

J. C. BHALLA & CO.
CHARTERED ACCOUNTANTS

BRANCH OFFICE: B-5, SECTOR-6, NOIDA - 201301 (U.P.)
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AUDITORS' REPORT

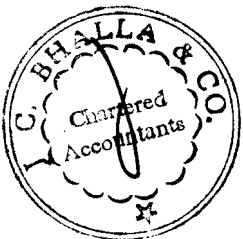
TO THE MEMBERS OF TRIVENI TURBINE LIMITED

We have audited the attached Balance Sheet of Triveni Turbine Limited as at 31st March 2010 and also the Profit & Loss Account and the Cash Flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of sub-section 227(4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate we give in the Annexure a statement on the matters specified in paragraph 4 & 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 our examination of the books.
 - (c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - (d) 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 3(C) of Section 211 of the Companies Act, 1956.
 - (e) 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 2010 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.



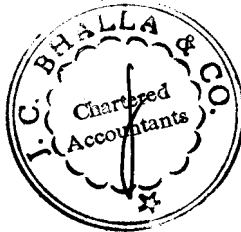
(f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
- ii) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For J.C.Bhalla & Co
Chartered Accountants
FRN No. 001111N


(Sudhir Mallick)

Partner
Membership No.80051



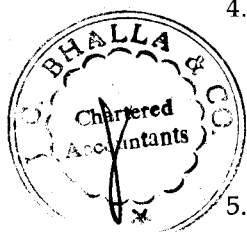
Place : Noida

Date : 31st July 2010

ANNEXURE TO AUDITOR'S REPORT

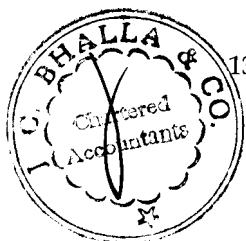
Referred to in Paragraph "1" of our report of even date on the accounts for the year ended on 31st March 2010 of Triveni Turbine Limited

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) We have been informed that the fixed assets of the company were physically verified by the management during the year and discrepancies noticed between the available book records and the physical inventory have been properly dealt with in the books of account.
(c) In our opinion and on the basis of information provided, the Company has disposed off substantial part of fixed assets during the year. Read with Note No.13(a) on Schedule 15 this has, however, in our opinion not affected the going concern status of the Company.
2. (a) The inventory has been physically verified by the management at reasonable intervals during the year or at the year end at all locations of the Company. In our opinion the frequency of physical verification is reasonable.
(b) According to information and explanation given to us, the procedures for physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
(c) The company has maintained proper records of inventories. The discrepancies noticed on physical verification as compared to the book records were not material and have been properly 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 interest free unsecured loan from the holding company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year was Rs.1,761.09 lakhs and outstanding balance at the end of the year was Rs.1,752.43 lakhs.
(c) In our opinion, 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 loan taken the company is repaying the principal amount as stipulated.
4. According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, 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 contracts and arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rupees five lakhs in respect of such parties during the year, have been made at prices which are reasonable having regard to prevailing market prices, wherever comparable prices are available, at the relevant time.
6. The company has not accepted any deposits from the public under the provisions of Section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and the rules framed thereunder.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. The company is not required to maintain cost records under Section 209(1)(d) of the Companies Act, 1956.
9. (a) According to the information and explanations given to us, the provisions of the Excise Duty, Investor Education & Protection Fund, Wealth Tax & Cess are not applicable. The company is regular in depositing other undisputed Statutory dues including Provident Fund, Employee State Insurance, Sales Tax, Income Tax & Service Tax with the relevant authorities. There are no undisputed amounts outstanding and payable as at 31st March 2010 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no disputed demand relating to Service Tax, Income Tax, Wealth Tax, Custom Duty, Excise Duty, Sales Tax and Cess which have not been deposited except disputed Income Tax demand of Rs.2.02 lakhs under the Income Tax Act, 1961 for the assessment year 2003-04, an appeal against which is pending before the Commissioner of Income Tax (Appeals).
10. The accumulated losses of the company at the end of the financial year are more than fifty percent of its net worth. The company has incurred cash losses in the current year, and also in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by 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, the provisions of paragraph (xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.



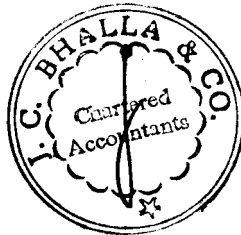
14. In our opinion and according to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
16. According to the information and explanations given to us, the company has not obtained any term loan during the year.
17. According to the information and explanations given to us and 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. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act, during the year.
19. No debentures have been issued by the Company during the year.
20. The company has not raised money by public issues during the year.
21. 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 J.C.Bhalla & Co
Chartered Accountants
FRN No. 001111N


(Sudhir Mallick)

Partner

Membership No.80051



Place : Noida

Date : 31st July 2010

TRIVENI TURBINE LIMITED
(Formerly TRIVENI RETAIL VENTURES LIMITED)
Balance Sheet As At 31st March 2010

	SCHEDULE NO.	As at 31-Mar-10 Rs.	As at 31-Mar-09 Rs.
SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
Share Capital	1	100,000,000	100,000,000
		<hr/> 100,000,000	<hr/> 100,000,000
LOAN FUNDS			
a) Secured Loans	2	147,106	444,259
b) Unsecured Loans		175,242,644	155,521,585
		<hr/> 175,389,750	<hr/> 155,965,844
Total funds employed		<hr/> 275,389,750	<hr/> 255,965,844
APPLICATION OF FUNDS			
FIXED ASSETS			
a) Gross Block	3	1,748,936	40,742,907
b) Less : Depreciation		728,234	8,052,502
c) Net Block		<hr/> 1,020,702	<hr/> 32,690,405
d) Add: Capital work in progress		-	4,608,964
		<hr/> 1,020,702	<hr/> 37,299,369
e) Discarded fixed assets		3,594,876	-
		<hr/> 4,615,578	<hr/> 37,299,369
INTANGIBLE ASSETS	3A	-	661,916
DEFERRED TAX ASSETS (NET)		6,081,429	1,190,039
CURRENT ASSETS, LOANS & ADVANCES			
a) Inventories	4	1,000,000	36,437,416
b) Sundry Debtors	5	1,472,547	5,134,196
c) Cash & Bank Balances	6	2,535,881	7,243,410
d) Loans & Advances	7	4,061,434	7,947,799
		<hr/> 9,069,862	<hr/> 56,762,822
LESS : CURRENT LIABILITIES & PROVISIONS			
a) Liabilities	8 A	2,245,763	20,350,701
b) Provisions	8 B	-	1,579,344
		<hr/> 2,245,763	<hr/> 21,930,045
NET CURRENT ASSETS		<hr/> 6,824,099	<hr/> 34,832,777
Profit & Loss Account		257,868,642	181,981,742
Total Assets (Net)		<hr/> 275,389,750	<hr/> 255,965,844

NOTES TO ACCOUNTS

15

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

Date: 30/7/11 2010
Place : NOIDA



Business Head

Director

Director

TRIVENI TURBINE LIMITED
(Formerly TRIVENI RETAIL VENTURES LIMITED)
Profit and Loss Account
For the year ended 31st March 2010

	SCHEDULE NO.	For the year ended 31-Mar-10 Rs.	For the year ended 31-Mar-09 Rs.
<u>INCOME</u>			
Sales & Services (Net)		60,306,196	325,688,489
Other Income	9	6,423,331	2,041,064
		66,729,527	327,729,553
<u>EXPENDITURE</u>			
Materials	10	63,727,914	310,195,969
Personnel	11	30,510,304	47,660,923
Administration	12	25,545,151	36,787,105
Financing	13	53,668	3,875,242
Selling	14	251,136	4,355,616
Depreciation	3	2,869,527	3,646,493
Amortization	3 A	1,059,670	644,896
		124,017,371	407,166,243
Profit/(Loss) Before Exceptional Item & Taxation		(57,287,843)	(79,436,691)
Exceptional item (Refer note no. 13 (b) of Schedule 15)		23,480,960	-
Profit/(Loss) Before Taxation		(80,768,803)	(79,436,691)
Provision for Income Tax			
Current Year			
- Normal Tax		-	-
- Deferred Tax		(4,891,390)	914,379
- Fringe Benefit Tax		-	511,647
Adjustment of Tax of earlier years			
- Fringe benefit tax		9,487	(256)
Net Profit/(Loss) after Tax		(75,886,900)	(80,862,461)
Net Profit / (Loss) Brought Forward		(181,981,742)	(101,119,281)
Net Profit / (Loss) carried over to Balance Sheet		(257,868,643)	(181,981,742)
Earning per Equity Share of Re. 1/- each (Basic and diluted)		(0.76)	(0.81)

NOTES TO ACCOUNTS

15

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

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

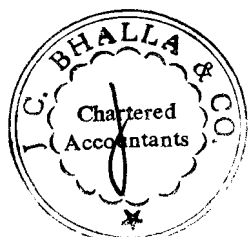
Sudhir Mallick
PARTNER

Date: 31st July 2010
Place : NOIDA

Business Head

Director

Director



TRIVENI TURBINE LIMITED

(Formerly TRIVENI RETAIL VENTURES LIMITED)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	31-Mar-10	31-Mar-09
A. CASHFLOW FROM OPERATING ACTIVITES		
Profit (Loss) before Tax	(80,768,804)	(79,436,691)
Add: Depreciation	2,869,527	3,646,493
Amortization	1,059,670	644,896
Add/ (Less) : Incomes/(Expenses) treated separately		
(Profit)/Loss on sale of assets	357,072	316,096
Loss on impairment of Fixed assets	23,480,960	-
Interest Expenses	53,668	3,875,242
Interest Income	(77,916)	(89,680)
Operating Profit before Working Capital changes & tax	(53,025,823)	(71,043,644)
Changes in Working Capital		
Changes in Inventories	35,437,416	17,510,923
Changes in Receivables	3,661,649	9,774,280
Changes in Other Trade Receivables	4,006,419	(4,307,451)
Changes in Current Liabilities	(19,684,282)	12,727,084
Direct Taxes Paid (Net)	(129,541)	(873,217)
Net Changes in working capital	23,291,661	34,831,619
Cash Flow from operating activities	(29,734,162)	(36,212,025)
B. CASHFLOW FROM INVESTMENT ACTIVITES		
Purchase of Fixed Assets	(279,030)	(8,047,849)
Sale of Fixed Assets	5,857,509	90,000
Interest Income	77,916	89,680
Net Cash Flow used in Investment Activities	5,656,395	(7,868,169)
C. CASHFLOW FROM FINANCING ACTIVITES		
Increase/(Decrease) in Borrowings from Holding Co (Net)	30,583,650	49,385,868
Increase/(Decrease) in Long Term Borrowings (Net)	(297,153)	(392,194)
Interest Paid	(10,916,259)	(292,204)
Net Cash Flow used in Financing Activities	19,370,238	48,701,470
Net Increase/(Decrease) in Cash & Cash Equivalents	(4,707,529)	4,621,276
Opening Cash & Cash Equivalents *	7,243,410	2,622,134
Closing Cash & Cash Equivalents *	2,535,881	7,243,410

* As per Schedule 6 of Balance Sheet

Notes to Accounts Schedule 15.

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

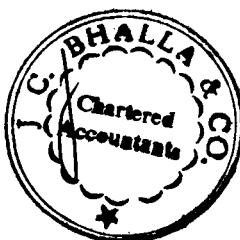

Sudhir Mallick
PARTNER


Business Head


Director


Director

Place: Noida

Date: 31st Jul 2010

	31-Mar-10 Rs.	31-Mar-09 Rs.
Schedule 1		
SHARE CAPITAL		
AUTHORISED		
50000000 (Previous year 11000000) Equity Shares of Re. 1/-each (Rs. 10/-each)	500,000,000	110,000,000
	<u>500,000,000</u>	<u>110,000,000</u>
ISSUED SUBSCRIBED AND PAID UP		
100000000 (Previous year 100000000) Equity Shares of Re. 1/- (Rs. 10/-) each fully paid up (All the Shares are held by Triveni Engg. & Industries Limited, Holding Company)	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
Schedule 2		
LOAN FUNDS		
a) Secured Loans *		
<u>Term Loans:</u>		
from Banks	147,106	444,259
	<u>147,106</u>	<u>444,259</u>
b) Unsecured Loans		
<u>Other loans and advances:</u>		
from holding company	175,242,644	144,658,994
Interest accrued and due thereon	-	10,862,591
	<u>175,242,644</u>	<u>155,521,585</u>
	<u>175,389,750</u>	<u>155,965,844</u>
* Secured by hypothecation of vehicles acquired under Vehicle Loan Scheme. Due within one year Rs. 147106/- (previous year Rs. 297153/-)		

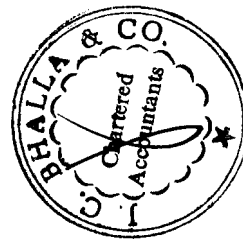


Schedule-3

Schedule-3A

Schedule-3A

NOTE :- 1. Capital WIP includes Capital Advance of Rs. Nil (Previous year Rs. 2416481)



	31-Mar-10 Rs.	31-Mar-09 Rs.
Schedule 4		
<u>INVENTORIES *1</u>		
Raw Material	-	103,489
Trading Goods	2,417,042	39,465,724
	2,417,042	39,569,213
Provision for damaged, expired and obsolete stock	(1,417,042)	(3,131,797)
	1,000,000	36,437,416

*1 As per inventory taken, valued & certified by the officials of the company.

Schedule 5

<u>SUNDRY DEBTORS</u>		
More than Six Months		
- Considered Good	-	284,345
- Considered Doubtful	-	3,025,104
	-	3,309,449
Less: Provision for doubtful debts	-	3,025,104
	-	284,345
Others Debts - Considered Good	1,472,547	4,849,851
	1,472,547	5,134,196

* Includes receivable from holding Company Rs. Nil/- (Previous year Rs. 1166140/-)

Schedule 6

<u>CASH & BANK BALANCE</u>		
Cash in Hand	177,914	766,408
Cheques in hand	-	92,895
With Scheduled Banks in Current Account	1,782,967	1,709,208
With Scheduled Banks in Fixed deposit Account	575,000	4,674,900
	2,535,881	7,243,410

Schedule 7

<u>LOANS & ADVANCES</u>		
(Unsecured, Considered Good unless otherwise stated)		
Advance Recoverable in Cash or in Kind		
- Considered Good	3,562,836	7,569,256
- Considered Doubtful	1,365,511	799,488
	4,928,348	8,368,744
Less: Provision for doubtful advances	(1,365,511)	(799,488)
Advance Tax Paid *	498,598	378,544
	4,061,434	7,947,799

*Net of provision for taxation Rs. Nil (previous year Rs. 713227/-)



Schedule 8

CURRENT LIABILITIES & PROVISIONS

A) CURRENT LIABILITIES

	31-Mar-10 Rs.	31-Mar-09 Rs.
Trade & Other Creditors	-	-
- Due to Micro & Small Enterprises	-	-
- Others	2,245,763	20,349,221
Advances from Customers	-	1,480
	<u>2,245,763</u>	<u>20,350,701</u>

B) PROVISIONS

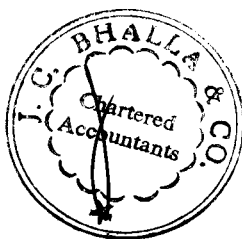
Cost to Completion	-	90,000
Gratuity	-	510,292
Leave Encashment	-	979,052
	<u>-</u>	<u>1,579,344</u>

Schedule 9

OTHER INCOME

Excess Provision Written Back - Gratuity	483,892	-
Excess Provision Written Back - Inventories *	1,714,755	-
Excess Provision Written Back - Others	1,286,495	1,302,246
Credit balance written back	2,753,052	-
Interest earned (Gross) TDS Rs 7833/-, (Previous Year Rs 10097/-)	77,916	89,680
Misc. Income	107,222	649,136
	<u>6,423,331</u>	<u>2,041,063</u>

* Net of provisions of Rs. 1,417,042/- created during the year



Schedule 10

MATERIALS

Engg. Division

Raw Material & Components

Stock at commencement

Purchases

Less: Stock at close

Less : Written off during the year

31-Mar-10 Rs.	31-Mar-09 Rs.
103,489	103,489
-	487,178
103,489	590,667
-	103,489
103,489	-
-	487,178

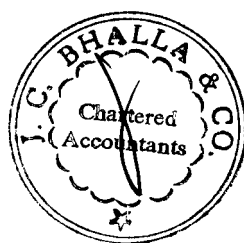
Retail Division

Stock at commencement

Purchases

Less: Stock at close

39,465,724	58,333,763
26,679,232	290,840,752
66,144,956	349,174,515
2,417,042	39,465,724
63,727,914	309,708,791
63,727,914	310,195,969



	31-Mar-10 Rs.	31-Mar-09 Rs.
Schedule 11		
PERSONNEL		
Salary, Wages & Bonus	27,580,141	41,800,888
Contribution to Provident & Other Fund	1,398,306	2,390,113
Gratuity	-	127,236
Personel recruitment cost	122,666	591,177
Welfare	1,409,191	2,751,509
	<u>30,510,304</u>	<u>47,660,923</u>

Schedule 12

ADMINISTRATION		
Travelling & Conveyance	1,599,739	4,352,644
Rent	10,148,155	13,327,427
Insurance	232,064	275,407
Rates & Taxes	38,850	-
Auditors Remuneration	116,559	192,503
Provision for doubtful debts and advances		297,441
Bank Charges	33,874	200,879
Stores operational expenses	601,263	3,028,769
Stores renovation Expenses	-	1,198,555
Security Services Charges	2,050,866	2,683,449
DG Set expenses	674,789	1,608,008
Legal & Professional	913,741	1,278,136
Postage & Telegram Telephone	1,171,155	1,908,346
Fee & Registration	2,714,182	642,718
Electricity & water charges	684,183	1,347,728
Debit Balance written off*	2,914,526	-
Loss on w/off of fixed assets	-	282,827
Loss on sale of fixed assets	357,072	33,269
Office and Other Administrative Expenses	806,032	2,140,081
Prior Period adjustment	-	428,764
Repair & Maintenance - Others	488,101	1,560,153
	<u>25,545,151</u>	<u>123,831,824</u>

*Net of Provision for doubtful debts and advances written back - Rs.24,59,081.

Schedule 13

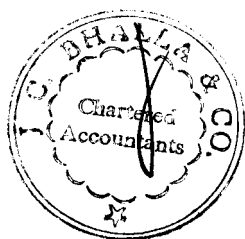
FINANCING

Interest:		
Fixed loans		
- Bank	30,353	67,160
- Holding Company	-	3,761,440
Others	23,316	46,642
	<u>53,668</u>	<u>3,875,242</u>

Schedule 14

SELLING

Advertisement	128,565	2,455,414
Sales Promotion	122,571	1,900,202
	<u>251,136</u>	<u>4,355,616</u>



TRIVENI TURBINE LIMITED

(Formerly Triveni Retail Ventures Limited)

SCHEDULE - 15**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES****a) Basis of preparation of Financial statements**

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

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.

c) Recognition of Income / Expenditure**I. In respect of trading goods :**

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

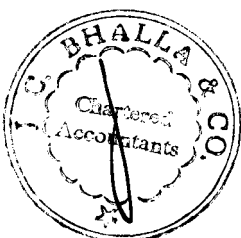
II. In respect of engineering contracts:

- (a) Revenue from fixed price construction contracts, is recognized on the percentage of completion method, measured by reference to the contract cost incurred upto the reporting date to estimated total contract cost for each contract.
- (b) Contract cost includes material cost, operating cost and expenses directly attributable to the contract.

III. Sales are exclusive of Sale Tax/ Vat.

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 recognised as income or expense in the year in which they arise.

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

e) Inventories

- i) Inventories of stores, spares, raw materials, components and stock in trade is valued at lower of cost and net realisable value. Cost for the purpose of valuation of inventories is considered on following basis :

Engineering Business	Specific cost basis
Retail –business	Weighted average basis

- ii) Finished goods are valued at lower of cost and net realisable value. The cost of finished goods (manufactured) include raw material costs, direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition. The cost of finished goods is considered on First In First Out basis.
- iii) Patterns, Loose tools, Jigs & Fixtures are written off equally over three years.
- iv) Scrap is stated at estimated net realisable value.

f) 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 16.12.1993 except for the Mobile Phones costing above Rs. 5000/- which are depreciated on straight line basis @ 50% p.a.

Lease-hold property improvement expenses are capitalised and depreciated on straight line basis on minimum lock-in period of lease.

g) Employee's Benefits

(a) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc. and the expected



cost of bonus, ex –gratia are recognized in the period in which the employee renders the related service.

(b) Post-Employment benefits

(i) **Defined Contribution Plans:** The Company's state governed provident fund scheme and employee state insurance scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

(ii) **Defined Benefit plans:** The employees' gratuity fund scheme is a Company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the Project Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measured each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plan, is based on the market yields on Government securities as at the Balance Sheet date, 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.

(c) Other Long –Term Employee Benefits

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

h) Borrowing costs

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



i) 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 recognised 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 recognised 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 a 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.

j) Intangible Assets

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

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

k) 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).

l) Provisions, Contingent liabilities and Contingent assets

Provisions are recognised 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.



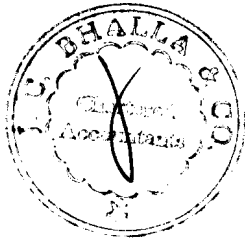
- b) a probable outflow of resources is expected to settle the obligation and
- c) the amount of the obligation can be reliably estimated.

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

Contingent Liability is disclosed in the case of

- a) a present obligation arising from a past event, when it is 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 recognised nor disclosed.



B. NOTES TO ACCOUNTS

1. Contingent Liability (to the extent not provided for)

Claims against the company, not acknowledged as debts amounting to Rs. 13.63 Lacs on account of cancelled operational lease agreements (Previous year Rs. Nil) .

2. a) Amount due as at 31st March 2010, to Micro and Small Enterprises on account of principal amount together with interest, aggregate to Rs Nil (Previous Year Rs Nil)

b) Amount of interest paid by the Company in terms of section 16 of the MSMED Act 2006 , along with the amount of the payment made to the supplier beyond the appointed day during the accounting year, aggregate to Rs. Nil (Previous year Rs. Nil)

c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006, aggregate to Rs. Nil (Previous year Rs. Nil)

d) Amount of interest accrued and remaining unpaid at the end of the accounting year, aggregate to Rs. Nil (Previous year Rs. Nil)

e) Amount of further interest in respect of defaults of earlier years due and payable in current year up to the date when actually paid is Rs. Nil (Previous year Rs. Nil)

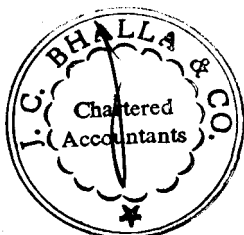
The above information and that given in Schedule – 8A “Current Liabilities and Provision” regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the Auditors.

3. Wherever confirmations have not been received from the parties, the book balances have been considered.

4. Auditor Remuneration represent amount paid /payable to the Statutory Auditors on account of:

(in Rupees)

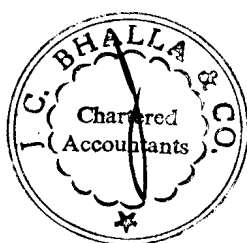
		2009-10	2008-09
1.	Audit Fee	77,210	110,300
2.	Tax Audit Fee	33,090	55,150
3.	Certification charges & Other matters	-	22,472
4.	Out of pocket expenses	6,259	4,581
	Total	116,559	192,503



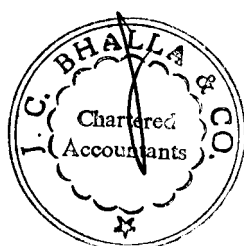
5. Employee's Benefits

The company has classified various employee benefits as under:

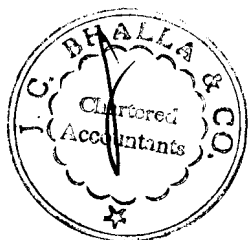
		Year ended 31st March, 2010 (In Rupees)	Year ended 31st March, 2009 (In Rupees)
(A)	Defined Contribution Plans		
	The company has recognized the following amounts in the Profit and Loss Account for the year:		
	(i) Employer's Contribution to Provident Fund	1071649	1822801
	(ii) Employer's Contribution to Employees' State Insurance Scheme	179366	366812
(B)	Defined Benefit Plans		
	Valuations in respect of Gratuity, Leave Encashment and Compensated Absences have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:		
	(a) Discount Rate (per annum)	-	7%
	(b) Rate of increase in Compensation Levels/ Escalation in salary	-	4.50%
	(c) Expected rate of Return on Plan Assets	0%	0%
	(d) Expected Average remaining working lives of employees in number of years	Nil	25.54 years



		Year ended 31 st March 2010		Year ended 31 st March, 2009	
		Gratuity	Leave Encashment and Compensated Absences	Gratuity	Leave Encashment and Compensated Absences
		(In Rupees)		(In Rupees)	
(i)	Changes in the Present Value of Obligation				
	(a) Present Value of Obligation as at beginning of period	510,292	979,052	383,056	997,855
	(b) Interest Cost	-	-	26,814	69,849
	(c) Past Service Cost	-	-	-	-
	(d) Current Service Cost	-	99,536	275,059	566,434
	(e) Curtailment Cost/(Credit)	-	-	-	-
	(f) Settlement Cost/(Credit)	-	-	-	-
	(g) Benefits Paid	26,400	10,78,588	-	(358,063)
	(h) Actuarial Loss/(Gain)	(483,892)		(174,637)	(297,023)
	(i) Foreign currency exchange rate different from the enterprises reporting currency				
	(j) Present Value of Obligation as at end of period	-	-	510,292	979,052
(ii)	Changes in the Fair value of Plan Assets				
	(a) Fair Value of Plan Assets as at beginning of period	NA	NA	NA	NA
	(b) Expected Return on Plan Assets	NA	NA	NA	NA
	(c) Actuarial Gain/(Loss)	NA	NA	NA	NA
	(d) Employers' Contributions	NA	NA	NA	NA
	(e) Benefits Paid	NA	NA	NA	NA
	(f) Foreign currency exchange rate different from the enterprises reporting currency	NA	NA	NA	NA
	(g) Contributions by Plan	NA	NA	NA	NA
	(h) Fair Value of Plan Assts as at end of period	NA	NA	NA	NA
(iii)	Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at end of period				
	(a) GOI Securities	NA	NA	NA	NA
	(b) Public Securities	NA	NA	NA	NA



		Year ended 31 st March 2010		Year ended 31 st March, 2009	
		Gratuity	Leave Encashment and Compensated Absences	Gratuity	Leave Encashment and Compensated Absences
		(In Rupees)		(In Rupees)	
	(c) Bank Deposits (Special Deposit Scheme, 1975)	NA	NA	NA	NA
	(d) State Govt. Securities	NA	NA	NA	NA
	(e) Insurance Policies	NA	NA	NA	NA
	(f) Others (including bank balances)	NA	NA	NA	NA
(iv)	Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets				
	(a) Present Value of Funded Obligation as at end of period	NA	NA	NA	NA
	(b) Fair Value of Plan Assets as at end of period	NA	NA	NA	NA
	(c) Funded (Asset) / Liability recognized in the Balance Sheet (Net)	NA	NA	NA	NA
	(d) Present Value of Unfunded Obligation as at end of period	NA	NA	NA	NA
	(e) Unrecognised Past Service Cost	NA	NA	NA	NA
	(f) Unrecognised Actuarial (Gains)/ Losses	NA	NA	NA	NA
	(g) Unfunded Net Liability recognized in the Balance Sheet	NA	NA	NA	NA
(v)	Amount recognized in the Balance Sheet				
	(a) Present Value of Obligation as at end of period	NIL	NIL	510,292	979,052
	(b) Fair Value of Plan Assets as at end of period	NIL	NIL	NIL	NIL
	(c) (Asset)/Liability recognized in the Balance Sheet (Net)	NIL	NIL	510,292	979,052
(vi)	Expenses recognized in the Profit and Loss Account				
	(a) Current Service Cost	NIL	99,536	275,059	566,434
	(b) Past Service Cost	-	-	-	-



		Year ended 31 st March 2010		Year ended 31 st March, 2009	
		Gratuity	Leave Encashment and Compensated Absences	Gratuity	Leave Encashment and Compensated Absences
		(In Rupees)		(In Rupees)	
	(c) Interest Cost	-	-	26,814	69,849
	(d) Expected Return on Plan Assets	-	-	-	-
	(e) Curtailment Cost/(Credit)	-	-	-	-
	(f) Settlement Cost/(Credit)	-	-	-	-
	(g) Net actuarial (Gain)/Loss	(483,892)	-	(174,637)	(297,023)
	(h) Total Expenses recognized in the Profit and Loss Account	(483,892)	99,536	127,236	339,260

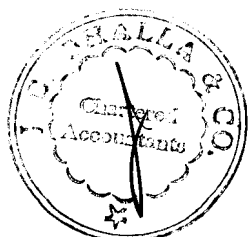
Note :- Pursuant to closure of retail operations of the company, there was no liability on account of long term benefits to be provided as per AS-15 Employee Benefit.

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

- Related party where control exists
Triveni Engineering & Industries Ltd. – Holding Company
- The details of related party with whom transactions have taken place during the year:

Triveni Engineering & Industries Limited - Holding Company

		(in Rupees)	
Sl.	Particulars	31.03.2010	31.03.09
1	Sales & rendering of Services (net)	11,102,082	32,778,302
2	Sales of Fixed Assets	32,89,998	45,000
3	Purchase and receiving of Services	36,000	2,281,500
4	(Expenses Incurred)/ Incurred by them (Net)	1,000,107	2,482,824
5	Unsecured loan taken	196,00,000	65,000,000
6	Interest Paid	NIL	3,761,440
7	Rent Paid	12,34,921	2,692,058
8	Outstanding Balances Loan account (Credit) Others (Debit)	175,242,644 NIL	155,521,585 1,166,140



7. **Prior period adjustment represents:**

	31.3.2010	(in Rupees) 31.3.2009
Sale of material (reversal)	-	386960
Interest Income	-	-
Purchase of material	-	-
Cost of material (Sales Tax)	-	-
Misc Income (reversal)	-	41804
Bank charges	-	-
Salary & wages	-	-
Total	-	428764

8. a) The company had taken various premises under operating lease. With the closure of retail operations, these lease have been cancelled & foreclosed.
- b) Lease payments under operating lease are recognized in the Profit and Loss Account under "Rent" in Schedule 14.
- c) The total of future minimum lease payment for non-cancellable operating lease is as under:

	31.03.10	(in Rupees) 31.03.09
a. Not later than one year	Nil	5,696,771
b. Later than one year and not later than five years	Nil	15,211,826
c. Later than five years	Nil	Nil

9. The break-up of deferred tax asset (net) as on 31-03-2010 is provided below –
(In Rupees)

Particulars	Deferred tax liability (deferred tax assets)	
	31.3.2010	31.3.2009
Difference in Net Book Values of fixed assets as per accounts and tax	(5,520,083)	1,322,405
Disallowance under section 43 (B)	(123,480)	(582,152)
Others	(437,866)	(1,930,292)
Net Deferred Tax Liability/(Asset)	(6,081,429)	(1,190,039)



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

Particulars	31.3.2010	31.3.2009
Net profit/(loss) after tax as per Profit & Loss A/c (In Rupees)	(75,886,901)	(80,862,461)
No. of Equity Shares of Rs. 1/- each (Weighted Average)	100,000,000	100,000,000
Earning/(Loss) per equity share of Rs. 1/- each (Rs.)	(0.76)	(0.81)

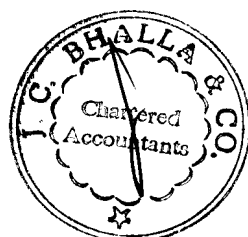
11. Additional Information required Paragraph 3 and 4D Part II of Schedule VI to the Companies Act, 1956.

	31.03.2010	(In Rupees) 31.3.2009
a) Expenditure in Foreign Currency		
- Royalty (On accrual basis) :	Nil	Nil
b) Earning in Foreign Currency :	Nil	Nil

- c) Quantitative Information

(i) Engineering business

(Amounts in Rupees)					
Sl.	Class of Goods	Sales		Purchases	
		Nos	Amount	Nos	Amount
1	CV Pan 2009-10	Nil	Nil	Nil	Nil
	2008-09	Nil	Nil	Nil	Nil
2	Centre Shaft 2009-10	Nil	Nil	Nil	Nil
	2008-09	1	461752	1	239252
3	Spares 2009-10	Nil	Nil	Nil	Nil
	2008-09		79600		33871
4	Misc. Services 2009-10	Nil	Nil	Nil	Nil
	2008-09	Nil	Nil		214055
	Total 2009-10		Nil		Nil
	2008-09		541352		487178



(ii) Retail business

A. Break-up of items purchased:

Class of Goods	Unit	Purchases (2009-2010)		Purchases (2008-2009)	
		Qty	In Rupees	Qty	In Rupees
Fertilizers	Nos.(Bags)	13321	2,186,611	303220	76,972,175
Pesticides	Nos. (Packet/Bottles)	81240	10,253,752	367296	50,363,875
Cement	Nos.(Bags)	44091	9,964,112	196240	35,633,070
Others			4,274,757		127,871,632
Total			26,679,232		290,840,752

B. Licensed and installed capacities & actual production: N.A.

C. Opening Stock, Closing Stock & Sales:
(Financial Year 2009-2010)

Class of Goods	Unit	Opening Stock		Sales		Closing Stock	
		Qty.	In Rupees	Qty.	In Rupees	Qty.	In Rupees
Fertilizers	Nos.(Bags)	35500	7,553,500	48821	8,240,094		-
Pesticides	Nos.(Pacck t/Bottles)	94047	13,772,591	174979	21,350,860	308	61,756
Cement	Nos.(Bags)	2695	613,176	46786	9,995,809		-
Others			17,526,457		20,719,433		2,355,286
Total			39,465,724		60,306,196		2,417,042

(Financial Year 2008-2009)

Class of Goods	Unit	Opening Stock		Sales		Closing Stock	
		Qty.	In Rupees	Qty.	In Rupees	Qty.	In Rupees
Fertilizers	Nos.(Bags)	60711	15,809,817	328431	88,020,346	35500	7,553,500
Pesticides	Nos.(Pacck t/Bottles)	111514	15,551,004	384763	51,501,723	94047	1,377,2591
Cement	Nos.(Bags)	11065	2,055,082	204610	39,726,216	2695	613,176
Others			24,917,860		145,898,852		17,526,457
Total			58,333,763		325,147,137		39,465,724



12. Information on Segment Reporting of the company for the year ended 31.3.2010

(In Rupees)

	Engineering		Retail		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
REVENUE								
Sales	-	541,352	60,306,196	325,147,137	-	-	60,306,196	325,688,489
Other Income	2,144,314	95,000	4,201,102	1,856,383	-	-	6,345,416	1,951,383
Total Revenue	2,144,314	636,352	64,507,298	327,003,520	-	-	66,651,612	327,639,872
Less: Inter segment revenue								-
Net Segment Revenue	2,144,314	636,352	64,507,298	327,003,520	-	-	66,651,612	327,639,872
Segment Results								
- Operating Profit/(loss)	1,723,810	(13,648)	(59,035,901)	(75,637,481)	-	-	(57,312,092)	(75,651,129)
Interest Expenses							(53,668)	(3,875,242)
Exceptional Item (Due to impairment of fixed assets)							(23,480,960)	
Interest Income							77,916	89,680
Income tax (including deferred tax)							4,881,903	(1,425,770)
Net Profit / (loss)							(75,886,902)	(80,862,461)
OTHER INFORMATION								
Segment Assets	458,689	788,670	12,728,155	93,556,895	-	-	13,186,844	94,345,565
Unallocated Assets	-	-		-	-	-	6,580,027	1,568,583
Total Assets							19,766,871	95,914,148
Segment Liabilities	51,951	2,234,754	2,193,812	19,695,291	-	-	2,245,763	21,930,045
Unallocated Liabilities							175,389,750	155,965,844
Total Liabilities							177,635,513	177,895,889
Capital Expenditure		-	279,030	8,047,849	-	-	279,030	8,047,849
Depreciation	52,428	52,428	2,817,100	3,594,065	-	-	2,869,527	3,646,493
Amortisation		9,455	1,059,670	635,441	-	-	1,059,670	644,896

a) The company's operations have been catagorised into two business segments in accordance with the Accounting Standard (AS-17) "Segment Reporting" – these constitute 100% of the total turnover of the company. These segment are briefly described hereunder:

- i) Engineering: The Company is engaged in the business of supply & installation of sugar plant equipments. The facility is located at Deoband, Distt. Saharanpur.



- ii) Retail: The Company is operating retail stores at various rural and semi urban locations. The product-line includes various Agricultural, Non agricultural & financial products.
 - iii) There are no separate identifiable geographical segments.
 - b) Segment revenue includes sales and other income directly identifiable with / allocable to the segment.
 - c) Expenses that are directly identifiable with / allocable to segment are considered for determining the segment result. Expenses and income which relates to company as a whole and not allocable to segments are disclosed separately.
 - d) Segment assets and liabilities include those directly identifiable with the respective segments.
- 13 (a). The accumulated losses of the company as on 31st March 2010 are Rs.257,868,642/-, which have exceeded the paid up capital of Rs. 100,000,000/- The losses are mainly on account of retail business which is under closure. The losses and operations are funded by the holding company. Further the Board of Directors of the company & holding company have approved a scheme of arrangement whereby the Turbine Business Group of the holding company is proposed to be demerged from holding company & be merged with this company w.e.f. the appointed date of 01.10.2010. Accordingly the accounts have been prepared on going concern basis.
- 13 (b). In view of the closure of retail operations, loss of Rs.23,480,960/- on account of impairment in the value of fixed assets has been accounted for and the concerned assets have been discarded.
14. Name of the company has been changed to Triveni Turbine Ltd w.e.f. 08.03.2010 from erstwhile Triveni Retail Ventures Ltd.
15. Figures have been rounded off to the nearest Rupees.
16. Figures for the previous year are re-grouped / re-arranged wherever necessary. Figures in brackets relate to previous year.
17. Schedule "1" to "15" form an integral part of the Balance Sheet and Profit & Loss Account.

for and on behalf of
J. C. BHALLA & CO.
CHARTERED ACCOUNTANTS


SUDHIR MALLICK
PARTNER

Place: NOIDA

Date: 31st July 2010



BUSINESS HEAD



DIRECTOR



DIRECTOR

