Triveni ENGINEERING & INDUSTRIES LTD

# Results Announcement

NOIDA, January 30, 2006

**SUMMARY RESULTS:**

**(For Nine Months ended 31st December, 2005)**

- **Net Turnover higher by 21% at Rs.8.50 billion,**
- **EBITDA higher by 26 % at Rs.1.54 billion**
- **PBT higher by 32% at Rs.1.14 billion,**
- **PAT higher by 32%% at Rs.0.92 billion, and**
- **EPS for nine months at Rs.4.32 per equity share.**

- **Triveni Engineering & Industries Ltd**., one of India's leading companies engaged in the manufacture of sugar and engineered-to-order mechanical equipment, such as steam turbines, high speed gears and water and wastewater treatment equipment, today announced its results of the third quarter and nine months ended 31st December, 2005.

- **Nine months performance review of FY 2006 vs. corresponding period of FY 2005 :** Net sales increased by 21.0% to Rs.8.50 billion as a result of increase in turnover of all business segments, and operating profit (EBITDA) increased by 26.5% to Rs.1.54 billion. EBITDA as a % to net sales is 18% as against 17% in the corresponding previous period. Apart from the sugar operations, the major contributor to profitability has been the operations of the steam turbine division. PBT registered a growth of 32.1% to Rs.1.14 billion and PAT increased by 32.0% to Rs.0.92 billion translating into an EPS of Rs.4.32 per equity share of face value Re.1/-. Net margin ( after tax) is 11% of net sales as against 10% in the previous period

- **Q3 FY 2006 Vs. Q3 FY 2005 :** Net sales are higher by 21.5% at Rs.2.93 billion, all business segments having recorded growth in net sales. Operating profit (EBITDA) is 8% higher at Rs.429.4 million. This is owing to the excellent performance by the steam turbine division and higher contribution by the Cogeneration division. PBT is Rs.289.2 million against Rs.298.6 million during Q3 of FY 2005 and PAT is Rs.239.2 million against Rs.239.4 million in Q3 of FY 2005.

- **Drivers for Growth :** All the business segments, sugar and engineering, contributed to this significant growth during the 9 month period ended 31st Dec. 2005. Sugar operations continue to propel the growth of our company, but growth in the steam turbine division has been quite remarkable, with net sales achieving 71% growth over the corresponding period last year. With commissioning of the new Cogeneration plant at Khatauli, total cogeneration capacities of 45 MW (in addition to the captive power capacities) now provide a stable revenue stream. Our other engineering businesses comprise of High Speed Gears and Gear Boxes, and Water and Waste Water Treatment products, and have also performed extremely well. This performance has substantially increased the turnover and margins achieved in the nine months of FY 2005-06, and it is expected that these growth trends will be maintained.

- **Status of the Project : :** A new sugar plant of 7000 TCD capacity at Sabitgarh commenced operations today. Capacities of the Khatauli and Deoband sugar plants have already been increased from 11,750 TCD to 16,000 TCD and 10,000 TCD to 14,000 TCD respectively . The 23MW cogeneration plant at Khatauli has been commissioned and expansion of the production facilities at the Steam Turbine and High Speed Gears units are complete.

- **Further Growth plans:** The Company has finalized its plans to establish two new sugar units of capacity 5000 TCD at Chandanpur, District J.P. Nagar and at Rani Nagal, District Moradabad , both in Western Uttar Pradesh. Land and essential licenses have been acquired, and all long delivery items ordered. These projects are likely to be commissioned by Nov. 2006 and will cost around Rs.2.50 billion.

  The company is planning to increase its steam turbine production capacity by another 100%, and will be installing a world class vacuum tunnel for the dynamic balancing of rotors up to 30 MW.

  The earlier expansion which was completed in December 2005, increased its steam turbine production capacity by over 100%. However, we needed further production capacities to cater to the expanding domestic market, and to achieve the shorter delivery times required by the export market. This second expansion of capacity is scheduled to be completed in the 2$^{nd}$ half of the financial year 2006-07, and will cost around Rs 0.34 billion.

  Proposals for further cogeneration facilities and the establishment of an ethanol distillery are being evaluated.

## Details to announcement and results table.

### About Triveni Engineering & Industries Ltd. (TEIL)

TEIL is a leading company in the manufacture of white crystal sugar and its total crushing capacity has been increased from 25,250 TCD in FY 2004-05 to 40,500 TCD in FY 2005-06. The capacity is further estimated to increase to 50,500 TCD by sugar season 2006-07. It has a cogeneration capacity of 45 MW (apart from captive power capacities) and is contemplating installing further cogeneration capacities in the FY 2006-07.

TEIL is a dominant player in the domestic medium size Steam Turbine market with a current market share of 74%. It is expanding its steam turbine production facilities by a further 100%. TEIL is also a dominant player in the High Speed Gears and Gear Boxes market, with around 90% market share, and also in the Water and Waste Water Treatment Products market. Further, in a wholly owned subsidiary, the company has been operating nine Agri Retail Stores "Khushali Bazaar". The Company has ambitious plans to further expand the number of rural retail stores. This business is synergic to the sugar business as it strives to create strong linkages with about 200,000 farmers supplying raw material to our sugar manufacturing operations.

The Company, as a result of its aggressive expansion programmes, has significantly consolidated its business in sugar and engineering. The proportion of engineering to the total business is estimated to increase despite a major expansion of the sugar business. Considerable cogeneration facilities provide profitable alternate revenue streams and help the company to substantially de-risk the commodity nature of its sugar operations.

For more information on the Company, its products and services please long on to www.trivenigroup.com or contact:

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Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. Triveni Engineering & Industries Ltd. will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

New Delhi, January 30, 2006

## Details of the announcement

- **Business outlook review**

  1. Sugar
  2. Cogeneration
  3. Steam Turbines
  4. High Speed Gears and Gear Boxes
  5. Water and Waste Water Treatment Products

- **Financial review**

## Business Outlook Review

### Sugar Industry

The business environment in the sugar sector remains positive. Sugar prices are exhibiting a positive (increasing) trend and currently, average prices are over Rs.18,500 per MT. At the end of the on-going sugar year (ending Sept. 30, 2006), total sugar inventory as a percentage to the consumption would be less than 25%. This is after taking into consideration all India sugar production of 18 million tons. This augurs well for the domestic sugar prices. Apart from the domestic dynamics, the price of crude oil is playing an important role in determining the supply of sugar / raw sugar in the international market as Brazil, the largest exporter of raw sugar in the world, is utilizing more sugar cane for the production of Ethanol. The trend is likely to continue as there is no likelihood of major softening of crude prices in the next one year or so. Further more, the reduced subsidized exports from EU will limit availability of white crystal sugar. Both these reasons have been responsible for record sugar prices in the international market (Raw Sugar at above 18 cents/pound, whites at US$ 400/MT, both FOB).

The hardening of raw sugar price is expected to limit its imports to India and hence, imports of raw sugar in sugar year 2005-06 is expected to be much lower than in 2004-05. Thus, there is a potential for further firming up of domestic prices in the next one year.

**Triveni: Expansion of Capacities in Sugar:** All the projects and expansion programmes which were planned for the FY 2005-06 have already been commissioned. By January, 2006, the company will have total sugar capacity of 40,500 TCD. With the setting up of two new sugar units in FY 2006-07, the sugar manufacturing capacity would increase to 50,500 TCD.

With the capex already incurred and those planned for FY 2006-07, the Company is eligible for UP Government incentives for 10 years and these are expected to commence from FY 2006-07.

## Co-generation

In July 2005, UPERC finalised the tariff for cogeneration plants in U.P. for the next 5 years. Accordingly, the tariff for cogeneration plants set up in U.P. in FY 2005-06 will be Rs.2.86 per unit which will escalate to Rs.3.02 per unit by FY 2009-10. UPERC has made it mandatory for the distribution companies to source at least 7.5% of the power requirements from the producers of power from biomass fuel. The cogeneration business provides stable revenue stream, high IRR and helps in substantially de-risking the sugar commodity business.

The Company has cogeneration facilities of 45 MW in addition to its captive power capacities. The installed capacities enable the company to export 32.9 MW of power during the season and 40.52 MW power during the off-season. Normally, the season is for 170 days but the cogeneration plant can run for 50 to 75 days in the off-season depending upon the bagasse availability. The cogeneration plant comes under Clean Development Mechanism (CDM) and entitles us to receive the carbon credits. In respect of plant commissioned at Deoband sugar unit in Dec. 2004, it is expected that the project may be cleared by UNFCCC in the next 3 - 4 months.

## Steam Turbines

Our steam turbine business is on a rapid growth path, with orders coming from a variety of industries such as, Sponge Iron, Textiles, Paper, Independent Power Producers, and Sugar Cogeneration plants. Orders in hands as on 31.12.05 were Rs.3.4 billion and would be executed by October 2006. Apart from the increased turnover, there has been a significant increase in margins as well. The Steam Turbine Division is currently manufacturing steam turbines up to 18 MW, and we are in discussions with potential technology providers in Europe to partner with us in expanding our range beyond 30/35 MW, and also to enable us to better access the significant export markets in Asia and the Middle East. With this addition in technology, we believe we have a unique combination of a low cost product and world class service. The new expansion in production facilities will allow us to assemble steam turbines upto 50 MW.

Based on the order book the Turbine Business Group has increased its market share to 74% as against 66% for the financial year 2004-05. As against orders of 450 MW expected to be executed in FY 2005-06, we expect orders of about 700 MW to be executed in 2006-07.

### High Speed Gears and Gear Boxes.

The results of gear operations are included in the business segment "Others". In the nine months period ended December 31, 2005, the net Sales have increased by 92% to Rs 337 million, surpassing net sales achieved in FY 2004-05 by 41%. The total order in hand as on 31.12.2005 are Rs.255 million which would be executed latest by Sept.06.

### Water and Waste Water Treatment Products.

The results of WBG operations are also included in the business segment "Others". In the nine months period ended December 31, 2005, the net Sales have increased by 89% to Rs 91 million, surpassing net sales achieved in FY 2004-05 by 12%. The total orders in hand as on 31.12.05 are Rs.105 million which would be executed latest by May.06.

## Financial Performance Review

| | 9M – FY 2005-06 | 9M – FY 2004-05 |
|---|---|---|
| **Net Sales (Rs. Million)** | 8501.2 | 7023.4 |
| -Increase/(decrease) | 21% | |
| **EBITDA(Rs. Million)** | 1537.1 | 1215.5 |
| -Increase/(decrease) | 26% | |
| **EBITDA to Net Sales** | 18% | 17% |
| **Profit Before Tax (Rs. Million)** | 1144.6 | 866.3 |
| -Increase/(decrease) | 32% | |
| **Profit After Tax (Rs. Million)** | 917.0 | 694.7 |
| -Increase/(decrease) | 32% | |
| - % to Net Sales | 11% | 10% |

| | Q3 – FY 2005-06 | Q3 – FY 2004-05 |
|---|---|---|
| **Net Sales (Rs. Million)** | 2930.6 | 2412.5 |
| -Increase/(decrease) | 21% | |
| **EBITDA (Rs. Million)** | 429.4 | 397.2 |
| -Increase/(decrease) | 8% | |
| **Profit Before Tax (Rs. Million)** | 289.2 | 298.6 |
| -Increase/(decrease) | (3%) | |
| **Profit After Tax (Rs. Million)** | 239.2 | 239.4 |

During nine months period ended 31st December, 2005, the company has achieved 21% increase in net sales, 26% increase in EBITDA, 32% increase in Profit Before Tax and 32% increase in Profit After Tax. All business segments, sugar, cogeneration and engineering, have contributed to the growth achieved. Quarterly performance for sugar operations, being seasonal in nature, is not representative of full year performance and the results of the quarter are not comparable with that of the corresponding quarter of the previous period. The company believes these growth trends will continue in all its businesses.

## Revenue profile

For nine months period ended 31.12.2005

| | 2006 | | 2005 | |
|---|---|---|---|---|
| | Rs. Million | %age of total turnover | Rs. Million | %age of total turnover |
| Sugar | 6249.9 | 70 | 5729.5 | 81 |
| Co-generation | 291.7 | 3 | 32.6 | - |
| **Total Sugar** | **6541.6** | **73** | **5762.1** | **81** |
| Turbines | 1901.6 | 21 | 1111.6 | 16 |
| Others | 576.4 | 6 | 231.6 | 3 |
| **Total Engineering** | **2478** | **27** | **1343.2** | **19** |
| Total net revenue (including inter segment revenue) | 9019.6 | | 7105.3 | |

**PBIT Profile**

| | 2006 | | 2005 | |
|---|---|---|---|---|
| | Rs. Million | %age of total | Rs. Million | %age of total |
| Sugar | 1115.4 | 76 | 1049.0 | 92 |
| Co-generation | 34.7 | 2 | 5.6 | 1 |
| **Total Sugar(A)** | **1150.1** | **78** | **1054.6** | **93** |
| Turbines | 250.8 | 17 | 94.2 | 8 |
| Others | 70.0 | 5 | -9.6 | -1 |
| **Total Engineering(B)** | **320.8** | **22** | **84.6** | **7** |
| Total PBIT* | 1470.9 | | 1139.2 | |

***Before considering unallocable expenditure and unrealised profit on inter-segment transfers.**

## Business Segment Analysis

### a) Sugar (a separate business segment)

| | 9M – FY 2005-06 | 9M – FY 2004-05 |
|---|---|---|
| **Total Crush (MMT)** | 1.86 | 1.97 |
| -Increase/(decrease) | (5%) | |
| **Production (000MT)** | 177.35* | 193.06 |
| -Increase/(decrease) | (8%) | |
| **Sugar despatches (000MT)** | 346.43 | 371.87 |
| -Increase/(decrease) | (7%) | |
| **Average sugar realization (Rs/MT)** | 16790 | 14610 |
| -Increase/(decrease) | 15% | |
| **Net Sales (Rs. Million)** | 6249.9 | 5729.5 |
| -Increase/(decrease) | 9% | |
| **PBIT ( Rs million)** | 1115.4 | 1049.0 |
| -Increase/(decrease) | 6% | |

* includes 4604 MT produced from raw sugar.

| | Q3 – FY 2005-06 | Q3 – FY 2004-05 |
|---|---|---|
| **Total Crush (MMT)** | 1.62 | 1.63 |
| -Increase/(decrease) | (1%) | |
| **Production (000MT)** | 146.21 | 157.59 |
| -Increase/(decrease) | (7%) | |
| **Sugar despatches (000MT)** | 117.91 | 112.73 |
| -Increase/(decrease) | 5% | |
| **Average sugar realization (Rs /MT)** | 17190 | 14950 |
| -Increase/(decrease) | 15% | |
| **Net Sales (Rs. Million)** | 2251.6 | 1867.2 |
| -Increase/(decrease) | 21% | |
| **PBIT (Rs million)** | 228.0 | 340.9 |
| -Increase/(decrease) | (33%) | |

During nine months, the margins of sugar operations increased due to increase in average realization price. In Q3 FY 2005-06, the cost of sugar sold has been higher due to initial lower recoveries in the current season and it is expected that it will even out in the balance part of the season. In view of seasonal nature of sugar business, the performance of the quarter is not comparable with that of the corresponding quarter of the previous period and is not representative of full year performance.

**b) Cogeneration (a separate business segment)**

| | 9M – FY 2005-06 | 9M – FY 2004-05 |
|---|---|---|
| **Net Sales (Rs. Million)** | 291.7 | 32.6 |
| -Increase/(decrease) | 795% | |
| **PBIT (Rs. Million)** | 34.7 | 5.6 |
| -Increase/(decrease) | 520% | |
| | **Q3 – FY 2005-06** | **Q3 – FY 2004-05** |
| **Net Sales (Rs. Million)** | 224.8 | 32.6 |
| -Increase/(decrease) | 590% | |
| **PBIT(Rs. Million)** | 50.1 | 5.6 |
| -Increase/(decrease) | 795% | |

A 22 MW Cogeneration plant was commissioned at Deoband sugar unit in December, 2004 and a new 23 MW Cogeneration plant has been set up at Khatauli Sugar unit during 2005-06 season. The net sales include power provided to the sugar unit as well as export to the grid and also the steam to the sugar unit.

**c) Steam Turbine ( a separate business segment)**

| | 9M – FY 2005-06 | 9M – FY 2004-05 |
|---|---|---|
| **Net Sales (Rs. Million)** | 1901.6 | 1111.6 |
| -Increase/(decrease) | 71% | |
| **PBIT ( Rs Million)** | 250.8 | 94.2 |
| -Increase/(decrease) | 166% | |
| **PBIT to net sales** | 13% | 8% |

| | Q3 – FY 2005-06 | Q3 – FY 2004-05 |
|---|---|---|
| **Net Sales (Rs. Million)** | 570.6 | 464.9 |
| -Increase/(decrease) | 23% | |
| **PBIT ( Rs million)** | 89.3 | 42.0 |
| -Increase/(decrease) | 113% | |
| **PBIT to net sales** | 16% | 9% |

Orders in hand as on 31st December, 2005 are Rs. 3.4 billion which will be fully executed by Oct. 06. Apart from upsurge in the order booking, there is also a significant increase in the margins.

**d) High speed Gears (included in Business segment 'Others')**

| | 9M – FY 2005-06 | 9M – FY 2004-05 |
|---|---|---|
| **Net Sales (Rs. Million)** | 337.3 | 176.1 |
| -Increase/(decrease) | 92% | |
| **PBIT ( Rs Million)** | 56.1 | 25.8 |
| -Increase/(decrease) | 117% | |
| **% PBIT to net sales** | 17% | 15% |

| | Q3 – FY 2005-06 | Q3 – FY 2004-05 |
|---|---|---|
| **Net Sales (Rs. Million)** | 130.8 | 55.2 |
| -Increase/(decrease) | 137% | |
| **PBIT ( Rs Million)** | 21.1 | 7.7 |
| -Increase/(decrease) | 174% | |
| **% PBIT to net sales** | 16% | 14% |

Orders in hand as on 31st December, 2005 are Rs.255 million. In line with the upswing in the turbine business, there is likely to be corresponding growth in the Gear business as well.

**e) Water Business Group**

| | 9M – FY 2005-06 | 9M – FY 2004-05 |
|---|---|---|
| **Net Sales (Rs. Million)** | 91.3 | 48.3 |
| -Increase/(decrease) | 89% | |
| **PBIT ( Rs million)** | 13.9 | 2.7 |
| -Increase/(decrease) | 415% | |
| **% PBIT to net sales** | 15% | 6% |

| | Q3 – FY 2005-06 | Q3 – FY 2004-05 |
|---|---|---|
| **Net Sales (Rs. Million)** | 40.5 | 23.5 |
| -Increase/(decrease) | 72% | |
| **PBIT ( Rs Million)** | 9.0 | 3.0 |
| -Increase/(decrease) | 200% | |
| **% PBIT to net sales** | 22% | 13% |

Orders in hand as on 31st December, 2005 are Rs.105 million. The business is expected to maintain its growth rate.

**TRIVENI ENGINEERING & INDUSTRIES LTD.**
**(Formed by Amalgamation of erstwhile Triveni Engg. & Industries Ltd. With Gangeshwar Ltd.)**
**Regd. Office : Deoband,Distt.Saharanpur,Uttar Pardesh 247 554**
**Corp.Office :15-16 Express Trade Towers, 8th Floor, Sector-16A, Noida, U.P – 201 301**
**UNAUDITED FINANCIAL RESULTS**
**FOR THE NINE MONTHS ENDED 31ST DECEMBER 2005**

Rs. in million

| Particulars | Quarter Ended | | Nine Months Ended | | Year Ended |
|---|---|---|---|---|---|
| | 31.12.05 | 31.12.04 | 31.12.05 | 31.12.04 | 31.03.05 |
| | Reviewed | Reviewed | Reviewed | Reviewed | Audited |
| Net Sales/Income from Operations | 2930.6 | 2412.5 | 8501.2 | 7023.4 | 9607.8 |
| Other Income | 15.0 | 6.5 | 39.0 | 21.9 | 38.2 |
| | 2945.6 | 2419.0 | 8540.2 | 7045.3 | 9646.0 |
| **Total Expenditure** | | | | | |
| a) (Increase)/Decrease in stock in trade | (687.4) | (856.5) | 1896.8 | 1683.9 | 454.0 |
| b) Consumption of raw materials | 2690.8 | 2312.8 | 4166.5 | 3259.0 | 6007.8 |
| c) Staff cost | 193.0 | 155.0 | 508.4 | 387.0 | 530.8 |
| d) Other expenditure | 301.6 | 298.8 | 715.8 | 668.1 | 931.4 |
| e) Interest (Net) | 62.6 | 55.1 | 199.7 | 226.0 | 297.8 |
| f) Amortisations | 13.0 | 13.7 | 40.5 | 41.1 | 55.3 |
| g) Depreciation | 64.6 | 29.8 | 152.3 | 82.1 | 123.5 |
| h) Off-Season expenses (Net) & Amount Capitalised on Captive Supplies | 18.2 | 111.7 | (284.4) | (168.2) | 4.4 |
| | 2656.4 | 2120.4 | 7395.6 | 6179.0 | 8405.0 |
| **Profit before Extra-ordinary Charge & Taxation** | **289.2** | **298.6** | **1144.6** | **866.3** | **1241.0** |
| Extra-ordinary Charge : | | | | | |
| - Differential Cane Price for earlier years | - | - | - | 368.6 | 368.6 |
| Less: Withdrawn from Reserves | - | - | - | (368.6) | (368.6) |
| **Profit before Taxation** | **289.2** | **298.6** | **1144.6** | **866.3** | **1241.0** |
| Provision for Income Tax | | | | | |
| Normal Tax Liability | (2.4) | 56.6 | 128.0 | 164.2 | 235.2 |
| Net Deferred Tax Charge | 49.1 | 2.6 | 90.2 | 7.4 | 10.6 |
| Fringe Benefits Tax | 3.3 | - | 9.4 | - | - |
| **Net Profit after Taxation** | **239.2** | **239.4** | **917.0** | **694.7** | **995.2** |
| Paid up Equity Share Capital (face value Rs.1/-). | 257.9 | 83.2 | 257.9 | 83.2 | 83.2 |
| Paid up Preference Share Capital (face value Rs.10/-). | - | 19.8 | - | 19.8 | 19.8 |
| Reserves excluding revaluation reserves. | - | - | - | - | 1654.1 |
| Earning per share-Basic/Diluted (not annualised) - Rs.(Note 9) | 1.08 | 1.15 | 4.32 | 3.34 | 4.77 |
| **SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED** | | | | | |
| **1. Segment Revenue** | | | | | |
| [Net Sale/Income from each segment] | | | | | |
| (a) Sugar | 2251.6 | 1867.2 | 6249.9 | 5729.5 | 7676.1 |
| (b) Steam Turbines | 570.6 | 464.9 | 1901.6 | 1111.6 | 1623.7 |
| (c) Co – Generation | 224.8 | 32.6 | 291.7 | 32.6 | 188.0 |
| (d) Others | 177.3 | 81.0 | 576.4 | 231.6 | 341.5 |
| Total | 3224.3 | 2445.7 | 9019.6 | 7105.3 | 9829.3 |
| Less : Inter segment revenue | 293.7 | 33.2 | 518.4 | 81.9 | 221.5 |
| **Net Sales/Income from Operations** | **2930.6** | **2412.5** | **8501.2** | **7023.4** | **9607.8** |
| **2. Segment Results** | | | | | |
| [Profit (+) / Loss (-) before tax and interest] | | | | | |
| (a) Sugar | 228.0 | 340.9 | 1115.4 | 1049.0 | 1398.2 |
| (b) Steam Turbines | 89.3 | 42.0 | 250.8 | 94.2 | 153.2 |
| (c) Co – Generation | 50.1 | 5.6 | 34.7 | 5.6 | 44.2 |
| (d) Others | 29.6 | (22.2) | 70.0 | (9.6) | 19.6 |
| Total | 397.0 | 366.3 | 1470.9 | 1139.2 | 1615.2 |
| Less : i) Unrealised Inter Segment Profit | 12.0 | - | 14.9 | - | (0.6) |
| ii) Interest (Net) | 62.6 | 55.1 | 199.7 | 226.0 | 297.8 |
| iii) Other un-allocable expenditure [Net off un-allocable income] | 33.2 | 12.6 | 111.7 | 46.9 | 77.0 |
| **Total Profit Before Tax** | **289.2** | **298.6** | **1144.6** | **866.3** | **1241.0** |
| **3. Capital Employed** | | | | | |
| [Segment Assets – Segment Liabilities] | | | | | |
| (a) Sugar | 3584.1 | 3268.4 | 3584.1 | 3268.4 | 4672.9 |
| (b) Steam Turbines | (11.8) | 138.9 | (11.8) | 138.9 | 136.5 |
| (c) Co – Generation | 1684.6 | 789.2 | 1684.6 | 789.2 | 837.4 |
| (d) Others | 455.2 | 313.5 | 455.2 | 313.5 | 547.2 |
| Capital Employed in Segments | 5712.1 | 4510.0 | 5712.1 | 4510.0 | 6194.0 |
| Add : Unallocable Assets less Liabilities [including investments] | (705.7) | (2834.2) | (705.7) | (2834.2) | (4281.5) |
| **Total** | **5006.4** | **1675.8** | **5006.4** | **1675.8** | **1912.5** |

## Notes

1. The Company's main business is sugar which is a seasonal industry. Therefore, the performance results of the quarters may vary.

2. The company has implemented the expansion of capacities of Khatauli and Deoband Sugar mills from 11,750 TCD to 16,000 TCD and from 10,000 TCD to 14,000 TCD respectively and has commissioned a 23 MW Cogeneration plant at Khatauli. The expansion of infrastructural facilities at the Turbine and Gear units has been substantially completed. The new sugar unit at Sabitgarh has been commissioned on 30th January 2006.

3. The company has finalized its plans to set up two new sugar units of capacity of 5000 TCD each at Chandanpur, District J.P. Nagar and at Rani Nagal, District Moradabad, both in Western UP. The company has also finalised its plans for further expansion of infrastructural facilities at its Turbine unit.

4. Segments have been identified in accordance with the Accounting Standard on Segment Reporting (AS-17).

5. The business segment 'Others' includes the operations of High Speed Gears and Water/Waste Water Treatment. The 'Agri Business', which was shown as a separate business segment in the half year ended September 30, 2005, is being carried out by a wholly owned subsidiary of the company from October 25, 2005 and accordingly, the operations till the discontinuance of the business have been included under the business segment 'Others'.

6. Provision for tax including deferred tax charge has been considered on a pro-rata basis of the estimated tax liability for the financial year 2005-06. Deferred tax charge is net of credit of Rs.27.6 million due to change in tax rates in respect of opening net deferred tax liability as on 31.3.2005.

7. In the audited financial statements for the financial year 2004-05, the accounting treatment for differential cane price was finalized and accordingly, a provision was made for the entire differential cane price relating to the sugar seasons 1996-97, 2002-03 and 2003-04. An extraordinary charge was considered in respect of the price to the extent it pertained to sugar sold prior to the year 2004-05 and an equivalent amount was withdrawn from the reserves to set off impact of the extraordinary charge. In respect of nine months and quarter ended December 31, 2004, the published results have been restated based on the final accounting treatment followed in the audited financial statements of 2004-05. As a result of such restatement, the profit levels after tax for the nine months and quarter ended December 31, 2004 are higher by Rs.6.2 million and is lower by Rs.108.1 million respectively.

8. During the current quarter, the company has successfully completed public issue of 50 million equity shares of face value of Rs.1/- each fully paid up, at a premium of Rs.47/- per equity share. The new shares were allotted on December 7, 2005. The share issue expenses pertaining to the public issue would be adjusted against Securities Premium Account at the year end. The company raised an amount of Rs.2.4 billion in the said public issue and the balance unutilized amount of Rs.750.8 million as on 31.12.05, after recouping the amount spent on the objects specified in the prospectus through internal accruals and bridge loans pending receipt of public issue proceeds, is invested in interest bearing liquid mutual funds. These have also been utilized temporarily in reducing the overdraft (Cash Credit) facilities.

9. The equity shares of face value of Rs.10/- each were sub-divided into 10 equity shares of face value of Re.1/- each effective from 16.02.2005. Subsequently, the Company has allotted bonus shares in the ratio of 3:2. The earnings per share for all the periods have been stated based on the revised face value of the equity share and the enhanced equity share capital after bonus. Further, in respect of the quarter and nine months ended 31st December 2005, weighted average of share capital before and after the public issue has been considered in accordance with the Accounting Standard (AS-20) issued by the Institute of Chartered Accountants of India.

10. Previous period figures under different heads have been regrouped to the extent necessary.

11. The Auditors have carried out a "Limited Review" of the financial results for the nine months ended 31.12.2005.

12. The above results were reviewed and recommended for adoption by the Audit Committee and approved by the Board of Directors of the Company, at their respective meetings held on 30th January 2006.

13. Investors complaints received and disposed off during the quarter ended 31.12.2005:

| | Nos. |
|---|---|
| Complaints pending at the beginning of the quarter | Nil |
| Complaints received during the quarter | 490 |
| Disposal of complaints | 490 |
| Complaints lying unresolved at the end of the quarter | Nil |

Place : Noida
Date : 30th January, 2006

For Triveni Engineering & Industries Ltd.

Lt.Gen. K. K. Hazari (Retd.)
Chairman of the meeting