Steam Turbine Business of TEIL into the Company.

At the outset the Company has laid down the foundation for sound Corporate Governance for effective control and enhancement of stakeholder value, in line with the best practices. Corporate Governance is an ongoing process that ensures that the Company displays the highest standard of integrity, transparency, accountability, fairness social responsiveness and business ethics in its dealings.

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.

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 in the conduct of its business, internally and externally. Our broad based Board of Directors was re-constituted in compliance with the Companies Act, 1956 and the listing agreement with the Stock Exchanges. The functions of the Board of Directors and Board Committees are well defined and transparent. All the Board Committees are chaired by Independent Directors.

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 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 Company's Board consist of eminent persons with professional expertise and valuable experience in their respective areas of specialization and bring a wide range of skills and experience to the Board. The 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.

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

Name and Designation 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	NIL	NIL
Mr. Nikhil Sawhney* # Joint Managing Director DIN-00029028	Promoter & Executive Director	3	NIL	NIL
Mr. Tarun Sawhney # DIN-00382878	Promoter & Non-Executive Director	3	NIL	NIL
Lt. Gen. K.K. Hazari (Retd.) DIN-00090909	Independent Non-Executive Director	3	1	1
Mr. K.N. Shenoy* DIN-00021373	Independent Non-Executive Director	4	2	1
Mr. Amal Ganguli* DIN-00013808	Independent Non-Executive Director	10	5	3

* Mr. Dhruv M. Sawhney, Mr. Nikhil Sawhney were, subject to approval of the shareholders, appointed as Chairman and Managing Director and Joint Managing Director respectively and Mr. K. N. Shenoy and Mr. Amal Ganguli were appointed as Additional Directors w.e.f 10th May, 2011.

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

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

\### The committees considered for the purpose are those prescribed under Clause 49(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.
- 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 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 6 times during the financial year 2010-2011 ended on 31st March, 2011. The interval between any two successive meetings did not exceed four months. Board Meetings were held on 19th April, 2010, 9th July, 2010, 31st July, 2010, 26th August, 2010, 18th November, 2010 and 10th March, 2011. 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
	Held	Attended	2nd September, 2010
Mr. Dhruv M. Sawhney* Chairman & Managing Director	NA	NA	NA
Mr. Nikhil Sawhney* Joint Managing Director	NA	NA	NA
Mr. Tarun Sawhney	6	4	No
Lt. Gen. K.K. Hazari (Retd.)	6	4	No
Mr. K.N. Shenoy*	NA	NA	NA
Mr. Amal Ganguli*	NA	NA	NA
Mr. Anil Kumar Tanwar**	6	5	Yes
Mr. Suresh Taneja**	6	6	Yes
Mr. Sameer Sinha**	6	6	No

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

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

Appointment/Reappointment of Directors

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

Board Committees

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

* Audit Committee
* Remuneration Committee
* Share Transfer and Investor Grievance Committee

(I) Audit Committee

The reconstituted Audit 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 Audit Committee oversees the company's financial reporting process and disclosure of its financial information. It review the half-yearly and annual financial statements before submission to the Board and also ensure 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 its units, and ensure compliance with regulatory guidelines.
- Reviewing reports furnished by the internal and statutory auditors, and ensure that suitable follow-up action is taken.
- Examining accountancy and disclosure aspects of all significant transactions.
- Reviewing with management the quarterly, half yearly & annual financial statements including review of qualifications, if any, in the audit report before submission to the Board for approval.
- Recommending appointment of external and internal auditors and fixation of audit fees.
- Seeking legal or professional advice, if required.

Meetings & Attendance

The Audit Committee met twice during the financial year 2010-11 ended on 31st March, 2011 on 31st July, 2010 and 18th November, 2010. The attendance of each Audit Committee Member is as under:-

Name of the Members	No. of meetings Held	Attended
Lt. Gen. K.K. Hazari (Retd.)*	N. A.	N. A.
Mr. Amal Ganguli*	N. A.	N. A.
Mr. Nikhil Sawhney*	N. A.	N. A.
Mr. Anil Kumar Tanwar**	2	2
Mr. Suresh Taneja**	2	2
Mr. Sameer Sinha**	2	2

*appointed w.e.f. 10th May, 2011.

** ceased w.e.f. 10th May, 2011

(II) Remuneration Committee

The Remuneration Committee has been constituted with all the three independent directors and is also 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 guideline.

Meetings and Attendance

The Committee has been constituted w.e.f. 10th May, 2011 and no such Committee existed during the financial year 2010-11. Thus the attendance record of the members of the Committee for this period is not being provided.

Remuneration to Executive Directors

During the financial year 2010-11, the Company had no Executive Directors, accordingly no remuneration has been paid to them.

Remuneration to Non-Executive Directors

No remuneration including the sitting fee was paid to any of the Non-Executive Directors of the Company during the financial year 2010-11.

(III) Investors' Grievance and Share Transfer Committee

The Committee consists of the following Independent Non-Executive 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 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. 10th May, 2011 and no such Committee existed during the financial year 2010-11, thus the attendance record of the members of the Committee for this period is not being provided.

During the financial year 2010-11 ended on 31st March, 2011 the Company has not received any complaint from the shareholders/investors directly and/or through the Stock Exchanges/SEBI. There was no investor complaint pending for redressal as on 31st March, 2011. Further there was no pending share transfer as on 31st March, 2011.

General Body Meetings

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

Year	Date & Day	Location	Time	Special Resolution
2009-10	2nd September, 2010 Thursday	Express Trade Towers, 15-16, Sector-16A, 8th Floor, Noida-201 301.	11:00 am	None
2008-09	29th September, 2009 Tuesday	Regd. Off: 104, 1st floor, Grand Plaza, 99, Old Rajinder Nagar Market, New Delhi	11:00 am	None
2007-08	28th July, 2008 Monday	Regd. Off: 104, 1st floor, Grand Plaza, 99, Old Rajinder Nagar Market, New Delhi	4:30 pm	None

There was no Extra-Ordinary General Meeting held during the financial year 2010-11 ended on 31st March, 2011.

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 2010-11, no special/ordinary resolution was 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 Disclosure

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 the related party transactions during the year have been provided in Note-11 of Schedule-2A, Notes to Accounts of the financial statements.

All transactions covered under the related party transactions are regularly ratified and/or approved by the Board. For details please refer to Notes, forming part of the Balance Sheet of the Company.

Disclosures of Accounting Treatment

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

Risk Management

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

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

No penalties or strictures have been imposed by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during the last three years.

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

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

Code of conduct for Directors and Senior Executives

The Company has laid down a Code of Conduct for all Board Members and Senior Executives of the Company. The Code of Conduct is being made available on the Company's website www.triveniturbines.com

CEO/CFO certification

A prescribed certificate as stipulated in clause 49(V) of the listing agreement duly signed by the Chairman & Managing Director and General Manager & CFO was placed before the Board alongwith the financial statements for the year ended 31st March, 2011. The said certificate is provided elsewhere in the Annual Report.

Subsidiary Company

GE Triveni Limited is 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:* Unaudited quarterly financial results and the annual audited financial results of the Company will be sent to the concerned Stock Exchanges, and the same will be published in the newspapers in accordance with the listing agreement on receiving the listing and trading permission from NSE and BSE.

(b) *Website www.triveniturbines.com:* The Company has displayed detailed information on the Company's business and products. Further, quarterly/half yearly/nine months and annual financial results, quarterly distribution of shareholding will be displayed on listing of Company's equity shares on the concerned Stock Exchanges.

(c) *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.

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

(e) *Intimation to Stock Exchanges:* All price sensitive information or such other information which in its opinion are material & of relevance to the shareholders will be sent to the Stock Exchanges from time to time on listing of Company's Equity Shares.

General Shareholder Information

a) General Information

Annual General Meeting

Date & Day	:	6th September, 2011, Tuesday
Time	:	10.30 A.M.
Venue	:	Expo Center, A-11, Sector-62, NH-24 Noida - 201 301
Dates of Book Closure for Annual General Meeting	:	1st September, 2011to 6th September, 2011(both days inclusive)
Financial Year	:	April to March

Financial Calendar (tentative & subject to change)

Financial Reporting for the 1st Quarter ending 30th June, 2011	By the mid of August, 2011
Financial Reporting for the 2nd Quarter ending 30th September, 2011	By the mid of November, 2011
Financial Reporting for the 3rd Quarter ending 31st December, 2011	By the mid of February, 2012
Financial Reporting for the Annual Audited Accounts ending 31st March, 2012	By the end of May, 2012

b) Unclaimed Dividend

No unpaid/unclaimed dividend was eligible to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government under Section 205C of the Companies Act, 1956.

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 has received the listing approval from Bombay Stock Exchange, the designated Stock Exchange for listing of 32,98, 80,150 equity shares of ₹1/- each issued pursuant to the Scheme of Arrangement. However listing approval from NSE and trading permission from both the stock exchanges is awaited :

Sl.No. Name and Address of Stock Exchanges

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

The Company has paid listing fees for the Financial Year 2011-2012 to both the aforesaid Stock Exchanges. The Company has also paid the annual custodial fee for the year 2011-12 to both the depositories namely National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL).

e) Distribution of Equity Shareholding as on 31st March, 2011

Group of Shares	Number of Shareholders	% to total Shareholders	Number of Shares held	% to Total Shares
1-500	7	87.50	700	0.01
501-1000	-	-	-	-
1001-2000	-	-	-	-
2001-3000	-	-	-	-
3001-4000	-	-	-	-
4001-5000	-	-	-	-
5001-10000	-	-	-	-
10001 & higher	1	12.50	9999300	99.99
Total	**8**	**100.00**	**100000000**	**100**

f) Shareholding Pattern of Equity Shares as on 31st March, 2011

Category	Number of Shares held	% Shareholding
Indian Promoters	100000000	100
Mutual Funds/UTI	-	-
Banks, Financial Institutions, Insurance Cos.	-	-
FIIs	-	
Bodies Corporate	-	-
Indian Public	-	-
NRIs/OCBs	-	-
Others – Clearing Members & Trust	-	-
Total	**100000000**	**100**

g) Distribution of Equity Shareholding as on 10th May, 2011 (as on the date of allotment of shares in accordance with the scheme)

Group of Shares	Number of Shareholders	% to total Shareholders	Number of Shares held	% to Total Shares
1-5000	35682	98.48	9227271	2.80
5001-10000	219	0.60	1638232	0.50
10001-20000	125	0.35	1790788	0.54
20001-30000	55	0.15	1359645	0.41
30001-40000	26	0.07	896148	0.27
40001-50000	23	0.06	1058222	0.32
50001-10000	37	0.10	2685841	0.81
10001 & higher	67	0.19	311224003	94.35
Total	**36234**	**100.00**	**329880150**	**100**

h) Shareholding Pattern of Equity Shares as on 10th May, 2011 (as on the date of allotment of shares in accordance with the scheme)

Category	Number of Shares held	% Shareholding
Indian Promoters	247322533	74.97
Mutual Funds/UTI	17606536	5.34
Banks, Financial Institutions, Insurance Cos.	-	-
FIIs	42123358	12.77
Bodies Corporate	4425779	1.34
Indian Public	15266395	4.63
NRIs/OCBs	1570039	0.48
Others – Clearing Members & Trust	1565510	0.47
Total	**329880150**	**100**

i) Stock Price Data and Stock Performance

Permission for trading in the equity shares of the Company is awaited from the stock exchanges, hence stock price data/stock performance for this period is not available.

j) Dematerialization of Shares & Liquidity

The Company has entered into an Agreement with NSDL and CDSL to establish electronic connectivity of its shares for scripless trading. Both NSDL & CDSL has admitted the Company's equity share on their system.

The system for getting the shares dematerialized 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 31st March, 2011, the entire Issued, Subscribed and paid up Capital of the Company was held in physical form. However, pursuant to allotment of equity shares in accordance with the Scheme of Arrangement on 10th May, 2011, 76.21% of total equity share capital of the Company were held in dematerialized form. The ISIN allotted in respect of equity shares of ₹1/- each of the Company by NSDL/CDSL is INE152M01016.

Confirmation as and when received in respect of the requests for dematerialization of shares, will be sent to NSDL and CDSL within the stipulated period.

k) Share Transfer System

The Company's share transfer authority has been delegated to the Company Secretary who will 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.

l) Reconciliation of Share Capital Audit

During the financial year 2010-11 the equity shares of the Company were not listed on any stock exchange. The Company was not required to comply with the provisions of Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, for the audit for reconciling the total admitted capital with NSDL and CDSL and the total issued and listed capital for each of the quarter.

m) 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

n) 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.

o) Compliance Cerificate on Corporate Governance from the Auditor

The certificate dated 15th June, 2011 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 15th June, 2011.

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 understand that subsequent to the sanction of scheme of arrangement by Hon'ble Allahabad High Court vide its order dated April 19, 2011 effective from April 21, 2011, the Company is in the process of getting its equity shares listed on Bombay Stock Exchange Ltd. (BSE) & National Stock Exchange (NSE) in accordance with the order of the court read with SEBI circular No. SEBI/ CFD/ SCRR/ 01/ 2009/ 03/ 09 dated September 3, 2009.

We have examined the compliance of conditions of corporate governance by Triveni Turbine Ltd. as stipulated in Clause 49 of the Listing Agreement of the said company, to be entered into with stock exchange(s) in India as on the date of this certificate.

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 : 001111N

Sudhir Mallick
Partner
Membership No.80051

Place : Noida (U.P.)
Date : June 15, 2011

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 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 31st March, 2011 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

Dhruv M. Sawhney
Chairman and Managing Director

Place: Noida (U.P.)
Date : June 15, 2011

AUDITORS' REPORT

TO
THE MEMBERS OF
TRIVENI TURBINE LIMITED

We have audited the attached Balance Sheet of Triveni Turbine Limited as at 31st March 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report that:

1. As required by Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate after considering the 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 Bangalore Unit auditors where such audit has not been conducted by us.

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

   d) The report of the Bangalore Unit auditors has been forwarded to us and has been considered in preparing our report.

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

   f) On the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31st March 2011 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, 2011;

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

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

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

Sudhir Mallick
Partner
Membership No.80051

Place : Noida (U.P.)
Date : June 15, 2011

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph "1" of our report of even date on the accounts for the year ended on 31st March, 2011 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 Unit 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 ₹ 230.26 Million and outstanding balance at the end of the year was ₹ 168.84 Million.

   (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 and Spares, Services received, sale of Spare parts, rendering of Services and payment of rent, 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 specialized 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. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for the products manufactured by the Company.

9. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears as at 31st March, 2011 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, service tax and cess which have not been deposited on account of any dispute. Disputed excise duty which has 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 To FY 2009-10	8.35	-	Commissioner of Central Excise (Appeals)

* Demand taken over pursuant to the Scheme of Arrangement as approved by the Hon'ble Allahabad High Court.

10. The accumulated loss of the Company at the end of the financial year is more than fifity percent of its net worth. (Refer Note No.8 of Schedule 24). The Company has not incurred cash losses in the current year but has incurred cash loss in the immediately preceding financial year.

11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to 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 : June 15, 2011

BALANCE SHEET AS AT 31ST MARCH 2011

(₹ in Million)

	SCHEDULE	31.03.2011	31.03.2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	357.88	100.00
		357.88	100.00
LOAN FUNDS			
Secured Loans	2	616.70	0.15
Unsecured Loans	3	266.71	175.24
		883.41	175.39
DEFERRED TAX LIABILITY (NET) (Refer Note: 16 of Schedule 24)		58.20	-
TOTAL FUNDS EMPLOYED		**1,299.49**	**275.39**
APPLICATION OF FUNDS			
FIXED ASSETS	4		
Gross Block		1,505.54	1.75
Less : Depreciation		330.96	0.73
Net Block		1,174.58	1.02
Capital Work-in-Progress		16.57	-
Intangible Assets	5	33.10	-
Discarded Fixed Assets Pending Disposal/Sale		-	3.59
		1,224.25	4.61
INVESTMENTS	6	10.00	-
DEFERRED TAX ASSETS (NET) (Refer Note: 16 of Schedule 24)		-	6.08
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	959.62	1.00
Sundry Debtors	8	1,064.61	1.47
Cash and Bank Balances	9	10.44	2.54
Other Current Assets	10	0.72	-
Loans and Advances	11	178.01	4.06
		2,213.40	9.07
LESS : CURRENT LIABILITIES AND PROVISIONS			
Liabilities	12	2,270.48	2.24
Provisions	13	208.21	-
		2,478.69	2.24
NET CURRENT ASSETS		(265.29)	6.83
Profit & Loss Account		330.53	257.87
TOTAL ASSETS (NET)		**1,299.49**	**275.39**
Notes to Accounts	24		

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

For and on behalf of

J.C.Bhalla & Company
Chartered Accountants

Sudhir Mallick
Partner
Place : Noida (U.P.)
Date : June 15, 2011

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

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(₹ in Million)

	SCHEDULE	31.03.2011	31.03.2010
INCOME			
Gross Sales	14	3,156.45	60.31
Less : Excise Duty		102.28	-
Net Sales		3,054.17	60.31
Other Income	15	27.19	7.11
Increase/(Decrease) in Work-in-Progress/Finished Goods	16	117.08	-
		3,198.44	**67.42**
EXPENDITURE			
Materials	17	2,002.53	63.73
Manufacturing/Operating	18	87.90	1.09
Personnel	19	195.67	29.91
Administration	20	142.91	25.75
Financing	21	45.61	0.05
Selling	22	53.79	0.25
Depreciation		51.76	2.87
Amortisation		7.09	1.06
		2,587.26	124.71
Profit/(Loss) before Exceptional Item, Extra Ordinary Item & Taxation		611.18	(57.29)
Add/(Less) Exceptional Item		-	(23.48)
Profit/(Loss) before Extra Ordinary Item & Taxation		611.18	(80.77)
Add/(Less) Extra Ordinary Item - Refer Note: 8 of Schedule 24		(559.82)	-
Profit/(Loss) before Taxation		51.36	(80.77)
Provision for Taxation	23	124.02	(4.88)
Profit/(Loss) after Taxation		(72.66)	(75.89)
Surplus/(Deficit) Brought Forward		(257.87)	(181.98)
Surplus/(Deficit) Carried Forward		**(330.53)**	**(257.87)**
Earning per equity share of ₹ 1/- each (Note: 18 of Schedule 24)			
- Basic/Diluted (In ₹) - Before Extra Ordinary Item		2.26	(0.76)
- Basic/Diluted (In ₹) - After Extra Ordinary Item		(0.34)	(0.76)
Notes to Accounts	24		

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

For and on behalf of

J.C.Bhalla & Company
Chartered Accountants

Sudhir Mallick
Partner
Place : Noida (U.P.)
Date : June 15, 2011

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

SCHEDULES TO ACCOUNTS

(₹ in Million)

		31.03.2011	31.03.2010
1.	**SHARE CAPITAL**		
	AUTHORISED *		
	450,000,000 (500,000,000) Equity Shares of ₹ 1/- each	450.00	500.00
	5,000,000 (Nil) 8% Cumulative Redeemable Preference Shares of ₹ 10/- each	50.00	-
		500.00	**500.00**
	ISSUED , SUBSCRIBED & PAID UP		
	EQUITY		
	100,000,000 Shares of ₹ 1/- each	100.00	100.00
	Less: Converted to Preference Share Capital (Refer Note No: 5 (a) of Schedule 24)	28.00	-
	(Pending Allotment of 2,800,000 Shares of ₹ 10/- each)		
		72.00	100.00
	Add: Equity Share Capital Suspense A/c (Refer Note No: 5 (b) of Schedule 24)	257.88	-
	(Pending Allotment of 257,880,150 Shares of ₹ 1/- each)		
		329.88	100.00
	PREFERENCE		
	Preference Share Capital Suspense A/c (Refer Note No: 5 (a) of Schedule 24)	28.00	-
	(Pending Allotment of 2,800,000 Shares of ₹ 10/- each)		
		357.88	**100.00**

* Reorganised pursuant to the Scheme of Arrangement approved by the Hon'ble Allahabad High Court.

		31.03.2011	31.03.2010
2.	**SECURED LOANS**		
	From Banks -		
	Cash Credit/WCDL/Overdraft *1 & *3	35.20	-
	Term Loans *2 & *3	581.50	0.15
		616.70	**0.15**

*1 Secured by pledge/hypothecation of the stock-in-trade, raw material, stores & spare parts, work-in-progress and receivables and second charge created/to be created on the properties of the Turbine Unit on pari-passu basis.

*2 Represents

(a) ₹ 581.50 Million (₹ Nil) secured by first pari-passu charge created/to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created/to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme.

Due within one year ₹ 231.90 Million (₹ Nil)

(b) ₹ Nil (₹ 0.15 Million) secured by hypothecation of vehicles acquired under vehicle loan scheme.

Due within one year ₹ Nil (₹ 0.15 Million).

*3 The above loans were secured against the assets of the demerged company. Post demerger the security creation on the assets of company is in progress.

		31.03.2011	31.03.2010
3.	**UNSECURED LOANS**		
	Short Term Loan :-		
	From Banks	89.99	-
	Other Loans & Advances :-		
	From erstwhile Holding Company *	168.84	175.24
	Interest Accrued & Due	7.88	-
		266.71	**175.24**

* Includes ₹ 56.28 Million (₹ Nil) payable within one year.

4. FIXED ASSETS

(₹ in Million)

	Gross Block					Depreciation					Net Block	
	Cost as at 01.04.2010	Acquired Pursuant to Scheme of Arrangement	Additions	Deductions/ Transfers	Total as at 31.03.2011	Upto 01.04.2010	Acquired Pursuant to Scheme of Arrangement	For the year	Deductions	To Date as at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land - (Free Hold)	-	36.42	-	-	36.42	-	-	-	-	-	36.42	-
Buildings & Roads	-	332.58	0.92	-	333.50	-	47.41	5.39	-	52.80	280.70	-
Plant & Machinery	-	959.49	48.83	-	1,008.32	-	183.11	41.24	-	224.35	783.97	-
Furniture & Fixture	0.13	67.20	0.25	0.04	67.54	0.12	14.63	1.85	0.02	16.58	50.96	0.01
Computers	0.31	49.15	4.33	0.62	53.17	0.24	31.62	2.96	0.52	34.30	18.87	0.07
Vehicles	1.31	5.74	1.57	2.03	6.59	0.37	3.14	0.32	0.90	2.93	3.66	0.94
This Year	**1.75**	**1,450.58**	**55.90**	**2.69**	**1,505.54**	**0.73**	**279.91**	**51.76**	**1.44**	**330.96**	**1,174.58**	**1.02**
Previous Year	40.74	-	0.05	39.04	1.75	8.05	-	2.87	10.19	0.73	1.02	-

5. INTANGIBLE ASSETS (OTHER THAN INTERNALLY GENERATED)

	Gross Block					Amortisation					Net Block	
	Cost as at 01.04.2010	Acquired Pursuant to Scheme of Arrangement	Additions	Retirement & Disposal	Total as at 31.03.2011	Upto 31.03.2010	Acquired Pursuant to Scheme of Arrangement	During the year	Retirement & Disposal	To Date as at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Computer Software *	0.09	79.37	5.98	-	85.44	0.09	69.34	4.35	-	73.78	11.66	-
Designs & Drawings *	-	43.16	3.10	-	46.26	-	22.08	2.74	-	24.82	21.44	-
Technical Know How	4.87	-	-	4.87	-	4.87	-	-	4.87	-	-	-
This Year	**4.96**	**122.53**	**9.08**	**4.87**	**131.70**	**4.96**	**91.42**	**7.09**	**4.87**	**98.60**	**33.10**	**-**
Previous Year	7.05	-	4.84	6.93	4.96	6.39	-	1.06	2.49	4.96	-	-

* These assets have not incurred any impairment during the year.

	31.03.2011	31.03.2010
6. INVESTMENTS		
LONG TERM		
TRADE		
UNQUOTED		
SHARES - Fully paid-up - Subsidiary Company		
1,000,001 (Nil) Equity shares of ₹ 10/- each of GE Triveni Limited *	10.00	-
	10.00	**-**
Aggregate value of unquoted investments	**10.00**	**-**

* 50,000 Equity shares of ₹ 10/- each acquired pursuant to Scheme of Arrangement.

(₹ in Million)

	31.03.2011	31.03.2010
7. INVENTORIES		
Patterns	8.05	-
Loose Tools, Jigs & Fixtures	10.66	-
Stocks *1		
- Stores & Spares	0.58	-
- Finished Goods	-	2.42
Less : Provision for obsolescence/slow moving stock	-	(1.42)
- Raw Materials & Components *2	371.80	-
- Work-in-Progress	568.12	-
- Scrap	0.41	-
	959.62	**1.00**

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

*2 Includes Stock in Transit ₹ 7.40 Million (₹ Nil)

	31.03.2011	31.03.2010
8. SUNDRY DEBTORS - (Unsecured)		
Over Six Months		
Considered Good	119.02	-
Considered Doubtful	23.32	-
	142.34	-
Less : Provision for doubtful debts	23.32	-
	119.02	-
Other Debts - Considered Good	945.59	1.47
	1,064.61	**1.47**
9. CASH AND BANK BALANCES		
Cash & Stamps in hand	1.60	0.18
Balance with Scheduled Banks in		
- Current Accounts	3.22	1.78
- Margin Deposits *	5.62	0.58
	10.44	**2.54**

* Kept as security with banks ₹ 5.62 Million (₹ Nil)

	31.03.2011	31.03.2010
10. OTHER CURRENT ASSETS		
Interest accrued on deposits and investments	0.72	-
	0.72	**-**
11. LOANS AND ADVANCES		
(Unsecured, Considered Good unless otherwise stated)		
Due from Subsidiary Company	0.13	-
Advances, pre-payments and other recoverable in cash or in kind or for value to be received		
- Considered Good	156.98	3.56
- Considered Doubtful	0.91	1.37
	157.89	4.93
Less : Provision for doubtful advances	0.91	1.37
	156.98	3.56
Balances with Central Excise, Custom etc.	9.52	-
Advance Payment of Tax *1	11.38	0.50
	178.01	**4.06**

*1 Net after adjustment of Provision for Taxation of ₹ 77.98 Million (₹ 0.68 Million)

(₹ in Million)

	31.03.2011	31.03.2010
12. LIABILITIES		
Trade & Other Creditors		
i. Total outstanding dues to Micro Enterprises and Small Enterprises	27.10	-
ii. Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises *	1,069.65	2.24
Advance from customers	1,173.02	-
Interest Accrued but Not Due	0.71	-
	2,270.48	**2.24**

* Includes ₹ 96.19 Million (₹ Nil) due to Erstwhile Holding Company.

	31.03.2011	31.03.2010
13. PROVISIONS		
Gratuity	58.48	-
Warranty	44.60	-
Liquidated Damages	81.76	-
Compensated Absences	23.37	-
	208.21	**-**

	31.03.2011	31.03.2010
14. GROSS SALES *1		
- Domestic	2,801.66	60.31
- Exports *2	354.79	-
	3,156.45	**60.31**

*1 Inclusive of selling commission received ₹ 11.61 Million (₹ 2.77 Million)

*2 Inclusive of export incentives.

	31.03.2011	31.03.2010
15. OTHER INCOME		
Rent	0.01	-
Interest received on deposits and other accounts *1	1.41	0.08
Credit Balances/Amount written back	0.24	2.75
Exchange Rate Fluctuation Gains	5.62	-
Provision for Bad & Doubtful Debts/Advances Written Back	0.99	2.46
Provision for Liquidated Damages Written Back (Net)	8.94	-
Discount on Foreign Exchange Forward cover contracts	4.94	-
Provision for Slow/Non Moving Inventory Written Back	1.42	1.71
Miscellaneous *2	3.62	0.11
	27.19	**7.11**

*1 Income tax deducted at source ₹ 0.05 Million (₹ 0.01 Million)

*2 Income tax collected at source ₹ 0.02 Million (₹ Nil)

	31.03.2011	31.03.2010
16. INCREASE/(DECREASE) IN WORK-IN-PROGRESS/FINISHED GOODS		
Acquired pursuant to Scheme of Arrangement		
- Work-In-Progress	432.82	-
- Finished Goods	18.22	-
	451.04	-
Stock At Close		
- Work-In-Progress	568.12	-
	568.12	-
Net Increase/(Decrease)	**117.08**	**-**

(₹ in Million)

	31.03.2011	31.03.2010
17. MATERIALS		
Raw Material & Components		
Acquired pursuant to Scheme of Arrangement	368.16	0.10
Purchases	2,003.75	(0.10)
	2,371.91	-
Less : Stock at Close	371.80	-
	2,000.11	**-**
Cost of Trading Goods Sold		
Stock at Commencement	2.42	39.47
Purchases	-	26.68
	2.42	66.15
Less : Stock at Close	-	2.42
	2.42	**63.73**
	2,002.53	**63.73**
18. MANUFACTURING / OPERATING		
Stores, Spares & Tools	66.17	-
Power & Fuel	7.50	-
Designing & Consultancy	2.85	-
Repairs & Maintenance:		
- Plant & Machinery	5.08	-
- Building	2.12	-
- General	4.10	0.49
Factory/Operational Expenses	0.08	0.60
	87.90	**1.09**
19. PERSONNEL		
Salaries, Wages & Bonus	163.15	27.58
Gratuity	3.23	(0.48)
Contribution to Provident & Other Funds	12.57	1.40
Welfare	16.72	1.41
	195.67	**29.91**
20. ADMINISTRATION		
Travelling & Conveyance	37.49	1.60
Rent	4.29	10.15
Insurance	1.21	0.23
Rates & Taxes	3.63	2.75
Bad Debts & Amount Written Off	0.85	5.37
Loss on Sale/Write off of Fixed Assets (Net)	0.36	0.36
Service Charges (erstwhile Holding Company)	37.47	-
Warranty Expenses *	9.05	-
Provision for Slow/Non Moving Inventory	4.20	-
Office & Other Administration Expenses	44.36	5.29
	142.91	**25.75**

* Includes Net Provision for Warranty Expenses of ₹ 4.92 Million (₹ Nil)

(₹ in Million)

	31.03.2011	31.03.2010
21. FINANCING		
Interest on		
- Fixed Loans	41.64	0.03
- Others	1.68	0.02
Other Finance charges	1.47	-
	44.79	0.05
Add : Exchange Rate Fluctuation on Foreign Currency		
Denominated Loan	0.82	-
	45.61	**0.05**
22. SELLING		
Commission	18.65	-
Royalty	1.57	-
Packing & Forwarding	24.99	-
After Sales Expenses & Others	8.58	0.25
	53.79	**0.25**
23. PROVISION FOR TAXATION		
For Current Year		
- Current Tax	77.30	-
- Deferred Tax	46.63	(4.89)
	123.93	**(4.89)**
For Earlier Years (Net)		
- Income Tax	0.09	-
- Fringe Benefit Tax	-	0.01
	0.09	**0.01**
	124.02	**(4.88)**

SCHEDULE - 24

NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of Financial statements

These financial statements have been prepared on the accrual basis of accounting, under the historical cost convention and in compliance with the applicable accounting standard referred in section 211 (3C) and other requirements of the Companies Act, 1956.

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 statement and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialize.

b) Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes taxes, duties (excluding excise duty for which cenvat claim is available), freight and other incidental expenses relating to acquisition and installation. Capital work in progress refers to asset under construction & includes advances paid on capital contracts.

c) Recognition of Income / Expenditure

i) Sale of products and services are recognized on despatch of goods or when the services are rendered. Gross Sales are stated at contractual realizable values and are net of sales tax and trade discounts.

ii) Income & Expenditure relating to prior period and prepaid expenses which do not exceed ₹ 10,000/- in each case, are treated as Income and expenditure of that year.

d) Foreign Currency Transactions

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

ii) Foreign currency monetary items (including forward contracts) are translated at year end rates. Exchange differences arising on settlement of transactions and translation of monetary items (including forward contracts) are recognized 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 purpose is amortised as expense or income over the life of the 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 transactions are not recognized till settlement.

e) Investment

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

f) Inventories

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

ii) Finished goods and Work in progress are valued at lower of cost and net realizable 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 & Fixtures are written off equally over three years.

iv) Scrap is stated at estimated net realizable value.

g) Depreciation

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

		Rates adopted
a)	Certain machineries at Turbine unit	9.48% to 12.65%
b)	Mobile phone costing above ₹ 5,000/-	50%

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

ii) Long term employee benefits

(i) *Defined Contribution Plans:* The Company's state governed provident fund Scheme and employee state insurance scheme are defined contribution plans. Company also contributes towards Group Superannuation Policy with Life Insurance Corporation for superannuation payable to specific employees. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

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

a) *Gratuity*

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

b) *Compensated absence*

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 recognized as a liability at the Balance Sheet date on the basis of actuarial valuation.

The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized immediately in the Profit & Loss Account.

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

i) Borrowing costs

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

j) Taxes on Income

i) Tax on income for the current period is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

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

iii) Deferred tax assets are recognized only to the extent that there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

k) **Intangible Assets**

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

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

l) **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 recognized in accordance with the Accounting Standard (AS) 28 "Impairment of Assets".

m) **Provisions, Contingent liabilities and Contingent assets**

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

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

Contingent Liability is disclosed in the case of

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

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

Contingent Assets are neither recognized nor disclosed.

n) **Research & 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. **Contingent liabilities (to the extent not provided for)**

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

(₹ in Million)

Sl No.	Particulars	Amount of Contingent Liability	Amount Paid
1	Excise Duty	44.66 (Nil)	26.15 (Nil)
2	Others	2.08 (1.36)	Nil (Nil)
	Total	46.74 (1.36)	26.15 (Nil)

Excise Duty : The outflow arising from these claims is uncertain and shall be after adjusting the likelihood reimbursement of ₹ 12.02 Million from customers 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 in item 2(a) represent the best possible estimates arrived at on the basis of available information. The uncertainties, possible payments and reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants, as the case may be, and therefore can not be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal position against such disputes.

3. Estimated amount of contracts remaining to be executed on capital account and not provided for : ₹ 72.34 Million after adjusting advances paid amounting to ₹ 14.45 Million.

4. Under a Scheme of Arrangement (Scheme) sanctioned by the High Court of Judicature at Allahabad, under sections 391 to 394 of the Companies Act, 1956 between the Company, Triveni Engineering & Industries Ltd. (TEIL) and their respective shareholders and creditors, the Steam Turbine Business (Demerged Undertaking) of TEIL vested with the Company retrospectively with effect from the 1st October, 2010 (appointed date) as per the Scheme. The Steam Turbine Business comprises of the business pertaining to designing, manufacturing, sales of steam turbines and spare parts thereof along with associated equipments and rendering services in relation thereto including but not limited to erection, commissioning, refurbishment, servicing. The Demerged Undertaking has been vested with the Company on a going concern basis along with all the assets and liabilities relating thereof. The said Scheme has become effective from 21st April, 2011 (effective date) and accordingly:

a) The business and operations of the Demerged Undertaking were deemed to be vested with the Company with retrospective effect from 1st October, 2010.

b) The related assets and liabilities of the Demerged Undertaking, at the opening of business on 1st October, 2010 were deemed to have been transferred to the Company with effect from that date at their respective book values.

c) The business of the Demerged Undertaking was deemed to have been carried out by TEIL, in trust for and on behalf of the Company from the appointed date till the effective date.

d) The broad details of the assets and liabilities transferred and vested with the Company as at 1st October, 2010 are as under:

(₹ in Million)

Particulars		
ASSETS		
Fixed Assets	1201.79	
Capital work in progress	15.07	
Total Fixed Assets		1216.86
Investments		0.50
Current Assets, Loans and Advances	1788.22	
Current Liabilities and Provisions	2513.42	
Net Current Assets		(-)725.20
Total Assets		492.16
Loans		
(a) Secured Loans	686.04	
(b) Unsecured Loans	90.41	
Total Loans		776.45
Excess of Liabilities over Assets		284.29

e) As the scheme became effective only on 21st April, 2011, the titles to the assets vested and arising out of business conducted, could not, where necessary, be transferred in the name of the Company. Hence, the same are being held, in trust, by TEIL. The requisite stamp duty, on determination thereof by the Authorities, shall be paid and accounted for by the Company appropriately.

5. The financials of the Company incorporate the effect of the demerger of the Demerged Undertaking of Triveni Engineering & Industries Limited (TEIL) and vesting of the same in the Company w.e.f. 1st October, 2010. In accordance with the Scheme:

a) 28,000,000 equity shares of ₹ 1/- each fully paid-up held by TEIL stands converted to 2,800,000 8% cumulative, redeemable preference shares of ₹ 10/- each fully paid-up. Pending actual allotment of the preference shares as on the date of the balance sheet, the same has been reflected as Preference Share Capital Suspense.

b) 257,880,150 equity shares of ₹ 1/- each fully paid-up shall be issued to the shareholders of TEIL as per the prescribed allotment ratio in consideration for the transfer of the Demerged Undertaking. Pending actual allotment of the equity shares as on the date of the balance sheet, the same has been reflected as Equity Share Capital Suspense.

c) In respect of the assets and liabilities pertaining to the Demerged Undertaking, net deferred tax liability of ₹ 17.65 Million has been recognized.

d) Goodwill of ₹ 559.82 Million has been recognized on the transfer of the Demerged Undertaking and its vesting with the Company on the appointed date. The Goodwill comprises of ₹ 284.29 Million being the excess of liabilities over the assets transferred, ₹ 17.65 Million being the net deferred tax liability recognized and ₹ 257.88 Million being the share capital issued to the shareholders of TEIL.

6. Pursuant to Employee Stock Option Scheme (ESOP 2009) framed by Triveni Engineering & Industries Ltd. (Demerged Company), 200,000 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 30th April, 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 Steam 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 from the Securities and Exchange Board of India ("SEBI")/Bombay Stock Exchange/National Stock Exchange under the SEBI Guidelines, to give effect to the Demerger upon the stock options granted, no effect has been considered in the financials by the Company in respect of such options granted.

7. 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	31.03.2011	31.03.2010
1	Amounts due to Micro and Small enterprises as on		
	i) Principal amount	27.10	Nil
	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 and that given in Schedule12 "Liabilities" regarding Micro & Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

8. Extraordinary Items

Goodwill of ₹ 559.82 Million arising consequent to the vesting of the Demerged Undertaking with the Company on the appointed date in accordance with the Scheme of Arrangement, has been fully written off and has accordingly been depicted as an extraordinary item in the Profit & Loss Account. Consequent to the write off of the Goodwill (non cash item), the accumulated loss of the Company has exceeded fifty percent of the Net Worth as on 31st March, 2011.

9. (a) The Company has taken various residential and office premises under operating lease. These are generally not non-cancelable and the unexpired period ranges between 6 months to 3 years and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits under certain agreements.

(b) Lease payments under operating lease of ₹ 4.29 Million (₹ 10.15 Million) are recognized in the Profit & Loss Account under "Rent" in Schedule 20.

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

10. Information on Segment Reporting of the Company for the period ended 31st March, 2011

(₹ in Million)

	Steam Turbines		Retail		Eliminations		Total	
	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10
REVENUE								
Sales	3153.80	-	2.65	60.31			3156.45	60.31
Other Income	23.83	-	1.90	6.17			25.73	6.17
Total Revenue	3177.63	-	4.55	66.48			3182.18	66.48
RESULT								
Segment result	657.04	-	(1.49)	(59.04)			655.55	(59.04)
Unallocated expenses (Net)							(0.17)	1.72
Operating Profit/(Loss)							655.38	(57.32)
Interest expense							(45.61)	(0.05)
Interest income							1.41	0.08
Goodwill written off							(559.82)	-
Impairment of Fixed Assets							-	(23.48)
Income taxes (including deferred tax)							(124.02)	4.88
Net Profit/(Loss)							(72.66)	(75.89)
OTHER INFORMATION								
Segment assets	3425.04	-	0.69	12.60			3425.73	12.60
Unallocated assets							21.92	1.08
Total assets							3447.65	13.68
Segment liabilities	2476.75	-	1.94	2.19			2478.69	2.19
Unallocated liabilities							941.61	169.36
Total liabilities							3420.30	171.55
Capital expenditure	66.47	-	-	0.28				
Depreciation	51.67	-	0.04	2.82				
Amortization	7.09	-	-	1.06				

Notes :

(i) In accordance with the Accounting Standard (AS) 17 "Segment Reporting", the Company's operations have been categorized into two business segments, which constitute 100% of the total turnover of the Company.

Steam Turbine Business

This segment is engaged in the manufacture of steam turbines at manufacturing facilities located at Bangalore, Karnataka.

Retail Business

This segment was engaged in operating retail stores at various rural and semi urban locations. The operations of this business have now been discontinued.

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

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

SCHEDULES TO ACCOUNTS (contd.)

11. Information regarding Related Party Transactions

1) Related Parties where control exists

a) Erstwhile Holding Company : Triveni Engineering & Industries Ltd *1

b) Subsidiary : GE Triveni Ltd *2

c) Erstwhile Fellow Subsidiaries *3

i) Upper Bari Power Generation Ltd.

ii) Triveni Engineering Ltd.

iii) Triveni Energy Systems Ltd.

d) Key Management Personnel

i) Mr. Dhruv M. Sawhney – Chairman & Managing Director

ii) Mr. Nikhil Sawhney – Joint Managing Director

*1. As a result of the Scheme of Arrangement, the Company ceased to be a subsidiary of Triveni Engineering & Industries Ltd. w.e.f. 1st October, 2010 and is an Associate Company w.e.f. that date.

*2. As a result of the Scheme of Arrangement, GE Triveni Ltd has become a subsidiary of the Company w.e.f. 1st October, 2010.

*3. As a result of the Scheme of Arrangement, these companies ceased to be fellow subsidiaries w.e.f. 1st October, 2010.

2) Name of the parties with whom transactions have taken place during the period and the details of transactions with them are as hereunder:-

(a) Triveni Engineering & Industries Ltd (TEIL)

(b) GE Triveni Ltd (GETL)

(₹ in Million)

Sl.		Year ended 31.03.2011			Year ended 31.03.2010		
No.	Nature of Transaction	TEIL	GETL	TOTAL	TEIL	GETL	TOTAL
1	Purchase of Goods & Receiving of Services	219.45	-	219.45	0.04	-	0.04
2	Sale of Fixed Assets	2.22	-	2.22	3.29	-	3.29
3	Sale & rendering of services	2.80	-	2.80	11.10	-	11.10
4	Interest paid/payable	8.75	-	8.75	-	-	-
5	Expenses incurred on behalf of the Company / (by the Company)	69.24	(0.13)	69.11	1.00	-	1.00
6	Unsecured Loan taken	250.36	-	250.36	19.60	-	19.60
7	Unsecured loan repaid	256.76	-	256.76			
8	Investment in Shares	-	9.50	9.50	-	-	--
9	Rent paid/payable	1.06	-	1.06	1.23	-	1.23
10	Selling Commission received	7.53	-	7.53	-	-	-
	Outstanding Balance						
	Payable	272.91	-	272.91	175.24	-	175.24
	Receivable	-	0.13	0.13	-	-	-

12. Disclosures required by Accounting Standard (AS) 29 Provisions, Contingent Liabilities and Contingent Assets notified under the Accounting Standards Rules 2006.

i) Movements in provisions:

(₹ in Million)

		Nature of Provision			
		Warranty		Liquidated Damages	
Sl. No.	Particulars of disclosure	Year Ended 31.3.2011	Year Ended 31.3.2010	Year Ended 31.3.2011	Year Ended 31.3.2010
1	Balance acquired pursuant to Scheme of arrangement on 1st October, 2010	43.29	-	91.12	-
2	Provision made during the period	16.34	-	27.64	-
3	Provision used during the period	3.62	-	0.41	-
4	Provision reversed no longer required	11.41	-	36.59	-
5	**Balance as at 31st March, 2011**	**44.60**	**-**	**81.76**	**-**

ii) Nature of provisions:

Warranties: The Company gives warranties on certain products and services, undertaking to repair the items that fail to perform satisfactorily during the warranty period. Provisions made as at 31st March, 2011 represents the expected cost of meeting such obligations of rectification/replacement. The timing of the outflows is expected to be within a period of two years.

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

13. a) Derivative Instruments outstanding as on 31st March, 2011 for hedging foreign currency risks (including firm commitments and highly probable forecasted transactions)

Foreign currency in Million

	As on 31.03.2011		As on 31.03. 2010	
Currency Pair	Payables	Receivables	Payables	Receivables
Forward Exchange Contracts				
USD/INR	2.69	6.90	-	-
EURO/USD*	-	1.95	-	-
JPY/USD*	50.00	-	-	-

The above contracts have been entered into by the company to hedge the currency risk associated with foreign exchange transactions. These contracts are not used for speculative purposes.

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

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

Foreign currency in Million

	As on 31.03.2011			As on 31.03.2010		
Currency Pair	Payables	Receivables	Net	Payables	Receivables	Net
USD/INR	3.89	0.13	3.76	-	-	-
The above is inclusive of the USD equivalent of the following foreign currencies						
EURO/USD	0.52	0.07	0.45	-	-	-
GBP/USD	0.02	-	0.02	-	-	-
JPY/USD	33.19	-	33.19	-	-	-
CHF/USD	0.03	-	0.03	-	-	-

14. The Company has incurred an expenditure of ₹ 20.10 Million (Previous year ₹ Nil) including capital expenditure of ₹ 3.72 Million (Previous year ₹ Nil) in respect of Research and Development activities.

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

i) Defined Contribution Plans

(₹ in Million)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
i) Employer's Contribution to Provident fund	8.28	1.07
(ii) Employer's Contribution to Employees' State Insurance Scheme	0.67	0.18
(iii) Employer's Contribution to Superannuation Scheme	2.97	-

ii) Defined Benefit Plans

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

Change in present value of obligation

(₹ in Million)

	Gratuity (un-funded)		Compensated absence (un-funded)	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
Present value of obligation as at the beginning of the year	-	0.51	-	0.98
Obligation acquired pursuant to the Scheme of Arrangement	58.32	-	19.60	-
Interest cost	2.41	-	0.81	-
Current service cost	2.00	-	1.57	0.10
Benefits paid	(3.07)	(0.03)	(0.65)	(1.08)
Actuarial (gain)/loss on obligation	(1.18)	(0.48)	0.49	-
Present value of obligation as at the end of the year	58.48	-	21.82	-

Amounts recognized in balance sheet

(₹ in Million)

	Gratuity (un-funded)		Compensated absence (un-funded)	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
Present value of obligation as at the end of the period	58.48	-	21.82	-
Funded status/ Difference	(58.48)	-	(21.82)	-
Net assets/(liability) recognized in the balance sheet	(58.48)	-	(21.82)	-

Amounts recognized in the statement of profit & loss

(₹ in Million)

	Gratuity (un-funded)		Compensated absence (un-funded)	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
Current service cost	2.00	-	1.57	0.10
Interest cost	2.41	-	0.81	-
Expected return on plan assets	-	-		-
Net actuarial (gain)/loss recognized during the year	(1.18)	(0.48)	0.49	-
Expenses recognized in the statement of profit & loss	3.23	(0.48)	2.87	0.10

Experience adjustment

(₹ in Million)

	Gratuity				Compensated absences			
	31.03.11	31.03.10	31.03.09	31.03.08	31.03.11	31.03.10	31.03.09	31.03.08
Defined Benefit Obligation	58.48	-	0.51	0.38	21.82		0.98	1.00
Fair Value of Plan Assets	-	-	-	-	-	-	-	-
Surplus/(Deficit)	(58.48)	-	(0.51)	(0.38)	-	-	(0.98)	(1.00)
Experience adjustment on plan liabilities	1.18	-	0.18	-	0.49	-	0.30	-
Experience adjustment on plan assets	-	-	-	-	-	-	-	-

Major actuarial assumptions

(₹ in Million)

	Gratuity		Compensated absences	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
Discounting rate	8.25%	-	8.25%	-
Future salary increase	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.

16. The break-up of deferred tax liability/(asset) (net) is provided below:-

(₹ in Million)

	Deferred tax liability (deferred tax assets)	
Particulars	31.03.2011	31.03.2010
Difference in Net Book Values of fixed assets as per accounts and tax	123.17	(5.52)
Expenses allowable on payment basis	(28.56)	(0.12)
Others	(36.41)	(0.44)
Net Deferred Tax Liability/(Asset)	58.20	(6.08)

17. Auditor Remuneration represent amount paid/payable to the Statutory Auditors on Account of:

(₹ in Million)

		Statutory Auditors		Branch Auditors	
		Year ended 31.3.2011	Year ended 31.3.2010	Year ended 31.3.2011	Year ended 31.3.2010
1	Audit Fee	0.12	0.08	0.18	-
2	Tax Audit Fee	0.06	0.03	0.12	-
3	Certification charges & Other matters	-	-	0.15	-
4	Out of Pocket expenses	-	0.01	0.04	-
		0.18	0.12	0.49	-

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

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Net profit/(loss) after tax (after preference dividend and extra-ordinary item) - ₹ in Million	(73.97)	(75.89)
Net profit/(loss) after tax (after preference dividend but before extra-ordinary item net of tax expense thereon) - ₹ in Million	485.86	(75.89)
No. of Equity Shares of ₹ 1/- each (Weighted average*)	214625171	100000000
Basic/Diluted EPS after extra-ordinary item - ₹	(0.34)	(0.76)
Basic/Diluted EPS before extra-ordinary item - ₹	2.26	(0.76)

*Weighted average No. of shares is determined taking into consideration the allotment of new equity shares to the shareholder of TEIL and conversion of part of existing equity capital into preference capital pursuant to the scheme of arrangement from the appointed date on 1st October, 2010.

19. In view of the loss for the year, no dividend is proposed on 8% Cumulative Redeemable Preference Shares. The arrears of dividend for the year are ₹ 1.30 Million including dividend distribution tax.

20. Subject to the provisions of the Companies Act, 1956, the preference shares are redeemable at par at the end of 5 years from the date of allotment. However the Company will have an option to redeem the Preference Shares at any time after the end of 6 months from the date of allotment.

SCHEDULES TO ACCOUNTS (contd.)

21. Statement of additional information

(₹ in Million)

		2010-2011	2009-2010
a)	**Value of imports on CIF basis :**		
	Raw Materials	126.47	-
	Components & spare parts	3.61	-
	Capital Goods	33.56	-
b)	**Expenditure in foreign currency**		
	i) Travelling	4.01	-
	ii) Royalty	1.41	-
	iii) Selling Commission	4.56	-
	v) Others	5.28	-
c)	**Earnings in foreign currency**		
	Exports of goods on F.O.B. basis	332.47	-
	Service Charges	16.06	-
	Selling Commission	3.13	-

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

		2010-2011		2009-2010	
		(₹ in Million)	%	(₹ in Million)	%
i)	**Raw Material & Components**				
	- Directly imported	88.81	4.44	-	-
	- Indigenous	1,911.30	95.56	-	-
	Total	**2,000.11**	**100.00**	**-**	**-**
ii	**Stores, Spares and Tools**				
	- Directly imported	-	-	-	-
	- Indigenous	66.17	100.00%	-	-
	Total	**66.17**	**100.00%**	**-**	**-**

e) Licensed and Installed Capacities & Actual Production:

		Licensed Capacity		Installed Capacity *		Actual Production	
Class of Goods	Units	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
Steam Turbines	Nos.	NA	NA	150	-	53	-

* As Certified by Management on which the Auditors have placed reliance.

f) Opening Stock, Closing Stock & Sales

i) Manufactured Goods

			Opening Stock		Transfer on		Closing Stock		Sales (Gross)	
Class of Goods	Units	Year	Qty	Value (₹ in Million)	Scheme of Arrangement Qty.	Value (₹ in Million)	Qty	Value (₹ in Million)	Qty	Value (₹ in Million)
Steam Turbines	Nos.	**2010-11**	-	-	2	18.2	-	-	55	1,656.42
		2009-10	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Boughtout, Spares & Others *	₹ in Million	**2010-11**	-	-	-	-	-	-	-	1,497.38
		2009-10	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total		**2010-11**		-	-	-	-	-	-	3,153.80
		2009-10	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

* Product being diverse, it is not feasible to give quantitative details. Includes Selling Commission of ₹ 9.96 Million (Previous Year ₹ Nil)

ii) Trading Goods

Class of Goods	Units	Year	Opening Stock		Closing Stock		Sales (Gross)	
			Qty	(₹ in Million)	Qty	(₹ in Million)	Qty	(₹ in Million)
Fertilizers	Nos.(Bags)	**2010-11**	-	-	-	-	-	-
		2009-10	(35,500)	(7.55)	(-)	(-)	(48,821)	(8.24)
Pesticides	Nos.(Packet/Bottles)	**2010-11**	308	0.06	-	-	308	0.02
		2009-10	(94,047)	(13.77)	(308)	(0.06)	(174,979)	(21.35)
Cement	Nos.(Bags)	**2010-11**	-	-	-	-	-	-
		2009-10	(2,695)	(0.61)	(-)	(-)	(46,786)	(10.00)
Others		**2010-11**	-	2.36	-	-	-	2.62 *
		2009-10	(-)	(17.53)	(-)	(2.36)	(-)	(20.72)*
Total		**2010-11**	-	2.42	-	-	-	2.65
Previous year		2009-10	(-)	(39.47)	(-)	(2.42)	(-)	(60.31)

* No. of items being diverse, it is not feasible to give quantitative details. Includes selling commission ₹ 1.65 Million (Previous year ₹ 2.77 Million).

g) Raw Material Consumed

		31.03.2011				31.03.2010
Class of Goods	Unit	Qty	(₹ in Million)	Unit	Qty	(₹ in Million)
Iron & Steel		N.A	56.20	-	-	-
Castings & Forgings		N.A	183.73	-	-	-
Bought Out :						
Alternator, Panels and Other Bought Outs		N.A	915.70	-	-	-
Pumps	Nos	228	144.00	-	-	-
Bearings	Nos.	6944	67.02	-	-	-
Couplings	Nos.	414	23.12	-	-	-
Governors & Assy. Items	Nos.	172	60.93	-	-	-
Instruments	Nos.	576	26.19	-	-	-
Gear Box	Nos.	68	184.39	-	-	-
Total			**1,661.28**			
Others			338.83	-	-	-
Total			**2,000.11**	-	-	-

22. Previous year figures are regrouped /rearranged wherever necessary. Further, in view of the facts stated in Note No.4 above, the figures of the current year are not comparable with the figures of the previous year.
23. Schedules 1 to 24 form an integral part of Balance Sheet and Profit and Loss Account and have been duly authenticated.

	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 : June 15, 2011	Managing Director	Audit Committee	Secretary	& CFO

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

(₹ in Million)

		31.03.2011	31.03.2010
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit/(Loss) Before Extra Ordinary Item & Tax	**611.18**	**(80.77)**
	Add : Depreciation	51.76	2.87
	: Amortisation	7.09	1.06
	Less : Incomes/Expenses treated separately		
	Profit/(Loss) on sale / written off of Fixed Assets	(0.36)	(0.36)
	Loss on Impairment of Fixed Assets	-	(23.48)
	Interest Expenses	(45.61)	(0.05)
	Interest Income	1.41	0.08
	Operating Profit before Working Capital changes	**714.59**	**(53.03)**
	Changes in Working Capital		
	Changes in Inventories	(117.24)	35.44
	Changes in Receivables	(356.42)	3.66
	Changes in Other Trade Receivables	(1.55)	4.01
	Changes in Current Liabilities	(36.92)	(19.68)
	Direct Taxes Paid (Net)	(88.27)	(0.13)
	Net Changes in Working Capital	**(600.40)**	**23.30**
	Cash Flow from operating activities	**114.19**	**(29.73)**
B.	**CASH FLOW FROM INVESTMENT ACTIVITIES**		
	Purchase of Fixed/Intangible Assets	(66.47)	(0.28)
	Sale of Fixed/Intangible Assets	4.49	5.86
	Purchase of Investments	(9.50)	-
	Interest Income	1.26	0.08
	Net Cash Flow in Investment Activities	**(70.22)**	**5.66**

(₹ in Million)

	31.03.2011	31.03.2010
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Short Term Borrowings (Net)	55.86	30.58
Increase / (Decrease) in Long Term Borrowings (Net)	(163.19)	(0.30)
Increase/(Decrease) in Cash Credit	31.02	-
Interest Paid	(37.78)	(10.92)
Net Cash Flow in Financing Activities	**(114.09)**	**19.36**
Net Increase/(Decrease) in Cash & Cash Equivalents	**(70.12)**	**(4.71)**
Opening Cash & Cash Equivalents	**2.54**	**7.25**
Cash & Cash Equivalents acquired on vesting of Steam Turbine Business	**72.40**	**-**
Closing Cash & Cash Equivalents	**4.82**	**2.54**
Add Bank Balance under lien	**5.62**	**-**
Cash & Cash Equivalents as per Schedule 9 of Balance Sheet	**10.44**	**2.54**

Notes to Accounts Schedule 24.

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

For and on behalf of

J.C.Bhalla & Company
Chartered Accountants

Sudhir Mallick
Partner
Place : Noida (U.P.)
Date : June 15, 2011

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details:

Registration No.	070229	State Code	20
Balance Sheet Date	31 (Date) 03 (Month) 2011 (Year)		

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

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL
Issue of shares under Scheme of Arrangement	
257.88	

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

Total Liabilities	Total Assets
1299.49	1299.49

Sources of Funds:

Paid up Capital	Reserves and Surplus
357.88	NIL
Secured Loans	Unsecured Loans
616.70	266.71
Deferred Tax Liability (Net)	
58.20	

Application of Funds:

Net Fixed Assets	Investments
1224.25	10.00
Net Current Assets	Profit & Loss Account
(265.29)	330.53

IV. Performance of the Company (₹ in Million)

Turnover (including Other Income)	Total Expenditure
3183.64	3132.28
Profit before tax	Profit/(Loss) after tax
51.36	(72.66)
Earning per Share-Basic/Diluted in ₹	
Before Extra Ordinary Item	Dividend Rate %
2.26	NIL
After Extra Ordinary Item	
(0.34)	

V. Generic Name of Principal Product/Service of Company

Item Code No. (ITC Code)	Product Description
00008406	MANUFACTURE OF STEAM TURBINE

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 2011and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of Triveni 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. 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, 2011 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 Company and its subsidiary as at 31st March, 2011;

   (b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiary for the year ended 31st March, 2011 and

   (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiary for the year ended 31st March, 2011.

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

Sudhir Mallick
Partner
Membership No.80051

Place : Noida (U.P.)
Date : June 15, 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

(₹ in Million)

	SCHEDULE	31.03.2011
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
Share Capital	1	357.88
		357.88
Minority Interest		9.05
LOAN FUNDS		
Secured Loans	2	616.70
Unsecured Loans	3	266.71
		883.41
DEFERRED TAX LIABILITY (NET) (Refer Note: 13 of Schedule 23)		58.20
TOTAL FUNDS EMPLOYED		**1,308.54**
APPLICATION OF FUNDS		
FIXED ASSETS	4	
Gross Block		1,505.54
Less : Depreciation		330.96
Net Block		1,174.58
Capital Work-in-Progress		16.57
Intangible Assets	5	33.10
		1,224.25
CURRENT ASSETS, LOANS AND ADVANCES		
Inventories	6	959.62
Sundry Debtors	7	1,064.61
Cash and Bank Balances	8	30.44
Other Current Assets	9	0.72
Loans and Advances	10	177.88
		2,233.27
LESS : CURRENT LIABILITIES AND PROVISIONS		
Liabilities	11	2,272.25
Provisions	12	208.21
		2,480.46
NET CURRENT ASSETS		(247.19)
Profit & Loss Account		331.48
TOTAL ASSETS (NET)		**1,308.54**
Notes to Accounts	23	

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

For and on behalf of

J.C.Bhalla & Company
Chartered Accountants

Sudhir Mallick
Partner
Place : Noida (U.P.)
Date : June 15, 2011

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 PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(₹ in Million)

	SCHEDULE	31.03.2011
INCOME		
Gross Sales	13	3,156.45
Less : Excise Duty		102.28
Net Sales		3,054.17
Other Income	14	27.19
Increase/(Decrease) in Work-in-Progress/Finished Goods	15	117.08
		3,198.44
EXPENDITURE		
Materials	16	2,002.53
Manufacturing/Operating	17	87.90
Personnel	18	195.67
Administration	19	144.81
Financing	20	45.61
Selling	21	53.79
Depreciation		51.76
Amortisation		7.09
		2,589.16
Profit/(Loss) before Extra Ordinary Item & Taxation		609.28
Add/(Less) Extra Ordinary Item - Refer Note: 8 of Schedule 23		(559.82)
Profit/(Loss) before Taxation		49.46
Provision for Taxation	22	124.02
Profit/(Loss) after Taxation		(74.56)
Minority Interest		(0.95)
Net Profit/(Loss) after Minority Interest		(73.61)
Surplus/(Deficit) Brought Forward		(257.87)
Surplus/(Deficit) Carried Forward		**(331.48)**
Earning per equity share of ₹ 1/- each (Note: 14 of Schedule 23)		
- Basic/Diluted (In ₹) - Before Extra Ordinary Item		2.26
- Basic/Diluted (In ₹) - After Extra Ordinary Item		(0.35)
Notes to Accounts	23	

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

For and on behalf of

J.C.Bhalla & Company
Chartered Accountants

Sudhir Mallick
Partner
Place : Noida (U.P.)
Date : June 15, 2011

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

SCHEDULES TO ACCOUNTS

	(₹ in Million)
	31.03.2011
1. **SHARE CAPITAL**	
AUTHORISED *	
450,000,000 Equity Shares of ₹ 1/- each	450.00
5,000,000 8% Cumulative Redeemable Preference Shares of ₹ 10/- each	50.00
	500.00
ISSUED , SUBSCRIBED & PAID UP	
EQUITY	
100,000,000 Shares of ₹ 1/- each	100.00
Less: Converted to Preference Share Capital (Refer Note No: 5 (a) of Schedule 23)	28.00
(Pending Allotment of 2,800,000 Shares of ₹ 10/- each)	
	72.00
Add: Equity Share Capital Suspense A/c (Refer Note No: 5 (b) of Schedule 23)	257.88
(Pending Allotment of 257,880,150 Shares of ₹ 1/- each)	
	329.88
PREFERENCE	
Preference Share Capital Suspense A/c (Refer Note No: 5 (a) of Schedule 23)	28.00
(Pending Allotment of 2,800,000 Shares of ₹ 10/- each)	
	357.88

* Reorganised pursuant to the Scheme of Arrangement approved by the Hon'ble Allahabad High Court.

2. **SECURED LOANS**	
From Banks -	-
Cash Credit/WCDL/Overdraft *1 & *3	35.20
Term Loans *2 & *3	581.50
	616.70

*1 Secured by pledge/hypothecation of the stock-in-trade, raw material, stores & spare parts, work-in-progress and receivables and second charge created/to be created on the properties of the Turbine Unit on pari-passu basis.

*2 Secured by first pari-passu charge created/to be created by equitable mortgage on immoveable assets and hypothecation of all moveable assets, both present and future of the Company subject to bankers prior charges created/to be created on current assets for providing working capital facilities and excluding assets purchased under vehicle loan scheme. Due within one year ₹ 231.90 Million.

*3 The above loans were secured against the assets of the demerged company. Post demerger the security creation on the assets of company is in progress.

	31.03.2011
3. **UNSECURED LOANS**	
Short Term Loan :-	
From Banks	89.99
Other Loans & Advances :-	
From erstwhile Holding Company *	168.84
Interest Accured & Due	7.88
	266.71

* Includes ₹ 56.28 Million payable within one year.

4. FIXED ASSETS

(₹ in Million)

	Gross Block					Depreciation					Net Block
	Cost as at 01.04.2010	Acquired Pursuant to Scheme of Arrangement	Additions	Deductions/ Transfers	Total as at 31.03.2011	Upto 01.04.2010	Acquired Pursuant to Scheme of Arrangement	For the year	Deductions	To Date as at 31.03.2011	As at 31.03.2011
Land - (Free Hold)	-	36.42	-	-	36.42	-	-	-	-	-	36.42
Buildings & Roads	-	332.58	0.92	-	333.50	-	47.41	5.39	-	52.80	280.70
Plant & Machinery	-	959.49	48.83	-	1,008.32	-	183.11	41.24	-	224.35	783.97
Furniture & Fixture	0.13	67.20	0.25	0.04	67.54	0.12	14.63	1.85	0.02	16.58	50.96
Computers	0.31	49.15	4.33	0.62	53.17	0.24	31.62	2.96	0.52	34.30	18.87
Vehicles	1.31	5.74	1.57	2.03	6.59	0.37	3.14	0.32	0.90	2.93	3.66
Total	**1.75**	**1,450.58**	**55.90**	**2.69**	**1,505.54**	**0.73**	**279.91**	**51.76**	**1.44**	**330.96**	**1,174.58**

5. INTANGIBLE ASSETS (OTHER THAN INTERNALLY GENERATED)

	Gross Block					Amortisation					Net Block
	Cost as at 01.04.2010	Acquired Pursuant to Scheme of Arrangement	Additions	Retirement & Disposal	Total as at 31.03.2011	Upto 31.03.2010	Acquired Pursuant to Scheme of Arrangement	During the year	Retirement & Disposal	To Date as at 31.03.2011	As at 31.03.2011
Computer Software *	0.09	79.37	5.98	-	85.44	0.09	69.34	4.35	-	73.78	11.66
Designs & Drawings *	-	43.16	3.10	-	46.26	-	22.08	2.74	-	24.82	21.44
Technical Know How	4.87	-	-	4.87	-	4.87	-	-	4.87	-	-
Total	**4.96**	**122.53**	**9.08**	**4.87**	**131.70**	**4.96**	**91.42**	**7.09**	**4.87**	**98.60**	**33.10**

* These assets have not incurred any impairment during the year

	31.03.2011
6. INVENTORIES	
Patterns	8.05
Loose Tools, Jigs & Fixtures	10.66
Stocks *1	
- Stores & Spares	0.58
- Finished Goods	-
- Raw Materials & Components *2	371.80
- Work-in-Progress	568.12
- Scrap	0.41
	959.62

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

*2 Includes Stock in Transit ₹ 7.40 Million.

(₹ in Million)

		31.03.2011
7.	**SUNDRY DEBTORS - (Unsecured)**	
	Over Six Months	
	Considered Good	119.02
	Considered Doubtful	23.32
		142.34
	Less : Provision for doubtful debts	23.32
		119.02
	Other Debts - Considered Good	945.59
		1,064.61
8.	**CASH AND BANK BALANCES**	
	Cash & Stamps in hand	1.60
	Balance with Scheduled Banks in	
	- Current Accounts	23.22
	- Margin Money Deposits *	5.62
		30.44
	* Kept as security with banks	
9.	**OTHER CURRENT ASSETS**	
	Interest accrued on deposits and investments	0.72
		0.72
10.	**LOANS AND ADVANCES**	
	(Unsecured, Considered Good unless otherwise stated)	
	Advances, pre-payments and other recoverable in cash or in kind or for value to be received	
	- Considered Good	156.98
	- Considered Doubtful	0.91
		157.89
	Less : Provision for doubtful advances	0.91
		156.98
	Balances with Central Excise,Custom etc,	9.52
	Advance Payment of Tax *1	11.38
		177.88
	*1 Net after adjustment of Provision for Taxation ₹ 77.98 Million	
11.	**LIABILITIES**	
	Trade & Other Creditors	
	i. Total outstanding dues to Micro Enterprises and Small Enterprises	27.10
	ii. Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises *	1,071.42
	Advance from customers	1,173.02
	Interest Accrued but Not Due	0.71
		2,272.25
	*Includes ₹ 97.71 Million due to Erstwhile Holding Company.	

	(₹ in Million)
	31.03.2011
12. PROVISIONS	
Gratuity	58.48
Warranty	44.60
Liquidated Damages	81.76
Compensated Absences	23.37
	208.21
13. GROSS SALES *1	
- Domestic	2,801.66
- Exports *2	354.79
	3,156.45
*1 Inclusive of selling commission received ₹ 11.61 Million.	
*2 Inclusive of export incentives.	
14. OTHER INCOME	
Rent	0.01
Interest received on deposits and other accounts *1	1.41
Credit Balances/Amount written back	0.24
Exchange Rate Fluctuation Gains	5.62
Provision for Bad & Doubtful Debts/Advances Written Back	0.99
Provision for Liquidated Damages Written Back (Net)	8.94
Discount on Foreign Exchange Forward Cover Contracts	4.94
Provision for Slow/Non Moving Inventory Written Back	1.42
Miscellaneous *2	3.62
	27.19
*1 Income tax deducted at source ₹ 0.05 Million.	
*2 Income tax collected at source ₹ 0.02 Million.	
15. INCREASE/(DECREASE) IN WORK-IN-PROGRESS/FINISHED GOODS	
Acquired pursuant to Scheme of Arrangement	
- Work-In-Progress	432.82
- Finished Goods	18.22
	451.04
Stock At Close	
- Work-In-Progress	568.12
	568.12
Net Increase/(Decrease)	**117.08**
16. MATERIALS	
Raw Material & Components	
Acquired pursuant to Scheme of Arrangement	368.16
Purchases	2,003.75
	2,371.91
Less : Stock at Close	371.80
	2,000.11
Cost of Trading Goods Sold	
Stock at Commencement	2.42
Less : Stock at Close	-
	2.42
	2,002.53

SCHEDULES TO ACCOUNTS (contd.)

	(₹ in Million)
	31.03.2011
17. MANUFACTURING / OPERATING	
Stores, Spares & Tools	66.17
Power & Fuel	7.50
Designing & Consultancy	2.85
Repairs & Maintenance:	
- Plant & Machinery	5.08
- Building	2.12
- General	4.10
Factory/Operational Expenses	0.08
	87.90
18. PERSONNEL	
Salaries, Wages & Bonus	163.15
Gratuity	3.23
Contribution to Provident & Other Funds	12.57
Welfare	16.72
	195.67
19. ADMINISTRATION	
Travelling & Conveyance	37.49
Rent	4.29
Insurance	1.21
Rates & Taxes	3.63
Bad Debts & Amount Written Off	0.85
Loss on Sale/Write off of Fixed Assets (Net)	0.36
Service Charges (erstwhile Holding Company)	37.47
Warranty Expenses *	9.05
Provision for Slow/Non Moving Inventory	4.20
Office & Other Administration Expenses	46.26
	144.81
* Includes Net Provision for Warranty Expenses of ₹ 4.92 Million.	
20. FINANCING	
Interest on	
- Fixed Loans	41.64
- Others	1.68
Other Finance charges	1.47
	44.79
Add : Exchange Rate Fluctuation on Foreign Currency	
Denominated Loan	0.82
	45.61
21. SELLING	
Commission	18.65
Royalty	1.57
Packing & Forwarding	24.99
After Sales Expenses & Others	8.58
	53.79

	(₹ in Million) 31.03.2011
22. PROVISION FOR TAXATION	
For Current Year	
- Current Tax	77.30
- Deferred Tax	46.63
	123.93
For Earlier Years (Net)	
- Income Tax	0.09
	0.09
	124.02

SCHEDULE - 23

NOTES TO ACCOUNTS

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 and Accounting Standard (AS) 3 Cash flow 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 of Financial statements

These financial statements have been prepared on the accrual basis of accounting, under the historical cost convention and in compliance with the applicable accounting standards referred in section 211 (3C) and other requirements of the Companies Act, 1956.

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 statement and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialize.

c) Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes taxes, duties (excluding excise duty for which cenvat claim is available), freight and other incidental expenses relating to acquisition and installation. Capital work in progress refers to asset under construction & includes advances paid on capital contracts.

d) Recognition of Income / Expenditure

i) Sale of products and services are recognized on despatch of goods or when the services are rendered. Gross Sales are stated at contractual realizable values and are net of sales tax and trade discounts.

ii) Income & Expenditure relating to prior period and prepaid expenses which do not exceed ₹ 10,000/- in each case, are treated as Income and expenditure of that year.

e) Foreign Currency Transactions

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

ii) Foreign currency monetary items (including forward contracts) are translated at year end rates. Exchange differences arising on settlement of transactions and translation of monetary items (including forward contracts) are recognized 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 purpose is amortised as expense or income over the life of the 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 transactions are not recognized till settlement.

f) Investment

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

g) **Inventories**

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

ii) Finished goods and Work-in-progress are valued at lower of cost and net realizable 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 & Fixtures are written off equally over three years.

iv) Scrap is stated at estimated net realizable value.

h) **Depreciation**

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

		Rates adopted
a)	Certain machineries at Turbine unit	9.48% to 12.65%
b)	Mobile phone costing above ₹ 5,000/-	50%

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

ii) **Long term employee benefits**

(i) *Defined Contribution Plans:* The Company's state governed provident fund Scheme and employee state insurance scheme are defined contribution plans. Company also contributes towards Group Superannuation Policy with Life Insurance Corporation for superannuation payable to specific employees. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

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

i. *Gratuity*

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

ii. *Compensated absence*

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 recognized as a liability at the Balance Sheet date on the basis of actuarial valuation.

The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized immediately in the Profit & Loss Account.

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

j) **Borrowing costs**

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

k) **Taxes on Income**

i) Tax on income for the current period is determined on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961.

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

iii) Deferred tax assets are recognized only to the extent that there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

l) **Intangible Assets**

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

	Period of amortisation
Computer Software	36 months
Technical Know-how	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 recognized in accordance with the Accounting Standard (AS) 28 "Impairment of Assets".

n) **Provisions, Contingent liabilities and Contingent assets**

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

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

Contingent Liability is disclosed in the case of

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

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

Contingent Assets are neither recognized nor disclosed.

o) **Research & 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. **Contingent liabilities (to the extent not provided for)**

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

(₹ in Million)

Sl No.	Particulars	Amount of Contingent Liability	Amount Paid
1	Excise Duty	44.66	26.15
2	Others	2.08	Nil
	Total	46.74	26.15

Excise Duty : The outflow arising from these claims is uncertain and shall be after adjusting the likelihood reimbursement of ₹ 12.02 Million from customers 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 in item 2(a) represent the best possible estimates arrived at on the basis of available information. The uncertainties, possible payments and reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants, as the case may be, and therefore can not be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal position against such disputes.

3. Estimated amount of contracts remaining to be executed on capital account and not provided for : ₹ 77.75 Million after adjusting advances paid amounting to ₹ 14.45 Million.

4. Under a Scheme of Arrangement (Scheme) sanctioned by the High Court of Judicature at Allahabad, under sections 391 to 394 of the Companies Act, 1956 between the Company, Triveni Engineering & Industries Ltd. (TEIL) and their respective shareholders and creditors, the Steam Turbine Business (Demerged Undertaking) of TEIL vested with the Company retrospectively with effect from the 1st October, 2010 (appointed date) as per the Scheme. The Steam Turbine Business comprises of the business pertaining to designing, manufacturing, sales of steam turbines and spare parts thereof along with associated equipments and rendering services in relation thereto including but not limited to erection, commissioning, refurbishment, servicing. The Demerged Undertaking has been vested with the Company on a going concern basis along with all the assets and liabilities relating thereof.The said Scheme has become effective from 21st April, 2011 (effective date) and accordingly:

a) The business and operations of the Demerged Undertaking were deemed to be vested with the Company with retrospective effect from 1st October, 2010.

b) The related assets and liabilities of the Demerged Undertaking, at the opening of business on 1st October 2010 were deemed to have been transferred to the

Company with effect from that date at their respective book values.

c) The business of the Demerged Undertaking was deemed to have been carried out by TEIL, in trust for and on behalf of the Company from the appointed date till the effective date.

d) The broad details of the assets and liabilities transferred and vested with the Company as at 1st October, 2010 are as under:

(₹ in Million)

Particulars		
ASSETS		
Fixed Assets	1201.79	
Capital work in progress	15.07	
Total Fixed Assets		1216.86
Investments		0.50
Current Assets, Loans and Advances	1788.22	
Current Liabilities and Provisions	2513.42	
Net Current Assets		(-)725.20
Total Assets		492.16
Loans		
(a) Secured Loans	686.04	
(b) Unsecured Loans	90.41	
Total Loans		776.45
Excess of Liabilities over Assets		284.29

e) As the scheme became effective only on 21st April, 2011, the titles to the assets vested and arising out of business conducted, could not, where necessary, be transferred in the name of the Company. Hence, the same are being held, in trust, by TEIL. The requisite stamp duty, on determination thereof by the Authorities, shall be paid and accounted for by the Company appropriately.

5. The financials of the Company incorporate the effect of the demerger of the Demerged Undertaking of Triveni Engineering & Industries Limited (TEIL) and vesting of the same in the Company w.e.f. 1st October, 2010. In accordance with the Scheme:

a) 28,000,000 equity shares of ₹ 1/- each fully paid-up held by TEIL stands converted to 2,800,000 8% cumulative, redeemable preference shares of ₹ 10/- each fully paid-up. Pending actual allotment of the preference shares as on the date of the balance sheet, the same has been reflected as Preference Share Capital Suspense.

b) 257,880,150 equity shares of ₹ 1/- each fully paid-up shall be issued to the shareholders of TEIL as per the prescribed allotment ratio in consideration for the transfer of the Demerged Undertaking. Pending actual allotment of the equity shares as on the date of the balance sheet, the same has been reflected as Equity Share Capital Suspense.

c) In respect of the assets and liabilities pertaining to the Demerged Undertaking, net deferred tax liability of ₹ 17.65 Million has been recognized.

d) Goodwill of ₹ 559.82 Million has been recognized on the transfer of the Demerged Undertaking and its vesting with the Company on the appointed date. The Goodwill comprises of ₹ 284.29 Million being the excess of liabilities over the assets transferred, ₹ 17.65 Million being the net deferred tax liability recognized and ₹ 257.88 Million being the share capital issued to the shareholders of TEIL.

6. Pursuant to Employee Stock Option Scheme (ESOP 2009) framed by Triveni Engineering & Industries Ltd. (Demerged Company), 200,000 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 30th April, 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 Steam 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 from the Securities and Exchange Board of India ("SEBI")/Bombay Stock Exchange/National Stock Exchange under the SEBI Guidelines, to give effect to the Demerger upon the stock options granted, no effect has been considered in the financials by the Company in respect of such options granted.

7. 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	31.03.2011
1	Amounts due to Micro and Small enterprises as on	
	i) Principal amount	27.10
	ii) Interest due on above	Nil
2	(i) Principal amount paid after due date or appointed day during the year	Nil
	(ii) Interest paid during the year on (i) above	Nil
3	Interest due & payable (but not paid) on principal amounts paid during the year after the due date or appointed day.	Nil
4	Total interest accrued and remaining unpaid as on	Nil
5	Further interest in respect of defaults of earlier years due and payable in current year upto the date when actually paid	Nil

The above information and that given in Schedule11 "Liabilities" regarding Micro & Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

8. Extraordinary Items

Goodwill of ₹ 559.82 Million arising consequent to the vesting of the Demerged Undertaking with the Company on the appointed date in accordance with the Scheme of Arrangement, has been fully written off and has accordingly been depicted as an extraordinary item in the Profit & Loss Account. Consequent to the write off of the Goodwill (non cash item), the accumulated loss of the Company has exceeded fifty percent of the Net Worth as on 31st March, 2011.

9. The requisite financial information in respect of the subsidiary, as per Notification No. 51/12/2007-CL-III dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Govt. of India u/s 212 (8) of the Companies Act, 1956 is as given below.

(₹ in Million)

Subsidiary Company	GE Triveni Ltd
Capital	20.00
Reserves	(1.90)
Total Assets	20.00
Total Liabilities	1.90
Investments (except in Subsidiary)	Nil
Turnover (Net)	Nil
Profit/(Loss) before Taxation	(1.90)
Provision for Taxation	Nil
Profit/(Loss) after Taxation	(1.90)
Proposed Dividend	Nil

SCHEDULES TO ACCOUNTS (contd.)

10. Information on Segment Reporting of the Company for the period ended 31st March, 2011

(₹ in Million)

	Steam Turbines	Retail	Eliminations	Total
	31.03.11	31.03.11	31.03.11	31.03.11
REVENUE				
Sales	3153.80	2.65		3156.45
Other Income	23.83	1.90		25.73
Total Revenue	3177.63	4.55		3182.18
RESULT				
Segment result	655.14	(1.49)		653.65
Unallocated expenses (Net)				(0.17)
Operating Profit/(Loss)				653.48
Interest expense				(45.61)
Interest income				1.41
Goodwill written off				(559.82)
Income taxes (including deferred tax)				(124.02)
Net Profit/(Loss)				(74.56)
OTHER INFORMATION				
Segment assets	3444.91	0.69		3445.60
Unallocated assets				11.92
Total assets				3457.52
Segment liabilities	2478.52	1.94		2480.46
Unallocated liabilities				950.66
Total liabilities				3431.12
Capital expenditure	66.47	-		
Depreciation	51.67	0.04		
Amortization	7.09	-		

Notes :

(i) In accordance with the Accounting Standard (AS) 17 “Segment Reporting”, the Company’s operations have been categorized into two business segments, which constitute 100% of the total turnover of the Company.

Steam Turbine Business

This segment is engaged in the manufacture of steam turbines at manufacturing facilities located at Bangalore, Karnataka.

Retail Business

This segment was engaged in operating retail stores at various rural and semi urban locations. The operations of this business have now been discontinued.

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

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

11. Information regarding Related Party Transactions

1) Related Parties where control exists

a) Erstwhile Holding Company : Triveni Engineering & Industries Ltd *1

b) Erstwhile Fellow Subsidiaries *2

i) Upper Bari Power Generation Ltd.

ii) Triveni Engineering Ltd.

iii) Triveni Energy Systems Ltd.

c) Key Management Personnel

i) Mr. Dhruv M. Sawhney – Chairman & Managing Director

ii) Mr. Nikhil Sawhney – Joint Managing Director

*1. As a result of the Scheme of Arrangement, the Company ceased to be a subsidiary of Triveni Engineering & Industries Ltd. w.e.f. 1st October, 2010 and is an Associate Company w.e.f. that date.

*2. As a result of the Scheme of Arrangement, these companies ceased to be fellow subsidiaries w.e.f. 1st October, 2010.

2) Name of the parties with whom transactions have taken place during the period and the details of transactions with them are as hereunder:-

Triveni Engineering & Industries Ltd (TEIL)

(₹ in Million)

Sl. No.	Nature of Transaction	Year ended 31.3.2011
		TEIL
1	Purchase of Goods & Receiving of Services	219.45
2	Sale of Fixed Assets	2.22
3	Sale & rendering of services	2.80
4	Interest paid/payable	8.75
5	Expenses incurred on behalf of the Company /(by the Company)	70.76
6	Unsecured Loan taken	250.36
7	Unsecured Loan repaid	256.76
8	Rent paid/payable	1.06
9	Selling Commission Received	7.53
10	Outstanding Balance	
	Payable	274.43

12. Disclosures required by Accounting Standard (AS) 29 Provisions, Contingent Liabilities and Contingent Assets notified under the Accounting Standards Rules 2006.

i) Movements in provisions:

(₹ in Million)

		Nature of Provision	
Sl. No.	Particulars of disclosure	Warranty	Liquidated Damages
1	Balance acquired pursuant to Scheme of arrangement on October 1, 2010	43.29	91.12
2	Provision made during the period	16.34	27.64
3	Provision used during the period	3.62	0.41
4	Provision reversed no longer required	11.41	36.59
5	**Balance as at March 31, 2011**	**44.60**	**81.76**

SCHEDULES TO ACCOUNTS (contd.)

ii) Nature of provisions:

Warranties: The Company gives warranties on certain products and services, undertaking to repair the items that fail to perform satisfactorily during the warranty period. Provisions made as at March 31,2011 represents the expected cost of meeting such obligations of rectification/replacement. The timing of the outflows is expected to be within a period of two years.

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

13. The break-up of deferred tax liability/(asset) (net) is provided below:-

(₹ in Million)

Particulars	Deferred tax liability (deferred tax assets) 31.03.2011
Difference in Net Book Values of fixed assets as per accounts and tax	123.17
Expenses allowable on payment basis	(28.56)
Others	(36.41)
Net Deferred Tax Liability/(Asset)	58.20

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

Particulars	Year ended 31.03.2011
Net profit/(loss) after tax (after preference dividend and extra-ordinary item) - ₹ in Million	(74.92)
Net profit/(loss) after tax (after preference dividend but before extra-ordinary item net of tax expense thereon) - ₹ in Million	484.91
No. of Equity Shares of ₹ 1/- each (Weighted average*)	214625171
Basic/Diluted EPS after extra-ordinary item - ₹	(0.35)
Basic/Diluted EPS before extra-ordinary item - ₹	2.26

*Weighted average No. of shares is determined taking into consideration the allotment of new equity shares to the shareholders of Triveni Engineering & Industries Ltd (TEIL) and conversion of part of existing equity capital into preference capital pursuant to the scheme of arrangement from the appointed date on 1st October, 2010.

15. In view of the loss for the year, no dividend is proposed on 8% Cumulative Redeemable Preference Shares. The arrears of dividend for the year are ₹ 1.30 Million including dividend distribution tax.

16. Subject to the provisions of the Companies Act, 1956 the preference shares are redeemable at par at the end of 5 years from the date of allotment. However the Company will have an option to redeem the Preference Shares at any time after the end of 6 months from the date of allotment.

17. Since GE Triveni Ltd. became a subsidiary of Triveni Turbine Ltd. during the current year, the consolidated financial statements for the year prior to the current year are not applicable and accordingly only current year figures have been presented.

18. Schedules 1 to 23 form an integral part of Balance Sheet and Profit and Loss Account and have been duly authenticated.

	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 : June 15, 2011	Managing Director	Audit Committee	Secretary	& CFO

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011

(₹ in Million)

		31.03.2011
A.	**CASH FLOW FROM OPERATING ACTIVITIES**	
	Profit/(Loss) Before Extra Ordinary Item & Tax	**609.28**
	Add : Depreciation	51.76
	: Amortisation	7.09
	Less : Incomes/Expenses treated separately	
	Profit/(Loss) on sale / written off of Fixed Assets	(0.36)
	Interest Expenses	(45.61)
	Interest Income	1.41
	Operating Profit before Working Capital changes	**712.69**
	Changes in Working Capital	
	Changes in Inventories	(117.24)
	Changes in Receivables	(356.42)
	Changes in Other Trade Receivables	(1.55)
	Changes in Current Liabilities	(35.03)
	Direct Taxes Paid (Net)	(88.27)
	Net Changes in Working Capital	**(598.51)**
	Cash Flow from operating activities	**114.18**
B.	**CASH FLOW FROM INVESTMENT ACTIVITIES**	
	Purchase of Fixed/Intangible Assets	(66.47)
	Sale of Fixed/Intangible Assets	4.49
	Purchase of Investments	(9.50)
	Interest Income	1.26
	Net Cash Flow in Investment Activities	**(70.22)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**	
	Increase / (Decrease) in Short Term Borrowings (Net)	55.86
	Increase / (Decrease) in Long Term Borrowings (Net)	(163.18)
	Increase/(Decrease) in Cash Credit	31.02
	Interest Paid	(37.78)
	Proceeds from issuance of share capital	20.00
	Net Cash Flow in Financing Activities	**(94.08)**
	Net Increase/(Decrease) in Cash & Cash Equivalents	**(50.12)**
	Opening Cash & Cash Equivalents	2.54
	Cash & Cash Equivalents acquired on vesting of Steam Turbine Business	72.40
	Closing Cash & Cash Equivalents	24.82
	Add Bank Balance under lien	5.62
	Cash & Cash Equivalents as per Schedule 8 of Balance Sheet	**30.44**
Notes to Accounts Schedule 23		

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

For and on behalf of

J.C.Bhalla & Company
Chartered Accountants

Sudhir Mallick
Partner
Place : Noida (U.P.)
Date : June 15, 2011

Dhruv M. Sawhney
Chairman &
Managing Director

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

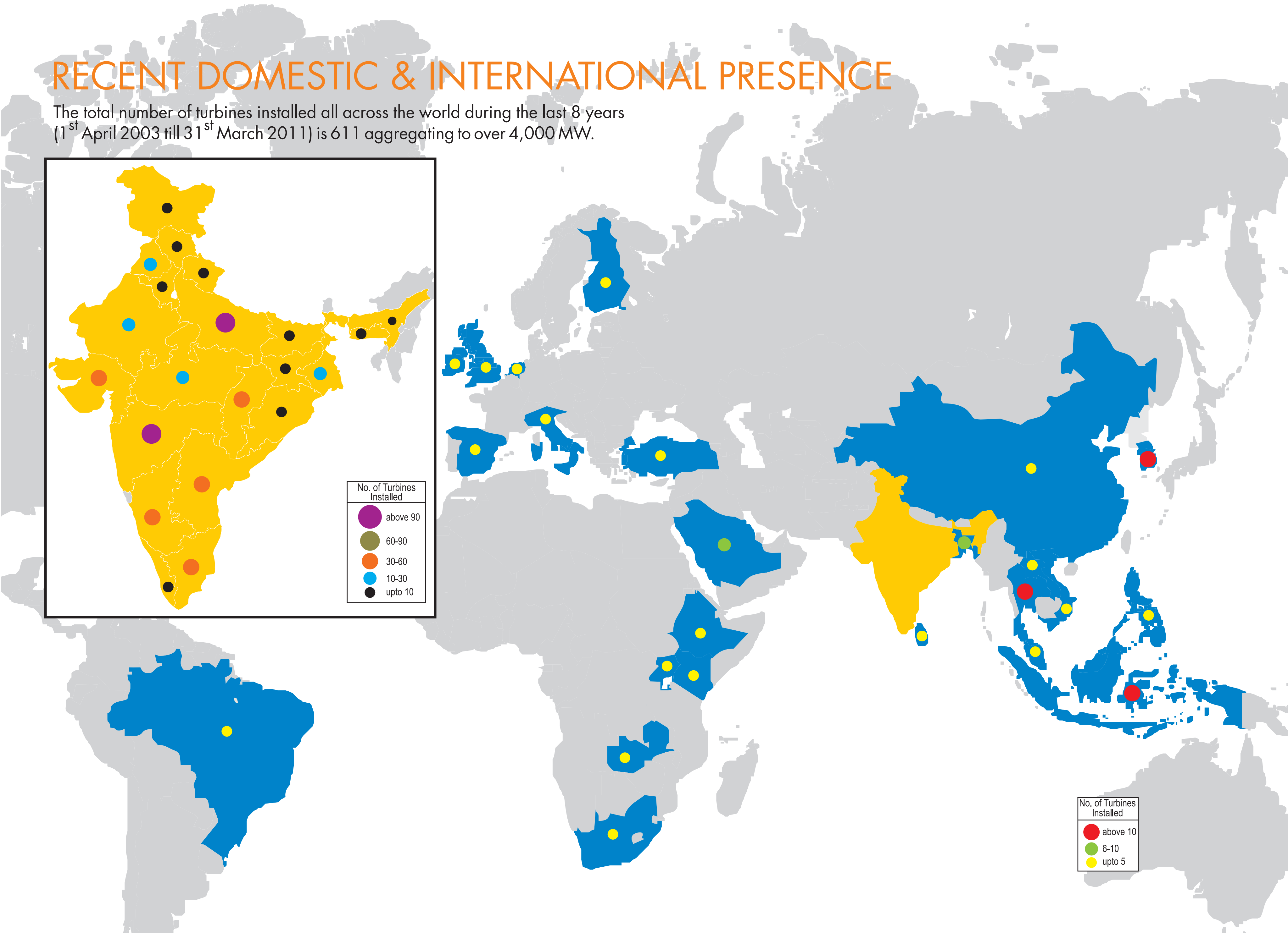
Rajiv Sawhney
Company
Secretary

Deepak Kumar Sen
General Manager
& CFO

Notes

RECENT DOMESTIC & INTERNATIONAL PRESENCE

The total number of turbines installed all across the world during the last 8 years (1st April 2003 till 31st March 2011) is 611 aggregating to over 4,000 MW.



TRIVENI TURBINE LIMITED

12-A, Peenya Industrial Area, Peenya, Bengaluru-560058, Karnataka

www.triveniturbines.com