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*For immediate release*

**FY 16 (consolidated)\* Results ended Mar 31, 2016**

**Net sales at ₹ 1915 crore**

**Loss after Tax at ₹ 9.8 crore**

- ***Sugar Businesses***
  - ***Cane price subsidy for Sugar Season (SS) 2014-15 and improvement in sugar prices in the latter part of the year helped to reduce losses***
  - ***Record high recoveries achieved in UP for SS 2015-16 – the Company improved recovery by a record 1.23%***
  - ***The country's Sugar production for SS 2015-16 estimated to be marginally over 25 million tonnes; leading to lower closing inventory***
  - ***Sugar prices expected to remain strong***
  - ***10% Ethanol blending presents growth opportunity for distillery business***
- ***Engineering Businesses***
  - ***Engineering businesses performance muted due to slow economic activity***
  - ***Good order inflow during FY 16 – both in Water & Gears***
  - ***Outstanding order book of ₹ 647 crore – y-o-y growth of 29%***
- ***Scheme of Arrangement–The Company has submitted a new scheme of arrangement with an objective to segregate sugar and engineering businesses from the appointed date on 01.04.2016, keeping in view the current sugar scenario to optimize the benefits to all the stakeholders.***

**NOIDA, May 16, 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 quarter and full year ended 31<sup>st</sup> Mar 2016 (Q4/ FY 16).

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*\* After considering Share of Profit of Associates*

**PERFORMANCE OVERVIEW: FY 16 (Consolidated)\*****(April – Mar 2016 V/S April – Mar 2015)***In ₹ crore*

|                            | <b>Q4 FY 16</b> | <b>Q4 FY 15</b> | <b>FY 16</b> | <b>FY 15</b> |
|----------------------------|-----------------|-----------------|--------------|--------------|
| Net Sales                  | 468.1           | 447.7           | 1915.0       | 2060.8       |
| EBITDA                     | 88.1            | (20)            | 163.1        | 11.9         |
| PBIT                       | 73.1            | (34.6)          | 105.1        | (47.3)       |
| Profit / (Loss) Before Tax | 44.1            | (68.2)          | (9.8)        | (169.4)      |
| Profit / (Loss) After Tax  | 44.1            | (85.6)          | (9.8)        | (152.1)      |

- The improved performance in the fourth quarter is due to improved sugar operations – high recovery and improved sugar prices ensured profitable operations. The losses for the full year are attributed to low full year average sugar prices.
- The performance of both Co-generation and Distillery has been satisfactory.
- The performance of Engineering Businesses was subdued, though the order booking in particular for Water Business was healthy during the year.
- The overall debt of the Company as on 31<sup>st</sup> Mar 2016 is ₹ 1706 crore, which was higher by 16% in comparison to 31<sup>st</sup> Mar 2015 primarily on account of higher utilization of cash credit due to accelerated and timely cane payments. The term loan as at 31<sup>st</sup> Mar 2016 was ₹ 544 crore (including ₹ 238 crore loan with interest subvention) while the cash credit amounted to ₹ 1162 crore.

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

*“We close the year with guarded optimism. After a long time, the Company has improved its results on account of record recoveries in Season 2015-16 and better sugar prices towards the later part of the year. The Company holds sugar inventories at reasonable cost which upon sale in the next financial year, will generate profits. There are few major factors, including policies of the Government which have been the game changers: a) Decline in production in the country by about 11% which will liquidate surplus inventory in the country, b) Significant cane price subsidy announced by the UP Government for the Season 2014-15 keeping with the cane price package earlier announced, c) Mandatory export policy announced by the Central Government to export surplus sugar out of the country, and d) Record high recoveries achieved in UP for in SS 2015-16.*”

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\* After considering Share of Profit of Associates

*The sugar industry was in deep financial crisis in the earlier part of the year under review with sugar prices nose diving to levels which were over 25% lower than the cost of production. The action of UP government to keep up its commitment of providing cane price subsidy was indeed commendable and the timely export policy announced by the Central Government was instrumental in changing the market sentiments. Further, lower production in the country and high recoveries achieved in the state of UP in the Sugar Season 2015-16 helped the industry at this critical juncture. We earnestly hope that there is continuity in the policies of the Government in future and the decisions are taken in the best interest of farmers as well as sugar mills. The demand supply scenario looks favourable even in the next year on account of further anticipated decline in the production in Maharashtra for Season 2016-17 due to lower planting and yields resulted by acute shortage of water. The global glut in the sugar sector is getting corrected due to the climatic condition which has impacted the sugar production in key regions China, Thailand and India.*

*One of the reasons for high recoveries in UP was indisputably climatic condition which may have contributed as much as 0.60-0.70% in recovery apart from the higher mix of high yielding and high sugar content varieties. The climatic advantage may not be available next year and hence, our focused efforts in cane development and propagation of high sucrose cane varieties will help us to achieve and maintain high recoveries and enable us to be a low cost sugar producer.*

*The performance of co-generation and distillery businesses was satisfactory. The Company supplied ethanol to OMCs under EBP10 program of the Government and approximately 87% sales product mix of the distillery has been of Ethanol.*

*Investments in the key infrastructure sectors witnessed some growth lately but it was not enough to create a positive impact on the capital goods sector. The Company was able to achieve a marginal growth in turnover for the Gears Business. The orders received from GE Lufkin fell short of our expectations in view of sluggish conditions being experienced by them but we remain confident that the potential of business is enormous, though it may take-off once the global economic conditions improve. In respect of Water Business, the performance during the year was much below our expectation owing to legacy contracts which were inordinately delayed due to various problems relating to economic slowdown and funds crunch and had cost and provisioning implications on us. The order flow during the year was satisfactory and it gives us confidence for better performance in the coming years.*

*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 21.8% 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)**

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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.*