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For immediate release

9M FY 17 Consolidated Results ended Dec 31, 2016

Net sales at ₹ 1930.1 crore

Profit after Tax at ₹ 192.5 crore

- ***Net sales for the quarter and nine months period is higher by 34% and 33% respectively***
- ***Achieved record PAT for the quarter and nine months period***
- ***Sugar Businesses***
 - ***Stable sugar prices resulted in improved Sugar business performance***
 - ***India's estimated sugar output at ~ 21.3 million tonnes for SS2016-17***
 - ***Demand-supply balance to support sugar prices barring governmental action to curb prices***
 - ***Production during SS 2016-17 estimated to increase substantially over previous season***
 - ***Recoveries are slightly lower than last year across the state of UP***
- ***Engineering Businesses***
 - ***Muted performance in Engineering businesses due to slow revival of economic activity***
 - ***Received an order for ₹ 125 crore in Water Business***
 - ***Outstanding order book of ₹ 725 crore***
- ***Scheme of Arrangement (Scheme)–The Board of Directors of the Company has decided to withdraw the Scheme in the overall interest of all the stakeholders.***

NOIDA, February 9, 2017: 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 third quarter and nine months ended December 31, 2016 (Q3/9M FY 17).

The Company has prepared the Financial Results for the current quarter and nine months period 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: Q3/9M FY 17 (Consolidated)

In ₹ crore

	Q3 FY 17	Q3 FY 16	9M FY 17	9M FY 16
Net Sales	688.0	511.6	1930.1	1447.0
EBITDA	131.4	42.3	369.5	59.5
EBITDA Margin	19%	8%	19%	4%
Profit / (Loss) Before Tax	94.5	8.5	234.5	(67.6)
Profit / (Loss) After Tax (PAT) Standalone	68.8	8.5	173.0	(67.4)
Share of income from Associates	7.5	6.2	19.5	15.1
Profit / (Loss) After Tax (PAT)	76.3	14.7	192.5	(52.3)
Other Comprehensive Income (after tax)	(0.2)	(0.3)	0.3	(0.1)
Total Comprehensive Income	76.1	14.4	192.8	(52.4)
EPS (not annualized) (₹/share)	2.95	0.56	7.47	(2.03)

- Net sales for the quarter and nine months period is higher by 34% and 33% respectively, with the highest profit for the quarter and nine months period.
- Significant improvement in the performance in the quarter and nine months under review mainly attributed to Sugar Business
- Robust sugar realization prices coupled with moderate increase in despatches resulted in better profitability of Sugar Business.
- Despite modest increase in turnover of the Engineering Business, the performance is muted. It is likely to post better results in Q4.
- The overall debt of the Company as on Dec 31, 2016 is ₹ 1076 crore, which is 21% higher than on Dec 31, 2015 primarily on account of higher utilization of cash credit due to accelerated and timely cane payments. The term loan as at Dec 31, 2016 is at ₹ 536 crore (including ₹ 97 crore loans with concessional interest /interest subvention) while the cash credit utilization was at ₹ 540 crore.

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

“Sugar business continued its profitable performance during Q3 & 9M FY 17. The profitability during the quarter and nine months period has been the highest ever recorded by the Company. This has been on account of the turnaround in the Sugar business which has contributed both through external and internal factors. With the consistent, aggressive and focused cane development programme during the past couple of years, the results have started showing up in

terms of crush, recovery and relative ranking within the State. Consequently, we expect to increase sugar production considerably over the previous season. Our efforts to further improve the varietal balance and to correct soil deficiencies, if any, will continue to receive top priority.

Despite forecasts of lower sugar production in SS 2016-17 at around 21 million tonnes for the country as a whole, we believe, the position of sugar stocks is expected to be comfortable and that no imports are necessary.

The Ministry of Environment, forest and Climatic Control (MoEFCC) has approved our request for operating the distillery for 365 days subject to certain conditions. We are in the process of complying with such conditions and based on the availability of molasses, we expect to operate for 330 days annually. It tantamount to about 20% increase in capacity and will also reduce selling molasses under reserved category at low prices. The quarter and nine months under review also registered good performance of co-products. While the Government seems committed to the Ethanol Blending Programme (EBP), the withdrawal of excise duty exemption on ethanol and pruning down prices of Ethanol to OMCs may act as a deterrent and lead to lower supply of ethanol by the sugar industry during the sugar year.

The performance of the Engineering business was subdued during the quarter and nine months due to sluggish demand and overall subdued economic activities. Water business booked a significant order during the quarter while the order intake in the Gears business was impacted on account of macroeconomic factors – both domestically and globally. We expect the order booking position for both the Engineering businesses to improve in the last quarter of the current financial year.

The update on the Scheme of Arrangement to segregate Sugar and Engineering businesses is provided at the end of the Investor Brief.

- 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 Mysore, the Water & Waste water 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 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.

Q3/9MFY 17: BUSINESS-WISE PERFORMANCE REVIEW

(all figures in ₹ crore, unless otherwise mentioned)

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

	2016-17 season (Oct – Dec 2016)	2015-16 season (Oct – Dec 2015)
Cane Crush (Million Tonnes)	2.26	1.29
Recovery (%)	10.32	10.33
Sugar Production (000 Tonnes)	233	133

	Q3 FY 17	Q3 FY 16	9M FY 17	9M FY 16
Sugar despatches (Tonnes)	147818	135947	436306	427947
Realisation price (₹/MT)	36362	27527	35801	25803
Net sales (₹ crore)	616.1	433.6	1680.3	1196.9
PBIT (₹ crore)	84.1	(2.0)	251.5	(52.8)

- Owing to higher sugar prices and sales volume during the nine months, Sugar business recorded 40% increase in turnover while the profitability has been phenomenally higher in comparison to the corresponding period of last year.
- The sugar realization has shown an improvement of 32% quarter-over-quarter with the average realization for Q3 FY 17 at ₹ 36362/tonne. The current sugar prices are in the range of ₹ 37500/ tonne.
- The sugar cane crushing started early during this season by about a fortnight and has resulted in a higher crush of 75% with similar levels of recovery.

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.

- Sugarcane price for SS 2016-17 has been declared at ₹ 305 per quintal (normal variety delivered at gate), an increase of ₹ 25/quintal over the previous season. Further, an amount of ₹ 65/tonne will have to be paid as purchase tax and society commission.
- UP government withdrew remission of society commission of ₹ 3/quintal which was announced as a part of the cane price package for SS 2015-16, resulting in higher charge by ₹ 13.57 crore.
- Export of power from Incidental co-generation units at Chandanpur, Milak Narayanpur and Sabitgarh resulted in a revenue of ₹ 5.35 crore for the quarter ended Dec 2016.
- The sugar inventory as on Dec 31, 2016 was 21.70 lac quintals.

Industry Scenario

- ISMA has revised their production estimates for the country and as per their latest estimates, the country's production is expected to be at 21.3 million tonnes. As per ISMA, the closing stock of sugar as on 30th September 2017 will be 4.85 million tonnes, which will be equivalent to 2.5 months consumption.
- During SS 2016-17, 12.86 million tonnes sugar has been produced in the country till 31st January 2017 which is 1.43 million tonnes less than the sugar production of last year on the corresponding date.
- 4.56 million tonnes of sugar is produced in Uttar Pradesh till 31st January, 2017, which is almost 1 million tonne higher than last year's production of 3.59 million tonnes till 31st January 2016. UP is expected to produce another 3.9-4 million tonnes of sugar by the end of this season, surpassing Maharashtra to become the largest sugar producer in the country.
- In Maharashtra, 3.68 million tonnes of sugar is produced till 31st January 2017, as compared to 5.42 million tonnes last year during same period. Most of the sugar mills from drought affected districts Solapur, Ahmednagar, Marathwada region and parts of Pune have already closed operations for the year.
- Karnataka has produced 2.03 million tonnes of sugar till 31st January, 2017 as against 2.7 million tonnes of production of last year till 31st January 2016.
- Sugar prices have been stable during the quarter with the average NCDEX spot prices at Muzaffarnagar at around ₹ 39/kg which has been an increase of 27% year on year.
- The Government has announced that during ethanol supply period from 1st December, 2016 to 30th November, 2017, the administered price of ethanol for the EBP will be ₹ 39/- per litre and charges will be paid to the ethanol suppliers as per actuals in case of Excise Duty and VAT/GST and transportation charges as decided by OMCs.

- As per the recent revised estimates, the sugar consumption in the country is expected to be at 24.2 million tonnes. This is based on the on actual sugar sales in Oct-Dec, 2016, and the trend in Jan. 2017, and reports of lower off-take by beverage manufacturers, sweet makers etc.
- The stable global sugar prices coupled with a lower than estimated sugar production for the country during 2016-17, will auger well for the Indian Sugar industry in the current season and therefore, the domestic sugar prices are expected to remain firm at the current levels.

International sugar scenario

- The cane crushed in Centre-South Brazil till Jan 16, 2017 has been 0.47% higher and sugar production is 15.7% higher as compared to the same period of previous year. In Thailand, the sugar production for 2016/17 has reached 3.022 million tonnes till Jan 23, 2017 compared to 3.810 million tonnes at the same time last year. The sugar production is estimated to fall by 3% in Thailand because of the worst drought in more than two decades in the first half of 2016.
- According to recent forecasts, the global sugar deficit in 2016/17 is estimated between 2.6 million tonnes to 4.9 million tonnes.
- Global sugar prices have shown a significant increase during 2016, about 30% increase in prices by year end compared to the level seen at the beginning of 2016 and the spot price for Raw and Whites as on 7th Feb 2017 is 20.44 Cents/Pound and USD 541.6 per tonne respectively.
- There are healthy fundamentals in the industry for firm sugar prices to continue.

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

	Q3 FY 17	Q3 FY 16	9M FY 17	9M FY 16
Operational details				
Power Generated – million units	81.20	47.44	94.04	86.55
Power exported – million units	53.79	29.66	61.20	52.44
Financial details				
Net sales (₹ crore)	66.5	39.0	79.8	70.2
PBIT (₹ crore)	26.1	17.8	33.4	33.3

- The operating days of co-generation units during the quarter were higher compared to the same period last year due to early start of the season. The operating efficiency of the plants continued to be excellent.
- Income of ₹ 1.40 crore has been realised during the current quarter and ₹ 3.8 crore during nine months from the sale of Renewable Energy Certificates (RECs) in respect of Khatauli and Deoband units.
- With the estimated increase in cane crush for 2016-17 season, the outlook for the co-generation business segment is good and we believe the same will be reflected in the performance in the coming quarters.

Distillery business

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

Performance

	Q3 FY 17	Q3 FY 16	9M FY 17	9M FY 16
Operational details				
Production (KL)	12412	14121	25785	27296
Sales (KL)	8477	11671	29139	30735
Avg. realisation (₹/ ltr)	40.5	40.9	42.2	40.2
Financial details				
Net sales (₹ crore)	34.9	48.2	124.4	125.5
PBIT (₹crore)	8.5	16.7	29.0	30.5

- Profitability and sales volume during the quarter under review decreased owing to lower despatches of ethanol as the previous tender expired in November 2016 and finalization was delayed. However on a nine months basis it is marginally lower in comparison to the corresponding period of last year.
- The share of Ethanol sales in 9M FY 17 is 73% of the total sales volume, as against 84% in 9M FY 16.
- With the permission from MoEFCC, the distillery is expected to operate for 330 days annually, which translates into about 20% higher capacity.

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

	Q3 FY 17	Q3 FY 16	9M FY 17	9M FY 16
Net sales (₹ crore)	18.1	19.1	49.3	62.3
PBIT (₹ crore)	3.1	3.0	7.6	13.3

- The muted economic outlook has resulted in slowdown in the off-take from customers.
- Overall the market is still impacted by the slowdown in the capital goods segment with significantly lower OEM off-take year on year. However, the aftermarket business has shown an improvement over the corresponding periods of the previous year. Much improved performance is expected in the last quarter.
- The share of aftermarket went up from 21% in 9M FY 16 to 39% in 9M FY 17.
- Owing to sluggish business conditions, customers have significantly pruned down fresh investments and maintenance spend resulting into limited demand for new capital goods as well as replacement markets.
- The order in-take during 9M FY 17 was ₹ 59.4 crore and the outstanding order book as on 31st Dec 2016 stood at ₹ 55.9 crore.

Outlook

- Due to slow revival of economic activity, capex plans in various industries are put on hold and therefore the order finalisation for new gearboxes as well as the replacement; retrofitting and refurbishment markets are being delayed.
- The export orders are expected to arise from the sourcing drives of major OEMs including from GE–Lufkin, GE Oil & Gas and the business is having good enquiries under this arrangement. These augur well for a good growth in this business in the medium to long term.
- We expect tenders for marine gears to be opened over the next few months.
- Once the capital goods industry is revived, the order intake should improve considerably as this business has a strong market leadership in the country and also expanding in many overseas markets.

- The Company is exploring new product & geographies to expand so as to improve its turnover and profitability.

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

	Q3 FY 17	Q3 FY 16	9M FY 17	9M FY 16
Net sales (₹ crore)	38.5	31.3	114.2	84.9
PBIT (₹ crore)	(0.6)	(6.2)	(0.5)	(12.4)

- The total order intake for nine months period of the current year was ₹ 166.7 crore including an order of ₹ 125 crore during the quarter.
- The outstanding order book as on 31stDec 2016 stood at ₹ 669.0 crore, which include ₹ 269.4 crore towards Operations and Maintenance contracts for a longer period of time.
- The Company has participated in various tenders and some of such enquiries are in advance stages of finalization.

Outlook

- The turnover should show a good growth going forward based on the execution of the order book.
- The Company has participated in large number of tenders which are in various stages of finalisation. The Company is expecting significant order booking for the year which will ensure growth in turnover in FY 18. 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.
- The uncertainty in order finalisation still lingers on but with various policy initiatives of the Central Government and focus on the treatment of waste water and provision of adequate water to the citizens of India; we believe that the order finalisation in this business will gain momentum in the coming quarters.

SCHEME OF ARRANGEMENT

In today's Board meeting, the Board of Directors has reviewed the progress of the Scheme of Arrangement (Scheme) between Triveni Engineering & Industries Limited ("TEIL" or "the Company"), its wholly owned subsidiary - Triveni Industries Limited ("TIL") and their respective shareholders and creditors, the proceedings of which are pending in the National Company Law Tribunal (NCLT) for the sanction of the Scheme. While the prospects for the Sugar Business seem promising, industry outlook relating to the Engineering Businesses appears uncertain in the near to medium term. However, it is firmly believed that the fundamentals of the Engineering businesses continue to be strong and upon return to normalcy, these are expected to achieve the desired performance.

In view of the aforesaid position, in the overall interest of all the stakeholders, the Board has decided to withdraw the Scheme with immediate effect from the NCLT.

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.*