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*For immediate release*

## **H1 FY 17 Consolidated Results ended Sep 30, 2016**

**Net sales at ₹ 1242 crore**

**Profit after Tax at ₹ 116.2 crore**

- ***Sugar Businesses***
  - ***Improved operational efficiency in the previous season resulting in lower cost of production and firm sugar prices resulted in significant improvement in performance results.***
  - ***India's estimated sugar output at ~ 23 million tonnes for SS 2016-17***
  - ***Domestic Demand-Supply balance appears favourable in SS 2016-17 – should support sugar prices***
  
- ***Engineering Businesses***
  - ***Muted performance in Engineering businesses due to slowdown in economic activity. Performance in H2 expected much better***
  - ***Outstanding order book of ₹ 618 crore***
  
- ***Scheme of Arrangement–The Company's scheme of arrangement is progressing well in terms of milestones.***

**NOIDA, November 28, 2016: 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 September 30, 2016 (Q2/H1 FY 17).

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

**PERFORMANCE OVERVIEW: Q2/H1 FY 17 (Consolidated)***In ₹ crore*

	Q2 FY 17	Q2 FY 16	H1 FY 17	H1 FY 16
Net Sales	641.3	430.7	1242.1	935.4
EBITDA	134.5	74.3	251.1	21.5
EBITDA Margin	21%	17%	20%	2%
Profit / (Loss) Before Tax	83.1	17.0	140.0	(76.0)
Profit / (Loss) After Tax (PAT) Standalone	61.4	17.0	104.2	(75.9)
Share of income from Associates	6.5	5.7	11.9	9.4
Profit / (Loss) After Tax (PAT)	67.9	22.7	116.2	(66.5)
Other Comprehensive Income (after tax)	0.3	0.2	0.5	0.2
Total Comprehensive Income	68.2	22.9	116.7	(66.3)
EPS (not annualized) (₹/share)	2.64	0.89	4.52	(2.57)

- Significant improvement in the performance in the quarter and half year under review is due to:
  - Higher sugar realization prices – quarter over quarter as well as significantly higher sugar prices in comparison to year on year.
  - Improved performance of distillery business owing to increased realization prices and sale volumes.
- The overall debt of the Company as on Sep 30, 2016 is ₹ 1087.5 crore, which is at similar levels as on Sep 30, 2015 primarily on account of higher utilization of cash credit due to accelerated and timely cane payments. The term loan as at Sep 30, 2016 is at ₹ 566.5 crore (including ₹ 221.7 crore loans with concessional interest /interest subvention) while the cash credit utilization was at ₹ 521.0 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 Q2 & H1 FY 17, which enabled the Company to record significantly higher turnover and profitability during H1 FY 17 in comparison with H1 FY 16. Apart from the remunerative sugar prices, sugar results were helped by record recoveries in the previous season which resulted in lower cost of production of sugar inventories sold during the current financial year. We are focused on cane development and the benefit of which will be reflected in SS 2016-17 – initial recoveries being achieved in the early part of the season are encouraging. Based on the prevailing sugar prices and outlook of the industry in the next 12 months, sugar cane price increase of ₹ 250/tonne seems affordable. However, two-stage payment mechanism introduced by the State Government in the last two years was indeed an improvement and should have been retained instead of reverting to one-stage payment. Further, cane price is not linked to any other factors, such as, recovery and prices of sugar/co-products, as was being done in the previous two years; the process of cane price setting had improved considerably and the improvement process*

*should not have been discontinued. In view of better yields and conducive climatic conditions, we expect to increase sugar production considerably over the previous season.*

*Despite forecasts of lower sugar production in SS 2016-17, the position of sugar stocks is expected to be comfortable and need not induce Government to import sugar in a panic. Importantly, with satisfactory monsoon and sugar cane planting in 2016, especially in Maharashtra, the crop is set to increase in the SS 2017-18. We believe the domestic sugar prices are expected to be in a range at around the present level of ₹ 36-38/Kg.*

*The distillery business also showed a healthy performance in terms of profitability with the supply of substantial quantity of ethanol though the second quarter was a non-operational period for the co-generation. While the Government seems committed to the ethanol blending programme, the recent actions in terms of withdrawal of excise duty exemption on ethanol and pruning down prices of Ethanol to OMCs may act as disincentive for fresh investments which was being contemplated by the industry. The recent actions of the Government will have an adverse impact on the profitability of the distillery.*

*The performance of the Engineering businesses was subdued during the quarter and half year due to sluggish demand and overall subdued economic activities. While the Company was able to achieve a growth in turnover for the Engineering business, the profitability is still to catch up on account of lower than economic size of the turnover. The order intake has been sluggish during the quarter but with many of the enquiries which are in the advanced stages of finalization, we expect the order booking position for both the Engineering businesses to improve in the second half 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.*

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#### **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 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 21.82% 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)

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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.*