



Registered office: Deoband, District Saharanpur, Uttar Pradesh 247554.  
Corporate office: Express Trade Towers, 8<sup>th</sup> floor, 15-16 Sector 16A, Noida 201301.

*For immediate release*

**Q4 FY 12 (consolidated)\* Results**  
**Turnover at ₹ 4.77 billion - growth of 25%**  
**PAT at ₹ 318 million - year on year growth of 118%**

**FY 12 (consolidated)\* Results**  
**Net sales at ₹ 18.59 billion - growth of 9%**  
**EBITDA at ₹ 2.10 billion**  
**PAT at ₹ (523) million after exceptional charge of ₹ 790 million**  
**Dividend - 10% declared**

**FY 12 Performance Highlights:**

- ***Sugar Businesses***
  - ***Buoyant sugar prices in Q4 - continue to remain strong***
  - ***Country's lower sugar production for 2012-13 season augurs well for firm sugar prices during FY 13.***
  - ***Outlook for next year dependent on cane price***
  - ***Industry awaits some reforms towards decontrol***
- ***Engineering Businesses***
  - ***Lower turnover - on account of economic slowdown & deferment of deliveries / execution by customers***
  - ***Good order-inflow in Water Business while the order intake in Gears is muted.***
  - ***Outstanding order book of ₹ 5.3 billion***

**Noida, November 21, 2012:** Triveni Engineering & Industries Ltd. ('Triveni'), one of the largest integrated sugar producers in the country with seven sugar manufacturing facilities, three co-generation units and one distillery; a market leader of engineered-to-order high speed gears & gearboxes and a leading player in water and wastewater management business, today announced its performance for the quarter and the annual results for the period ended 30<sup>th</sup> September 2012 (Q4 / FY 12).

*\* After considering Share of Profit of Associates*

**PERFORMANCE OVERVIEW: FY 12 V/S FY 11 (Consolidated)\*  
(Oct 2011 – Sep 2012 V/S Oct 2010 - Sep 2011)**

- Net Sales at ₹ 18.59 billion - an increase of 9%
- EBITDA, increase of 11% at ₹ 2.10 billion at a margin of 11%
- Profit before tax (PBT) at ₹ (734) million (after extraordinary charge of ₹ 790 million) as against ₹ 173 million in FY 11
- Profit after tax (PAT) at ₹ (523) million as against ₹ 222 million in FY 11
- Dividend for FY 12 - 10 %

**PERFORMANCE OVERVIEW: Q4 FY 12 V/S Q4 FY 11 (Consolidated)\*  
(July 2012 – Sep 2012 V/S July 2011 – Sep 2011)**

- Net Sales at ₹ 4.77 billion - an increase of 25%
- EBITDA, an increase of 48% at ₹ 930 million at a margin of 19%
- Profit before tax (PBT) at ₹387 million - an increase of 131%
- Profit after tax (PAT) at ₹ 318 million as against ₹ 146 million.

Commenting on the Company's financial performance, Mr. Dhruv M. Sawhney, Chairman and Managing Director, Triveni Engineering & Industries Ltd, said:

*"The performance of the company during the current financial year has been satisfactory given the macro economic scenario as well as the fluctuating sugar scenario. Sugar prices remained subdued during the first half of the current fiscal which resulted in sugar business registering losses at EBITDA level. However, sugar prices started firming up in Q4 FY 12, which in turn helped the company to show positive results during the quarter and also reduce the losses significantly for the year which included an exceptional item of the payment of cane dues for 2007-08 season amounting to ₹790 million.*

*While the sugar fundamentals appear encouraging for the next year on account of estimated lower production, the profitability still depends on the cane price yet to be declared by the State Government. Further, it is hoped that the Central Government may implement some of the key recommendations of Dr. C. Rangarajan Committee on Sugar sector reform, which should benefit the industry in the long term, thereby encouraging further investments and higher productivity.*

*The company expects to crush higher volume of cane during the 2012-13 season. The cane development initiatives undertaken by the Company are yielding results, both in terms of increased yield and optimal varietal balance. During the year, the Company had undertaken projects with quick pay-back at nominal capital costs to improve efficiencies and profitability – these included a refinery at Sabitgarh Sugar unit and two incidental co-generation plants at Chandanpur and Milak Narayanpur Sugar Units. All these projects will be commissioned in the 2012-13 season.*

*The company's performance of two engineering businesses has been muted given the current economic scenario. While the order in-flow has been good in water business on account of securing municipal orders, the order finalisation on the industrial segment has been poor. Similar trend was visible in revenue recognition, as many projects under execution have been delayed on account of delays from the customers. In the Gears business, the order inflow for the year has been lower than the previous year primarily on account of the delay in finalisation of capex both by power sector & other industrial segments. We believe that the situation may improve in FY 13 for both these businesses which should result in good order inflow and execution. Further, the focus on new products and new geographies in the gears business together with the focus on the after-market segment should yield growth both in terms of turnover & profitability. Similarly, in the Water business, completion of large projects will qualify the company to bid for larger projects. During the year, the company also made a strategic investment in a high technology water & waste water technology company from Israel. We expect that this will position our water business uniquely in the Indian water industry space and also allow us to achieve growth in this line of business in the long run.*

*\* After considering Share of Profit of Associates*

---

- ENDS –

## **Attached: Details to the Announcement and Results Table**

### About Triveni Engineering & Industries Limited

Triveni Engineering & Industries Limited is a focused, growing corporation having core competencies in the areas of sugar and engineering. The Company is one amongst the largest sugar manufacturers in India and the market leader in its engineering businesses comprising high speed gears, gearboxes, and water treatment solutions. Triveni currently has seven sugar mills in operation at Khatauli, Deoband, Sabitgarh, (all in western Uttar Pradesh), Chandanpur, Rani Nangal and Milak Narayanpur (all in central Uttar Pradesh) and Ramkola (eastern Uttar Pradesh). While the Company's Gears manufacturing facility is located at Mysore, the Water & Waste water treatment business is located at Noida. The Company also has two co-generation facilities in two of its major facilities viz., Khatauli & Deoband and one of the largest single stream molasses based distillery in India, located at Muzaffarnagar.

The turbine business of the company, located at Bengaluru has been demerged through a scheme of arrangement into Triveni Turbine Limited (TTL) from the appointed date on 1<sup>st</sup> October 2010, and the same has become effective w.e.f. 21<sup>st</sup> April, 2011. Triveni Engineering & Industries Limited holds 21.8% equity capital of Triveni Turbine Limited.

For further information on the Company, its products and services please visit [www.trivenigroup.com](http://www.trivenigroup.com)

#### **C N Narayanan**

#### **Triveni Engineering & Industries Ltd**

Ph: +91 120 4308000

Fax: +91 120 4311010, 4311011

E-mail: [cnarayanan@trivenigroup.com](mailto:cnarayanan@trivenigroup.com)

#### **Gavin Desa/ Rishab Brar**

#### **Citigate Dewe Rogerson**

Ph: +91 22 6645 1237 / 1238

Fax: +91 22 22844561

E-mail: [gavin@cdr-india.com/](mailto:gavin@cdr-india.com)  
[rishab@cdr-india.com](mailto:rishab@cdr-india.com)

#### *Note:*

*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.*

## DETAILS TO THE ANNOUNCEMENT

- Financial results review – Consolidated\*  
*\* After considering Share of Profit of Associates*
- Business-wise performance review and outlook

### FY 12 : FINANCIAL RESULTS REVIEW

(all figures in ₹ million, unless otherwise mentioned)

#### Net sales

	Q4 FY 12	Q4 FY 11	FY 12	FY 11
Net Sales	4,772	3,809	18,595	17,078
Increase	+25%		+9%	

- This has been on account of increased sales from sugar operations and those of sugar co-products, owing to increased sugar realization prices and improved performance of co-generation and distillery.
- The sales from engineering businesses were lower by 11% year on year.

#### EBITDA (before exceptional & extraordinary items)

	Q4 FY 12	Q4 FY 11	FY 12	FY 11
EBITDA	930	629	2099	1892
Increase	48%		11%	
Margin	19%	17%	11%	11%

- EBITDA growth is primarily due to firm sugar prices in Q4 and due to much improved performance in co-generation and distillery.

#### Finance cost & Depreciation

	Q4 FY 12	Q4 FY 11	FY 12	FY 11
Finance Cost	336	257	1228	948
Dep & Amortisation	207	205	816	812

- The increase in finance cost by 30% during the year is due to increase in average utilization of working capital owing to higher production volume and also on account of increase in cost of funds by 150 basis points due to rising interest scenario.
- The overall debt for the company as on 30<sup>th</sup> September 2012 was at ₹ 10.22 billion, the increase is primarily due to increased utilisation of working capital.

#### Profit before Tax and Profit after Tax

	Q4 FY 12	Q4 FY 11	FY 12	FY 11
PBT	387	167	56	132
Exceptional items	0	0	(790)	42
PBT (after exceptional items)	387	167	(734)	174
PAT	318	146	(523)	222

- Q4 FY12 profitability has been higher in comparison to previous quarter due to high volume sales and better sugar realisation.
- Exceptional charge represents differential cane price for 2007-08 as directed to be paid by the Supreme Court. It has adversely impacted the profitability of the Company.
- The company's PAT for FY 12 at ₹ (523) million.

## FY 12/ Q4 FY 12: BUSINESS-WISE PERFORMANCE REVIEW

(all figures in ₹ million, unless otherwise mentioned)

### Sugar business

Triveni is among the leading players in the Indian sugar sector, with seven sugar manufacturing facilities located in the state of Uttar Pradesh.

#### Performance

	2011-12 season	2010-11 season	Variation
Cane Crush (Million Tonnes)	5.12	4.56	12%
Recovery (%)	9.09	9.21	
Sugar Production (000 Tonnes)	465	420	11%

	Q4 FY 12	Q4 FY 11	FY 12	FY 11
Sugar despatches (000 MT)	109.2	87.1	4377.8	4372.1
Realisation price (₹ /MT)				
Free	35,262	28,498	31,203	28,050
Average (Free + Levy)	33,920	27,659	30,288	26,605
Net sales (₹ million)	3,775	2,608	14,821	13,434
PBIT	501	157	29	74

- The profitability in sugar for the quarter has been significantly better in comparison to previous quarter due to higher volume sales and better realisation
- For the full year, even though the sales volume was more or less same, the price realisation was higher by 14% which absorbed the increase in the cost of production.

#### Industry Scenario

- India's sugar production for the 2011-12 season is estimated at 26.2 million tonnes, an increase of 7% year-on-year, with Maharashtra producing more or less similar quantity and U.P. producing approx. 17% more at ~ 7.0 million tonnes.
- Average recovery for the state of U.P. for the season 2011-12 was ~ 9.09% as against the state average of 9.14% during the previous season. Western U.P. recorded a higher drop in recoveries during the year in comparison to the previous season.

- On account of higher estimates of sugar production for the current season, the Government has initially allowed exports of only 2 million tonnes in two equal tranches. Thereafter, sugar has been placed in OGL, facilitating exports without any restrictions. It is estimated that the total exports during 2011-12 would be around 3.3 million tonnes.
- Even with an estimated increase in consumption and higher exports during the year, the sugar balance at the end of September 2012 was higher in comparison to the opening inventory levels.
- Government has changed the release mechanism of non levy quota from monthly to quarterly basis effective April 2012.
- The sugar prices globally has received strong support since the beginning of June on account of continuous flow of potentially bullish news such as heavy rain disrupting cane harvesting and crushing and export logistics in Brazil, expected monsoon deficit in India particularly in Maharashtra. However, the international prices could not be sustained and declined sharply in the subsequent months.
- Contrary to downward movement of sugar prices globally, the domestic sugar prices gained significant movement upward in the July - Sept 2012 quarter on the news flow of lower production in the forthcoming season.
- In October 2012, the Committee under the chairmanship of Dr. C. Rangarajan has presented the report on sugar sector reforms and recommended developing a sugarcane pricing mechanism linked with sugar prices, doing away with controls such as levy obligation, regulated release of sugar and command area concept by providing freedom to the farmers to supply cane to a sugar mill of their choice.

### **Sugar Outlook**

- Even though it is early to estimate the country's sugar production for the next season, given the current climatic conditions etc., the country's sugar production is estimated at ~24 million tonnes, which is a decline over last year.
- While the country's production estimates are expected to be lower than 2011-12 season, the State of Uttar Pradesh is estimated to produce ~ 13% more than previous season, i.e., ~ 8 million tonnes.
- In line with the higher estimates for sugar production in the State, the company is also expecting to have a higher cane crush by ~ 10% and higher sugar production on account of higher volume crush and improvement in recoveries.

- Since the country's estimated production is equivalent to the consumption, the situation augurs well for a firm and stable sugar pricing scenario in 2012-13.
- The cane price for the season 2012-13 is yet to be declared by the State Government.

## Co-generation business

Triveni's co-generation operation at Khatauli (two units) and Deoband supplies (exports) surplus power to the state grid after meeting its own captive requirements.

### Performance

	Q4 FY 12	Q4 FY 11	FY 12	FY 11
<b>Operational details</b>				
Power Generated – '000 KWH	0	4,149	214,890	199,074
Power exported – '000 KWH	0	3,609	142,738	131,219
Income from Carbon credit (₹ million)	12.5	0	55.6	0
<b>Financial details</b>				
Net sales (₹ million)	22	27	1,293	1,171
PBIT (₹ million)	15	(1)	499	366

- The CERs for the period April 2008 - May 2010 for Deoband and Khatauli units were transacted and the Company earned revenue of ₹ 55.6 million. CERs for the period June 2010 – May 2011 were issued in respect of Deoband unit.
- Company's Deoband and Khatauli units are also eligible to get Renewable Energy Certificate (REC) benefits and have already been registered. Post clarification from Central Electricity Regulatory Commission (CERC), REC issuance shall commence in U.P. as well as for our projects.
- With the increased volume of sugar cane crush estimated for the 2012-13 sugar season, the co-generation operations are also expected to generate and export more power.

## Distillery Business

Triveni's distillery currently produces Extra Neutral Alcohol (ENA), Rectified Spirit (RS), Special Denatured Spirit (SDS), and Ethanol.

## Performance

	Q4 FY 12	Q4 FY 11	FY 12	FY 11
<b>Operational details</b>				
Production (000 KL)	4.81	4.54	41.29	27.02
Sales (000 KL)	11.02	4.48	40.91	26.08
Avg. realization (₹/ ltr)	28.64	31.17	30.25	28.70
<b>Financial details</b>				
Net sales (₹ million)	318	190	1,264	762
PBIT (₹ million)	36	2	272	90

- The distillery sales during the current quarter and for the full year have been higher by 68% and 66% respectively.
- The company achieved its highest production from distillery during the current year.
- With a proper mix of ENA, Ethanol and Rectified spirit sales, the company could optimise the realisation, which was ₹ 30.25 per litre during FY 12 as against ₹ 28.70 during the previous year.
- With the estimated higher sugarcane crushing for the coming season, the molasses production would also be high resulting in higher alcohol production.

## **High speed gears and gearboxes business**

This business manufactures high-speed gears and gearboxes upto 70MW capacity and speeds of 70,000 rpm. Triveni is the country's largest one-stop solutions provider in this sector, with over 60% overall market share and over 80% market share in the below 25 MW Segment.

## Performance

	Q4 FY 12	Q4 FY 11	FY 12	FY 11
Net sales (₹ million)	329	410	1,043	1,208
PBIT (₹ million)	92	134	301	419

- The turnover and profitability year-on-year has been lower due to overall economic and industrial slow down which resulted in deferment of delivery etc.
- On account of lower turnover, lower absorption of fixed overhead resulted in lower profitability.

- The share of OEM sales has been lower during the year in comparison to previous year while the aftermarket sales showed an increase.
- The order in-take in this business for the year was ₹ 927 million and the outstanding order book as on 30<sup>th</sup> September 2012 was ₹ 486 million.

### **Outlook**

- With the sluggish overall economic activity, capex plan in various industries are put on hold and therefore the order finalisation for new gearboxes are being delayed.
- The company is focusing on spares, servicing & retrofitting to mitigate the risk of decline in business from the OEMs.
- The company's long term MoU with BHEL for supply of gas turbine gearboxes will be beneficial for the business's long term growth.
- With the renewal of high speed gears license agreement and entering into niche low speed gears application market, the gears business is poised to post good growth once the macro economic scenario improves.
- Similarly, with the additions in new markets, the company is focusing on the export of these products into those markets.

### **Water business**

This business is focused on providing world-class solutions in water and waste-water treatment to customers in industrial and municipal segments. This business is gaining faster momentum and is getting recognition in a high potential market as a supplier of superior quality products and services at competitive costs.

### **Performance**

	Q4 FY 12	Q4 FY 11	FY 12	FY 11
Net sales (₹ million)	353	648	1,692	1,866
PBIT (₹ million)	(21)	95	123	233

- The turnover & profitability for the current quarter and full year has been lower than the previous period/s primarily because of delay in execution of projects at customer end.

- On account of lower turnover, full absorption of fixed cost could not happen which resulted in lower profitability and even loss for the Q4, which is temporary in nature.
- Power Sector, being one of the important customer for this business, has been facing problems in terms of fuel linkages apart from issues such as land, environment etc.
- During the year, the company has made a long term strategic investment by acquiring 25.04% equity stake in Aqwise-Wise Water Technologies Limited, a company registered in Israel, engaged in providing water treatment solutions using proprietary technology. The investment is synergistic to the water / waste water business of the company.

### **Outlook**

- The Company continued to successfully leverage its existing engineering relationships with industrial sector customers.
- As the company started executing larger projects, whose execution period is more than twelve months, there could be lumpiness in recognizing the revenue and profitability on a quarter-over-quarter basis. The projects under execution are at various stages of completion and therefore, the billing of the same will take place in the coming quarters.
- The order intake for the year has been satisfactory at ₹ 1.90 billion.
- The outstanding order book for this business as on 30<sup>th</sup> September, 2012 stood at ₹ 4.9 billion, which includes ₹ 1.9 billion towards Operations and Maintenance contract for a longer period of time.
- Various large packages in municipal segments were not finalised during the year and as such the order in-take during the year was not as per earlier estimates from this segment.

---

---

**Note:** 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.