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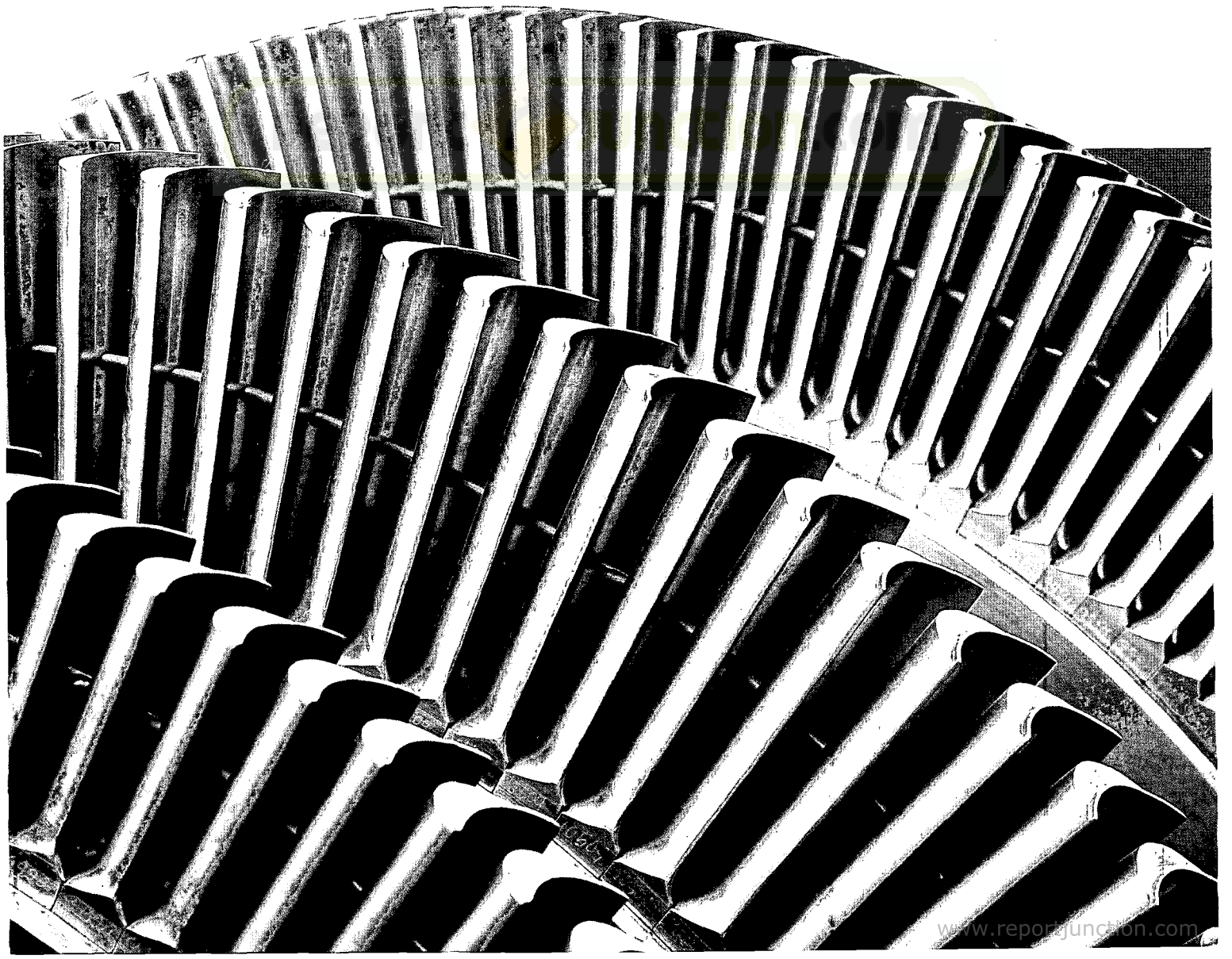
Annual Report 2008-09

ADDRESSING TOMORROW'S PRIORITIES

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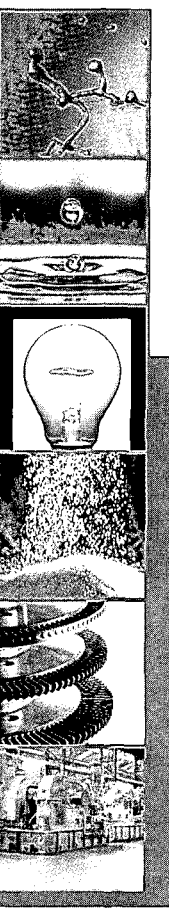


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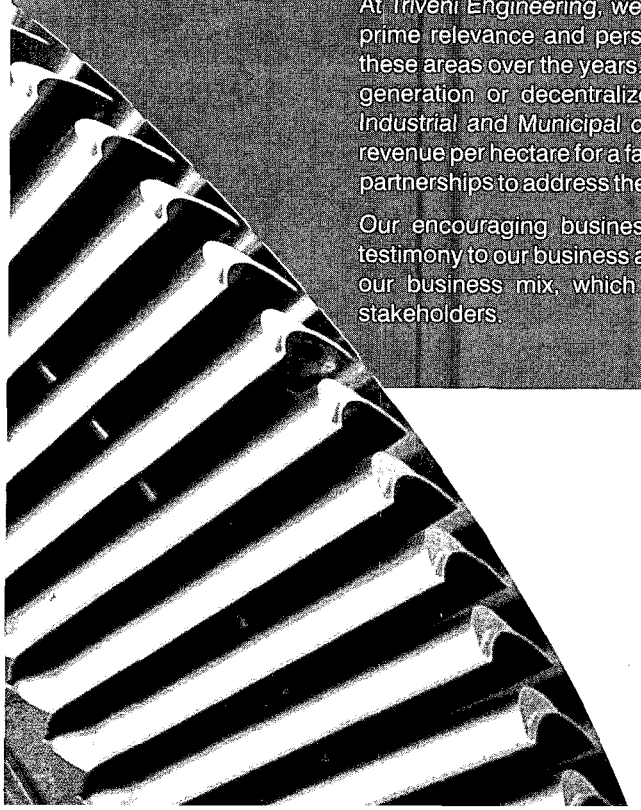
ADDRESSING TOMORROW'S PRIORITIES



Rising cost, availability and accessibility of power; declining quality and availability of water; increasing carbon emissions and climate change; rural unemployment and stagnating farm incomes; food security and rising demand for essential commodities - are some of the issues which need immediate focus in today's India.

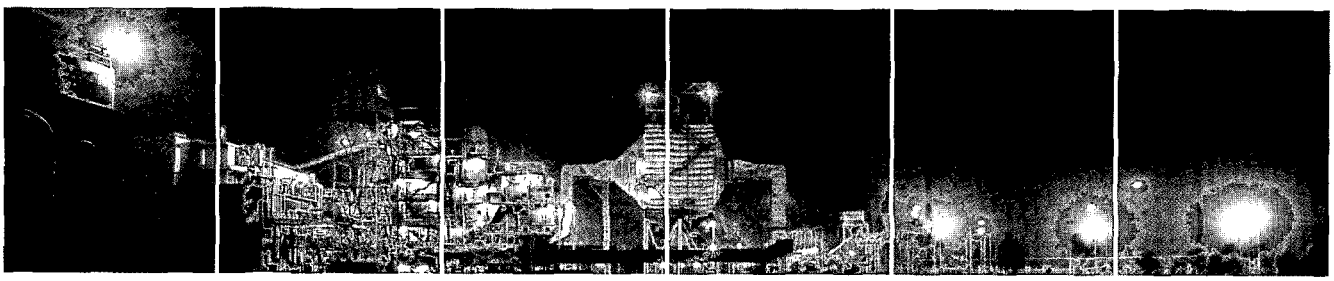
At Triveni Engineering, we have aligned our business interests along these issues of prime relevance and persevered to build world class capabilities and capacities in these areas over the years. Be it to provide hi-technology solutions for industrial power generation or decentralized clean power; or be it world class water solutions to Industrial and Municipal clients; or be it sugar farm initiatives to improve yield and revenue per hectare for a farmer - Triveni has consistently utilised technology, R&D and partnerships to address these issues.

Our encouraging business performance in this year of global turbulence stands testimony to our business alignment to pertinent demand factors and the robustness of our business mix, which is engineered to create and enhance value for all our stakeholders.



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FINANCIAL HIGHLIGHTS

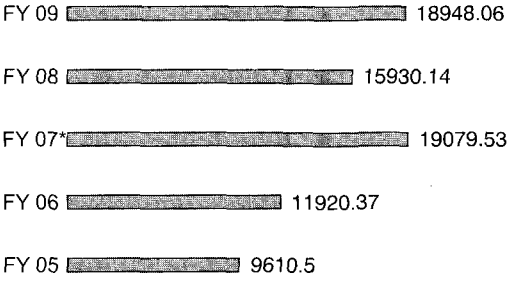
Particulars	FY ending	CAGR	FY 08-09	FY 07-08	FY06-07 (18months)	FY 05-06	FY 04-05
			30.9.2009	30.9.2008	30.9.2007	31.3.2006	31.3.2005
Net Turnover	Rs. Million	16%	18948.06	15930.14	19079.53	11920.37	9610.50
Operating Profit before exceptional items (PBDIT)	Rs. Million	24%	4527.35	3167.12	2397.83	2130.00	1724.46
Cash Profits	Rs. Million	21%	2840.21	2168.21	1576.97	1734.72	1184.50
Profits before Tax (PBT)	Rs. Million	16%	2429.47	1345.61	785.20	1611.79	1241.06
Profit after Tax (PAT)	Rs. Million	13%	1697.78	1115.18	754.29	1314.96	995.20
Share Capital	Rs. Million		257.88	257.88	257.88	257.88	103.02
Reserves & Surplus (Less Revaluation reserve)	Rs. Million		8806.64	7410.57	6490.64	4863.66	1654.07
Net worth*	Rs. Million		9051.52	7649.28	6726.11	5111.91	1644.87
Loan Funds	Rs. Million		8337.95	11686.96	9993.94	4026.04	4500.93
Net Fixed Assets	Rs. Million		12738.43	12972.13	13025.34	6149.71	2983.79
Net Current Assets	Rs. Million		5379.84	6986.82	4128.08	3572.68	3517.58
Operating Profit Margin	%		24%	20%	13%	18%	18%
Net Profit Margin	%		9%	7%	4%	11%	10%
Return on Average Net Worth	%		20%	16%	13%	39%	72%
Return on Average Capital Employed	%		19%	13%	11%	23%	25%
EPS (fully diluted)	Rs.		6.58	4.32	2.92	5.88	4.77
Cash EPS (fully diluted)	Rs.		11.01	8.41	6.12	7.76	5.69
Debt Equity Ratio	Times		0.92	1.53	1.49	0.79	2.74
Interest coverage	Times		3.20	2.37	2.11	8.01	5.07
Dividend Rate	%		100%	60%	60%	50%	100%

*After adjustment of miscellaneous expenditure not written off

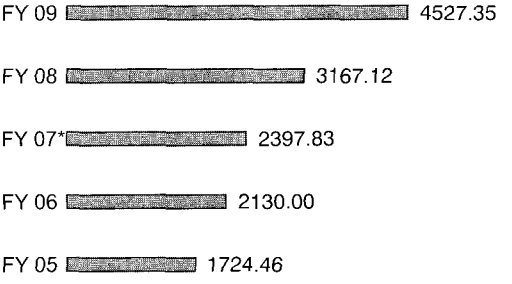
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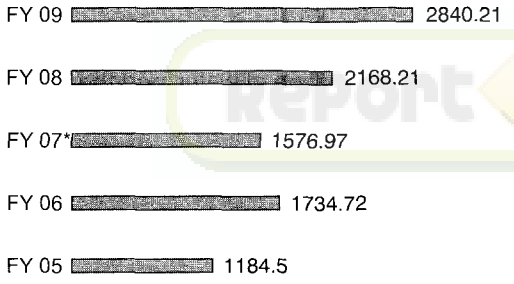
Net Sales
(Rs. Million)



EBITDA
(Rs. Million)



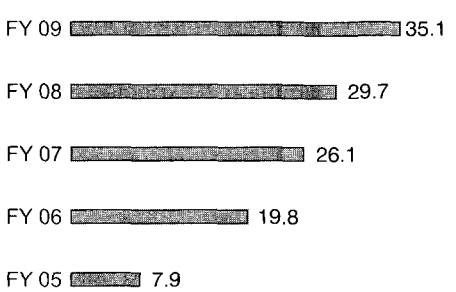
Cash Profit
(Rs. Million)



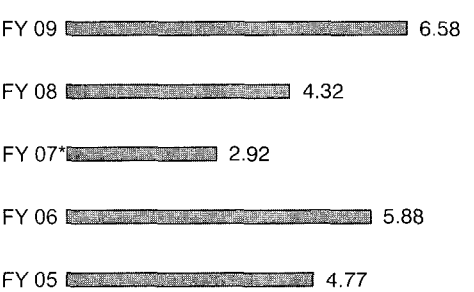
PAT
(Rs. Million)



Book Value
(Rs. Per Share)



EPS
(Rs. Per Share)



* FY 07 - 18 months period from 01.04.2006 to 30.09.2007

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MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

I am delighted to share with you some thoughts at a time when our company has achieved record results, and the country is poised to become an important participant in the global scene in many areas - political, financial, trade and the environment. It is also a time when the nation is focusing inwards on our existing disparities, and how all stakeholders can work in partnership to achieve rapid inclusive growth.

There are some areas where Government must necessarily take a major lead, such as basic health and education, rural infrastructure, and security.

However, there are other areas where industry, especially large private sector groups, can focus their efforts, and commit the necessary resources to bring about a rapid turnaround. The three priority areas that our company is actively pursuing are water, power and the rural economy. Over 60% of plan outlay on infrastructure in the XIth five-year plan has been allocated to power, water and irrigation. I would like to share our company's efforts in these areas.

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WATER: THE LIFELINE OF DEVELOPMENT

Besides providing a critical lifeline, shortage of water, and the inadequate treatment of waste water, can be a serious impediment to growth, health and prosperity of our people.

Industrial water consumption is estimated to quadruple between 2000 and 2050, and reach 18% of total annual water consumption by 2050, up from just 6% in 2000. Over 6.2 billion litres of untreated industrial wastewater is generated everyday, with thermal power plants and steel plants being the top contributors. Domestic water consumption is expected to triple from 2000 to 2050, and reach 11% of total annual water consumption by 2050 from 5% in 2000. Only 31% of the over 9300 MM litres of wastewater generated daily from the 23 leading cities is treated.

Our company is encouraging industries to change their mindset,

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Dhruv M. Sawhney
Chairman and Managing Director

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MESSAGE FROM THE CHAIRMAN

Tomorrow's priorities bind our businesses together. From the spectrum of sugar to power to water, our company plays an increasingly important role in making tomorrow better. The magnitude of the challenges in these three priority sectors is huge, and this translates into an equally huge opportunity for our company.

and treat water as a critical raw material and as an input without which their economic activity would come to a standstill. Subsidized water tariffs have in the past encouraged wastage, and we are stressing improved water conservation. Our company is providing state-of-the-art water and effluent treatment equipment and services with the highest efficiencies. On the municipal side, we are encouraging authorities to use the best of global technologies to treat sewage so as to make it usable for consumption. Not only does this add to water availability, but it also helps in minimizing the pollution of available fresh water. In the coastal regions, our desalination technologies are helping in the utilization of sea water for industrial purposes.

Our Water Division's business growth has been an impressive 87% CAGR in the last 5 years, and today, we are recognized as one of the most prominent and successful players in this vital sector.

POWER: THE INCUBATOR OF GROWTH

Power is one of the most powerful enablers for India to transform itself into a developed economy. However, it is also one of our biggest bottlenecks, and the acute shortage of power is having a cascading effect, leading to a tremendous opportunity loss for industry and the economy.

Across industries, for agriculture, services and civic amenities, and for the urban and rural population, India needs power. Peak power deficits range from 11 to 13%. Some parts of our country are still without power, and a majority of cultivable land is not irrigated. With the potential rise in per capita demand, with rising income levels, the Indian power sector has rightly been allocated a top priority by the Government of India.

Dependence on fossil fuel has been an impediment in capacity expansion of this sector since independence. Thankfully, Governments, regulators and industries, have started exploring the potential for clean and renewable energy. The country's latent potential in hydro-power, biomass based power, co-generation, and captive power generation is increasingly being explored for bridging the deficit .

In the steam based Power sector, under 30 MW, Triveni is the most prominent player, with a majority market share and state-of-the-art technologies. The size of the Indian market has enabled Triveni to be amongst the top three manufacturers in this range globally. Many projects in this sector are green in nature, utilizing raw materials such as sugarcane bagasse, rice husk or wheat straw. The technical specifications for these

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power plants are the most sophisticated on a global benchmark, and in fact, have set an example for many developing and developed nations to follow. A majority of the outstanding order book of Rs 7.5 billion from our three engineering business is from the power sector, and we are expecting good growth in the years to come. Our sugar plants have efficient co-generation facilities and we are generating 68 MW of green power.

RURAL ECONOMY: FEEDER OF THE NEXT ROUND OF GROWTH

More than half India's consumers live in rural areas. Their awareness, information and skill levels are rising fast. Most of them are engaged in agriculture for their living, and would greatly benefit from yield enhancing technologies and an economic MSP for their crop.

With more than half of our company's revenue coming from the sugar segment, our company is actively engaging with the rural population across our sugar cane producing belt in Uttar Pradesh. With an objective of enhancing value for farmers, our company is helping them with a variety of cane development initiatives. Our company is helping them adopt new farming methods and new seeds, and utilize improved farm implements and equipment. A breakthrough has been achieved in our demonstration plots through a drastic reduction in the usage of inputs. Water usage has been reduced to a third and the usage of seeds even more. The company hopes to rapidly increase the usage of these new farming techniques and seeds in the next few years.

On a steady state basis, we are expecting an eventual yield enhancement of cane yield by 30% and this will truly revolutionize the rural economy in our sugar command areas. The significantly less usage of water will also lower the farmer's dependence on the monsoon, and provide them with a more stable livelihood. These efforts are being done in close partnership with multilateral agencies. With our 250,000 farmers, we aim to to create a mutual win-win situation. The increased cane supplies will help the company achieve its optimum capacity utilization in terms of cane crush, power generation and ethanol production, while sustaining a truly green rural economy.

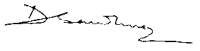
ADDRESSING PRIORITIES

Tomorrow's priorities bind our businesses together, and there lies our company's recent and future successes. From the spectrum of sugar to power to water, our company plays an increasingly important role in making tomorrow better. The magnitude of the challenges in these three priority sectors is huge, and this translates into an equally huge opportunity for our company.

Our performance is in no small measure due to these strategies and the pursuit of excellence across our various businesses. The strong performance posted in a difficult financial year has enhanced the motivation and drive of our committed workforce at Triveni. I sincerely congratulate all of them for their cooperation, hard work, and contribution, and I seek their continued participation in creating strong values for our shareholders and the communities in which we exist.

I am honoured and privileged to be Chairman of such a committed organization, and I thank all shareholders and stakeholders for their continued trust and encouragement.

With best regards,



Dhruv M. Sawhney
Chairman and Managing Director

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OUR COMPANY

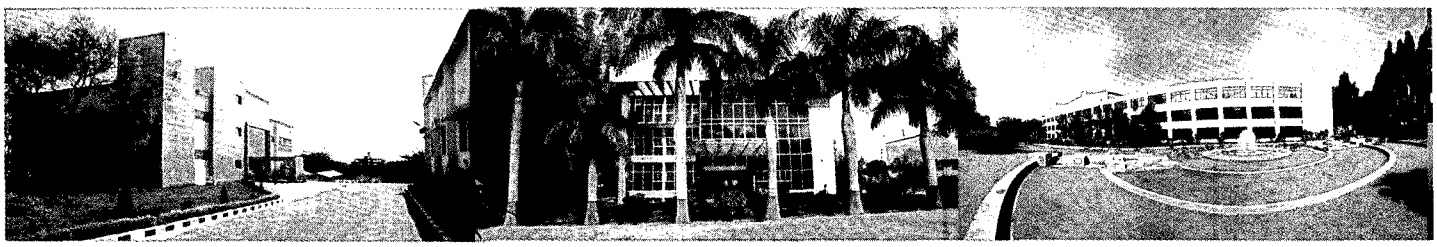
We are an INR 19 billion manufacturing and engineering solutions conglomerate with operations in sugar, steam turbines, gears and water treatment sectors.

With 11 manufacturing locations across India, Triveni employs over 5000 people and services key priority sectors of power generation, water management and sugar. Listed on country's leading stock exchanges, namely, BSE and NSE, Triveni enjoys the trust of around 40000 shareholders.

OUR OPERATIONAL DOMAINS

With 7 sugar mills, 3 co-generation units and 1 distillery spread over 8 locations in Uttar Pradesh, our Sugar Business Group enjoys the installed sugar crushing capacity of 61000 TCD, co-generation capacity of 68 MW of power and distilling capacity of 160 KLPD. As one of the leading sugar player of India, we progressively engage with over 250,000 farmers through our cane development program

Our Engineering Business Group has a dedicated manufacturing cum R&D unit each for Steam Turbine, Gear and Water Treatment Applications at Bangalore, Mysore and Noida respectively. With advanced capability to manufacture steam turbines upto 30 MW, we command market-share in excess to 60 % in upto 30 MW segment. As the largest Indian manufacturer of high-speed gears and gearboxes, we command 60% market-share in the high-speed gears. As a focussed player in water treatment domain, we offer end-to-end services & product mix in the technology spectrum of water and waste water treatment.



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