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For immediate release

Q1 FY 19 Consolidated Results ended June 30, 2018

Gross Revenue at ₹ 706.61 crore, lower by 16%

Profit after Tax at ₹ 37.12 crore

- ***Sugar Businesses***
 - ***The Country's sugar production estimated at ~ 32.4 million tonnes***
 - ***Sugar prices dipped to ₹ 26/Kg during the quarter but these have improved substantially as a result of various Government measures***
 - ***Liquidation of cane dues requires significant intervention by the Government.***
 - ***Preliminary estimates for SS 2018-19 sugar production in the range of 35 – 35.5 million tonnes***

- ***Engineering Businesses***
 - ***Market has been showing good visibility for Gears business; registered good growth during the quarter in terms of turnover, profitability and order booking***
 - ***Water business booked significant orders during the quarter; exhibited a clear turn around***
 - ***Outstanding order book of ₹ 1,272 crore for combined Engineering Businesses***

Mysuru, August 01, 2018: Triveni Engineering & Industries Ltd. ('Triveni'), one of the largest integrated sugar producers in the country; 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 first quarter ended June 30, 2018 (Q1 FY 19).

The Company has prepared the Financial Results for the first quarter based on the Indian Accounting Standards (Ind AS) and as in the past, has been publishing and analyzing results on a consolidated basis.

PERFORMANCE OVERVIEW: Q1 FY 19 (Consolidated)

In ₹ crore

	Q1 FY 19	Q1 FY 18
Gross Revenue	706.61	844.29
EBITDA (before exceptional items)	81.82	134.31
EBIDTA Margin	11.58%	15.91%
Share of income from Associates	3.29	2.36
Profit / (Loss) Before Tax	45.01	83.78
Profit / (Loss) After Tax (PAT) Consolidated	37.12	60.54
Other Comprehensive Income (Net of Tax)	(0.37)	0.06
Total Comprehensive Income	36.75	60.60
EPS (not annualized) (₹/share)	1.44	2.35

- Sugar profitability is mainly due to upward revaluation of stocks by ₹ 21.3 crore.
- Co-generation business has performed well during the quarter owing to long sugar season and higher operational days.
- Distillery also registered improved performance.
- Gears business performed well during the quarter in terms of better order booking, turnover and profitability.
- Water business secured substantial orders during the quarter. Some continuing delays in existing contracts added to losses by way of some cost overruns and prudent provisioning.
- The total debt of the Company as on June 30, 2018 is ₹ 1,087 crore which is ₹ 260 crore lower than 30.06.2017, it includes term loans of ₹ 125 crore, comprising soft loans of ₹ 31 crore.

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

"The outlook of the Sugar Business looked alarming due to the glut situation as the sugar prices dipped to ₹ 26/Kg during the first half of the quarter. However, the position has somewhat been salvaged due to intervention of the Government in introducing regulated sugar release mechanism, buffer stocks, prescribing floor prices for sale of sugar and mandatory exports, however more Government initiatives, including policy change is required in the immediate future.

The normal production of the country has undergone a change and the new normal may be set. UP is expected to produce over 10/11 million tonnes on a sustainable basis. It is well above the consumption levels and there is a need to export on a continuous basis. In view of the high cost of

production of sugar produced in the country, primarily due to unrealistic cane price, the exports are not price competitive and hence, such exports are not possible unless the export losses could be offset by strong domestic sugar price or through assistance from the Government.

The New Bio Fuel Policy, permitting production of ethanol from sugarcane juice and B-heavy molasses, and a recent scheme to incentivize new ethanol manufacturing capacities will go a long way in setting up additional capacities and regulating sugar production in favour of ethanol but the results will take at least 2-3 years to stabilise. In the meantime, the Government must have a plan to deal with surplus sugar, including dissuading farmers to restrict planting of sugarcane till adequate ethanol capacities are established.

The Central Government has recently increased FRP. The UP Government will do well in not following suit and instead, work out a plan to bail out sugar industry, which is in acute financial stress. Due to projections of higher surplus, the storage of sugar will be a pressing challenge in the upcoming season.

The Gears business, during the quarter, has performed well in terms of turnover, profitability and the order booking which augurs well for the business going forward. Our foray into new products is expected to result in better performance in the coming quarters. In the Water business, the order inflow during the quarter has been very good and the total order intake has been ₹368.92 crore, a growth of 377% compared to Q1 FY 18. With improved turnover arising from the new orders. we expect turn around in the business here onwards.

- 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 integrated 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 Mysuru, the Water & Wastewater treatment business is located at Noida. The Company currently operates three grid connected co-generation plants and three incidental co-generation plants located across five sugar units and one of the largest single stream molasses based distillery in India, located at Muzaffarnagar.

The Company produces premium quality multi-grade plantation and refined sugar. All of the Sugar units are FSSC-2000:2010 certified. The sugar is supplied not only to household consumers but also to bulk consumers. The Company has supply chain relationship with leading multinational beverage, food & FMCG companies and pharmaceutical companies. It also has a strong presence in branded sugar market through its brand "Shagun".

The distillery has a flexible manufacturing process allowing it to produce Ethanol, Extra Neutral Alcohol (ENA), Rectified Spirit (RS) and Special Denatured Spirit (SDS) all of which are renowned for their high quality. Its co-generation plants in Deoband and Khatauli (Phase I) are registered as Clean Development Mechanism (CDM) projects with UNFCCC. The Company's Khatauli, Deoband, Sabitgarh, Chandanpur & Milak Narayanpur units are also registered as Renewable Energy Certificate (REC) project under CERC.

The Company delivers robust and reliable Gears solutions which cover a range of applications and industries to meet the ever-changing operating conditions and customers' requirements. The major product portfolio includes steam turbines, gas turbines, and compressor gearboxes under the High Power High Speed segment. In the Low Speed segment, the Company focuses on the gearboxes used in applications such as reciprocating pumps and compressors, hydel turbines, mill and extruder drives for metal, sugar, rubber and plastic industries, marine applications, etc. All the products are designed, manufactured and commissioned in accordance with international quality norms such as DIN/ AGMA/ API/ ISO standards. Its robust and reliable products are backed by 360-degree service solutions which minimise the downtime for its customers. The Company provides health monitoring services for all types of critical gearboxes, high speed and low speed, as well as maintains an inventory of dimension ready sites for immediate solution.

The Company is also one of the leading solutions providers for water treatment, wastewater treatment and the recycle of water. Advanced Solutions offered for total water management include turnkey / EPC, customer care, operations and maintenance, life cycle models such as Design, Build Own & Operate (DBOO), Design, Build Own Operate and Transfer (DBOOT), BOOT, equipment supply for unit processes like screening, grit separation, clarification and sludge handling. The Customer Care Division offers value added services for operation management and performance optimisation. The quality service offerings are tailored to customers' requirements, which in many cases form an integral part of the main contract - operations and maintenance, annual maintenance contracts, product & process audit, health check-up and overhauling, pilot experiments, refreshment, upgradation and automation of existing plants, spares and service consumables and chemicals and on-site training and assistance.

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 1st October 2010, and the same has become effective w.e.f. 21st April, 2011. Triveni Engineering & Industries Limited holds 21.82% equity capital of Triveni Turbine Limited.

For further information on the Company, its products and services please visit www.trivenigroup.com

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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.

Q1 FY 19: BUSINESS-WISE PERFORMANCE REVIEW

(all figures in ₹ crore, unless otherwise mentioned)

The consolidated result of the Company includes the results of its associates, Triveni Turbine Limited (TTL) in which the Company holds 21.82% equity capital and Aqwise-Wise Water Technologies Limited, in which the Company holds 25.04%, in accordance with Ind AS.

Sugar business

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

Performance

	Q1 FY 19	Q1 FY 18
Sugar dispatches (Tonnes)	193,479	186,076
Realisation price (₹/MT)	28,936	36,890
Gross Revenue (₹ crore)	596.22	759.06
PBIT (₹ crore)	23.27	105.45

- Sugar is being sold as per the release quota allocated by the Government for each month.
- The sugar inventory as on Jun 30, 2018 was 51.77 lakh quintals, which is valued at ₹ 29/Kg which is the present minimum sugar sale price prescribed by the Government.
- Consequently, sugar stocks have been revalued upward by ₹ 21.3 crore (net).
- Income from Incidental co-generation units at Chandanpur, Milak Narayanpur and Sabitgarh resulted in a revenue of ₹ 4.16 crore for the quarter ended June 2018.

Industry Scenario

- The final estimates for the season are ~ 32.4 million tonnes. Uttar Pradesh has produced ~ 12 million tonnes of sugar followed by 10.72 million tonnes in Maharashtra till 15th June 2018.
- The initial estimates of planting for the next season suggest that there has been an increase of 8% in the total acreage under sugarcane in the country from 50.42 lakh hectare in SS 2017-18 to 54.35 lakh hectares in SS 2018-19.
- On account of significantly large quantity of surplus sugar in the country, sugar prices declined since the first half of Q1 FY 19. This has led to delay in the payment of cane dues to farmers which stood at over ₹ 12,000 crore as on July 1st for Uttar Pradesh.
- The Government has announced a financial package in order to control the downfall in the sugar prices and support the sugar industry. The fixation of minimum sale price of sugar at ₹ 29/kg for white and refined sugar at mill gates; creation of buffer stock of 3 million tonnes of

sugar for one year at an estimated expenditure of ₹ 1,175 crore for this purpose and the reimbursement under the scheme would be made on quarterly basis which would be directly credited into farmers' account on behalf of mills against their cane price dues.

- The Government has also announced financial assistance to sugar mills to augment capacity through up-gradation of existing distilleries attached to sugar mills by installing incineration boilers and setting up new distilleries in sugar mills through an interest subvention of maximum ₹ 1,332 crore over a period of five years including moratorium period of one year on estimated bank loan amounting to ₹ 4,440 crore to be sanctioned to the sugar mills by the banks over a period of three years. Detailed scheme is awaited in this regard.
- The Government has announced Fair and Remunerative Price (FRP) of sugarcane for SS 2018-19 at ₹ 275 per quintal for a basic recovery rate of 10%; providing a premium of ₹ 2.75/qtl for each 0.1 % increase in recovery over and above 10%.
- Currently, OMCs have released tenders worth 313.57 crore litres for the current marketing year.
- The Government which announced the new Bio Fuel Policy, allows manufacturing of ethanol from B molasses as well as from direct sugar cane juice. For SS 2018-19 during ethanol supply period from 1stDecember 2018 to 30th November 2019, the Government has announced that a) ex-mill price of ethanol will be fixed derived out of C heavy molasses to ₹ 43.70 per litre (from prevailing price of ₹ 40.85 per litre) (b) B-heavy molasses and sugarcane juice at ₹ 47.49 per litre. Additionally, GST and transportation charges will also be payable. As the price of ethanol is based on estimated FRP for SS 2018-19, it will be modified by Ministry of Petroleum & Natural Gas as per actual Fair & Remunerative Price (FRP) declared by the Government.

International sugar scenario

- As per recent forecast, the global sugar production is expected to outstrip demand by 12.59 million tonnes in the 2018/19 crop year.
- In Centre-South Brazil, sugar production is estimated at 30.2 million tonnes in 2018/19.
- In Thailand, the sugar production is forecast to increase to 14.1 million tonnes in 2018/19
- ICE October raw sugar touched a high of 13.18 cents per pound and a low of 11.23 cents/ pound between April 2018 to June 2018. It fell to lowest price since April 2018 at 10.45 cents/ pound and closed at 10.55 cents/ pound on July 31, 2018. The huge global surplus in the current season is impacting the global sugar prices.
- London no. 5, October White sugar touched a high of 355.4 USD/tonne and a low of 310.5 USD/tonne between April 2018 to June 2018. It closed at 317.9 USD/tonne on July 31, 2018.

Co-generation business

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

Performance

	Q1 FY 19	Q1 FY 18
Operational details		
Power Generated – million units	72.86	51.32
Power exported – million units	49.71	36.6
Financial details		
Gross Revenue (₹ crore)	50.91	36.10
PBIT (₹ crore)	24.28	13.70

- The operating period of Co-Generation Operation during Q1 FY 19 were higher compared to the corresponding period of previous year due to long sugar crushing season.
- The operating efficiency of the plants continued to be excellent.

Distillery business

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

Performance

	Q1 FY 19	Q1 FY 18
Operational details		
Production (KL)	11,069	4,318
Sales (KL)	10,249	9579
Avg. realisation (₹/ ltr)	40.85	38.97
Financial details		
Gross Revenue (₹ crore)	41.96	42.01
PBIT (₹ crore)	21.59	2.40

- During the quarter under review, the distillery production was higher by 156% while sales volume was higher by 7%, over the corresponding period of previous year.
- PBIT in Q1 FY 19 is significantly higher than corresponding period of previous year, mainly due to lower raw material cost.

- The Company received 2.72 cr ltr of contract for ethanol supply from OMCs during 2017-18 (Dec 17- Nov 18) at an administered basic price of ₹ 40.85 /litre.
- The share of Ethanol sales in Q1 FY 19 is 100% of the total sales volume, as against 83% in FY 18.
- The Board has approved a proposal for setting up a molasses based 160 KLPD ethanol plant at one of the sugar units of the Company situated at Sabitgarh, District Bulandshahr, Uttar Pradesh, subject to receipt of necessary statutory clearances, and putting up an incineration boiler and other auxiliary equipment at the existing distillery at Muzaffarnagar, Uttar Pradesh, raising total distillation capacity to 320 KLPD at a total cost of about ₹ 200 crore.
- Preparatory work for the new ethanol plant is already under progress and the majority of funding will be through the Government schemes.

High speed gears and gearboxes business

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

Performance

	Q1 FY 19	Q1 FY 18
Gross Revenue (₹ crore)	20.75	13.91
PBIT (₹ crore)	4.10	0.94
Order Booking (₹ crore)*	63.49	76.33

* include ₹ 26 crore during the current year and ₹ 50.8 crore in last year, executable over couple of years

- The growth in OEM sales has been 52% while the sales of spares, services, retrofitting including exports have been 102%.
- The activities during Q1 FY 19 have picked up as indicated by the order booking. Order booking also improved by 47% (excluding long duration contracts) during the quarter as compared to same period of last year.
- Overall the market looks stable with positive signs from some sectors.
- The business has strong enquiries from defence and is hopeful of concluding some more of them in the coming quarters.

- The outstanding order book as on June 30, 2018 stood at ₹ 177.12 crore including order of ₹ 80.8 crore executable beyond FY 19.

Outlook

- The market outlook for the capital goods segment seems to be finally advancing towards recovery. Sectors where orders have been poor are expected to turn positive in the next couple of quarters.
- Replacement business is doing well and is expected to continue.
- The Company is exploring new product & geographies to expand so as to further improve its turnover and profitability.

Water business

This business is focused on providing world-class solutions in water and wastewater 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

	Q1 FY 19	Q1 FY 18
Gross Revenue (₹ crore)	36.42	34.89
PBIT (₹ crore)	(2.06)	(3.29)
Order Booking (₹ crore)	368.92	77.40

- Slow progress and delay in completion of certain projects have resulted in cost escalations which have adversely impacted the results.
- The total order intake during the quarter was ₹ 368.92 crore, including a contract of ₹ 224 crore awarded under Namami Gange Programme. Subsequent to the quarter, it has secured another contract of ₹ 315 crore which is not included in the order backlog.
- The outstanding order book as on June 30, 2018 stood at ₹ 1,095 crore, which includes ₹ 455 crore towards Operations and Maintenance contracts for a longer period of time.

Outlook

- The Company has participated in large number of tenders which are in various stages of finalisation. The Company is expecting significant order booking in the coming quarters of FY 19 which will ensure growth in turnover in the coming years. The Company is also

exploring export opportunities to expand its business thereby aim to improve its performance.

- The Company continues to successfully leverage its existing engineering relationships with industrial sector customers.

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.*