

# Triveni Engg: Sweet tidings

By Ashok Kumar

**T**riveni Engineering and Industries is entering the market on Friday with a book-building public issue of 50 million equity shares (FV Rs1). The price band is Rs 42 to Rs 50 per share, yielding a maximum issue size of Rs 250 crore. Its fresh shares will be listed at the BSE and NSE, where its inactive existing shares are already listed.

Its sphere of operations traverses diverse sectors like sugar and co-generation, engineering, turbines, gears and water. Its sugar crushing capacity is 29,500 tcd.

## NEW ISSUE SNAPSHOT

Primarily a sugar manufacturer, TEIL is raising funds to set up a new sugar plant and co-generation plant, besides expanding its turbines and gear businesses.

One of the largest sugar manufacturers and resultant enjoying economies of scale, the proximity to the Gangetic plains minimises TEIL's monsoon dependence. The long gestation period of the current project too needs to be factored in.

Its co-generation plants are aligned to maximise efficiency but its sole customer UPPCL has forayed into transmission. Among the largest turbine players with a strong emphasis on R&D, TEIL is also a leading player in the gears segment, with a strategic international tie-up.

The flexibility of TEIL's business model ensures that its financials pass muster and the forward P/E of 11 is acceptable. Given the size of the business and the proven track record of the management to implement projects, those seeking listing gains may have sweet tidings.