



Registered office: Deoband, District Saharanpur, Uttar Pradesh 247554.
Corporate office: Express Trade Towers, 8th floor, 15-16, Sector 16A, Noida 201301, Ph: 0120-4308000, Fax: 0120-4311011
CIN : L15421UP1932PLC022174

For immediate release

H1 FY 19 Consolidated Results ended Sep 30, 2018
Gross Revenue at ₹ 1394.36 crore, lower by 27%
Profit after Tax at ₹ 69.48 crore

- ***Sugar Businesses***
 - ***The Country's latest revised estimates for SS 2018-19 sugar production at 31.3 million tonnes***
 - ***The Govt has announced scheme to export sugar to the extent of 5 million tonnes to evacuate surplus sugar***
 - ***MSP and regulated releases have supported sugar prices in a narrow band of ₹32.50 – 33/kg***

- ***Engineering Businesses***
 - ***Gears business registered good growth during the quarter in terms of turnover, profitability and order booking***
 - ***Water business booked significant orders during the quarter***
 - ***Outstanding order book of ₹ 1586 crore for combined Engineering Businesses; an increase of 25% since Q1 FY 19***

NOIDA, November 02, 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 second quarter and half year ended Sep 30, 2018 (Q2/H1 FY 19). The Company has prepared the Financial Results for the second quarter and half year 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: Q2/ H1 FY 19 (Consolidated)*In ₹ crore*

	Q2 FY 19	Q2 FY 18	Change (%)	H1 FY 19	H1 FY 18	Change (%)
Gross Revenue	687.75	1060.75	(35)	1394.36	1905.04	(27)
EBITDA (before exceptional items)	67.24	170.30	(61)	145.77	302.25	(52)
EBIDTA Margin	10%	16%		10%	16%	
Share of income from Associates	5.23	4.94	6	8.52	7.30	17
Profit / (Loss) Before Tax	44.88	140.69	(68)	89.89	224.47	(60)
Profit / (Loss) After Tax (PAT)	32.36	100.62	(68)	69.48	161.16	(57)
Other Comprehensive Income (Net of Tax)	(0.65)	(0.28)		(1.02)	(0.22)	
Total Comprehensive Income	31.71	100.34	(68)	68.46	160.94	(57)
EPS (not annualized) (₹/share)	1.25	3.90		2.69	6.25	

- In line with the broader sugar industry, the accounting treatment of off-season expenses incurred by the sugar business has been revised during the quarter for quarterly financial statements, according to which such expenses will be not deferred but expensed as when incurred / accrued. The change in accounting treatment has the effect of lowering profitability (PBT) for the quarter and six months ended 30.09.2018 by ₹ 94.53 crore. This change in accounting treatment will not have any impact on the annual financial results.
- Sugar profitability includes inventory revaluation of ₹ 55.02 crore during the quarter.
- While Distillery business has performed well in terms of turnover and profitability in view of low cost of molasses. There was no Co-generation operation during the quarter.
- Gears business performed well during the quarter in terms of better order booking, turnover and profitability.
- Water business secured substantial orders during the quarter. However, some continuing delays in existing contracts resulted in some cost overruns.
- The total debt of the Company as on Sep 30, 2018 is ₹ 669 crore, which is higher than 30.09.2017 on account significantly higher inventory as at the end of Sept 2018. The total debt includes term loans of ₹ 96 crore, comprising soft loans of ₹ 19 crore. The reduction in term loan has been 42% & 62% respectively in comparison to 31st March 2018 and 30th Sept 2017 respectively.

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 has been satisfactory given the overhang of surplus sugar inventories held in the country. The key reason has been stable sugar prices in the domestic market sustained due to various Government policies. While the sugar operations bore the brunt of dismally low molasses prices, low raw material prices helped the profitability of the distillery.

It has been a matter of relief that earlier estimate of sugar production in the SS 2018-19 has been significantly pruned from 35 million tonnes to 31.3 million tonnes. With the expected dissipation of surplus sugar in SS 2018-19 in the international market, the international prices have started firming. The Government's export program is vital to rationalize the sugar inventories in the country.

Long term commitment of the Government is visible in the recent Ethanol Incentive policy. Apart from partial interest subvention in setting additional Distillation capacities, permitting production of Ethanol from B-heavy molasses and sugarcane juice along with revision of their respective sugar parity prices go a long way in reshaping the business model of sugar companies. It will help sugar companies to change product-mix and regulate sugar production based on the sugar cycle. The Company has also taken steps to expand the distillation capacities and be a significant Ethanol producer.

There have been significant cane dues of ~ ₹ 7700 crore for U.P. relating to the previous season. Having comprehended financial hardships of sugar industry in UP, GoUP has announced a soft loan scheme along with some cane price grant to enable sugar mills to liquidate cane dues. It is more of a short term solution as sugar mills will be required to repay the loan from their own resources, which may not be possible unless sugar prices remain remunerative to meet the cane prices. For long term sustainability of sugar industry, it is imperative to carry out much needed cane price reforms.

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 witnessed in Q1 continued during the Q2 as well with a total order intake of over ₹ 353 crore including O&M. The business is now witnessing the much-awaited traction and we expect a steady state revenue in the coming quarters, which in turn would result in significantly better profitability for the business from the current levels.

- 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 white, refined and pharmaceutical 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, pharmaceutical companies and leading confectionery producers. 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. Triveni currently operates 104.5 MW grid connected co-generation capacity. The Company's Sabitgarh unit is 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 Company has become a dominant supplier to all major OEMs in the country, offering solutions to all industrial segments including Oil and Gas as per AGMA, API-613 and API-677 standards. It remains the market leader in high-speed Gears and Gearboxes up to 70 MW capacity and speed of 70,000 rpm. 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. 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

C N Narayanan

Triveni Engineering & Industries Ltd

Ph: +91 120 4308000

Fax: +91 120 4311010, 4311011

E-mail: cnnarayanan@trivenigroup.com

Neha Arora

Triveni Engineering & Industries Ltd

Ph: +91 120 4308000

Fax: +91 120 4311010, 4311011

E-mail: neha@ho.trivenigroup.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.*