Triveni ENGINEERING & INDUSTRIES LTD

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For immediate release

9M FY2008 Net sales up 15% at Rs 11.65 billion
EBITDA up by 200% at Rs 2.35 billion
PAT at Rs. 846 million – Over 10 times the PAT for 9M FY2007

- ***Engineering Businesses***
  - ***Order book grows 24% to Rs. 6.68 billion***
  - ***Break-through single order of over Rs. 600 million for Water Business***
- ***Sugar***
  - ***Improved sugar fundamentals owing to lower production estimates. Sugar prices on rise***
  - ***Two-third of current year production as inventory - well positioned to take advantage of rising sugar prices.***

Noida, July 31, 2008: Triveni Engineering & Industries Ltd. ('Triveni'), one of India's leading companies engaged in the manufacture of sugar and engineered-to-order mechanical equipment, such as steam turbines, high speed gears and water and wastewater treatment equipment, today announced its performance for the Nine months and third quarter ended 30th June 2008.

PERFORMANCE OVERVIEW: 9M FY2008 V/S 9M FY2007
(9M FY 2008 – October – June 2008); (9M FY 2007 – October – June 2007)

Net sales increased 15% to Rs 11.65 billion in the nine months, EBITDA was 200% higher at Rs 2.35 billion with an improvement in EBITDA margin by over 12% and PAT grew ten times to Rs 846 million. EPS for the nine months was Rs 3.28 (not annualized).

The sugar business (including cogeneration and distillery) achieved a net turnover of Rs 8.17 billion, 11% higher than the corresponding previous period owing to higher sugar volumes, better sugar realizations and higher contribution from the distillery operations while the engineering businesses also achieved a similar growth of 11% during this period.

Overall PBIT increased 418% to Rs 1.72 billion, with PBIT margin expanded to 14.8 % from 3.3 % last year. This has primarily been driven by better margins in engineering businesses and improved financials of sugar business. During the nine months ending 30th June 2008, the total engineering business PBIT has gone up by 29% at Rs. 1,195 million while for the sugar business, the PBIT for last nine months was a loss of 424 million which for this nine months have turned positive at Rs. 772 million.

The issue of cane pricing still remains unresolved and the decision of the Supreme Court is awaited in respect of two conflicting High Court Judgments – one relating to 2006-07, in which State Advised Price (SAP) declared by UP government was quashed and another relating to 2007-08, in which SAP declared was upheld. Pending final verdict in this matter, cane price of Rs 1100 per tonne has been considered for the season 2007-08 subject to final adjustments based on the developments in the Supreme Court. As regards the sugar cane pricing for the 2006-07 sugar season, as against the interim order of Supreme Court for making payment at Rs 1,180 per tonne, the company had paid and accounted for cane price at SAP of Rs 1,250 per tonne.

The performance of the engineering businesses continues to be in line with the expectations and the PBIT margins showed an improvement of over 350 basis points year on year and is expected to continue at this levels in the coming quarters as well. The order book for the engineering business grew by 24% year on year with Water Business achieving significant increase in order book. During the quarter, water business bagged the single largest order of over Rs. 600 million. This order is for setting up of a sewage treatment plant including tertiary treatment for a municipal client. This project is being funded by an international agency and the order has been secured under ICB bidding norms.

For 9M FY 08, depreciation & amortization went up by 39% to Rs. 628 million on account of new projects implemented both in sugar & engineering. The total finance cost also increased to Rs. 698 million from Rs. 398 million due to the debts contracted to fund the new projects as well as due to increased working capital requirements including payment of cane dues. Net profit before tax (PBT) increased to Rs. 1.03 billion while Profit after Tax (PAT) went up ten times to Rs. 846 million.

PERFORMANCE OVERVIEW: Q3 FY 2008 V/S Q3 FY2007
(Q3 FY 2008 – April – June 2008); (Q3 FY 2007 – April – June 2007)

- Net Sales increased by 28% to Rs. 4.40 billion with an EBITDA margin of 17%. The growth in EBITDA has been over 800% at Rs. 753 million.
- Sugar business (including cogeneration and distillery) achieved an EBITDA margin of 14% during this quarter as against an operating loss during the corresponding quarter of previous year.
- Sales turnover of engineering businesses increased by 5 %
- Depreciation (including amortization) cost increased by 4% while the finance cost increased by 25% to Rs. 275 million.
- PBT and PAT were at Rs. 275 million and Rs. 246 million respectively as against Rs. 334 million (loss) and Rs. 200 million (loss) respectively for the previous period .

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

"The overall performance of Triveni during the period under review recognizes the improved outlook in the sugar business and robust contribution from growing engineering business. With lower than estimated production in 2007-08 season and estimated lower sugar cane production for 2008-09, both on account of reduced area under cane planting and climatic factors in certain cane growing areas of Central and Southern India, the sugar prices, in accordance with our earlier forecast, have already started firming up and under these scenario, we believe that the current upward rally of sugar prices will be sustained in future. We hope that the issue of cane pricing, which is currently sub-judice, would be resolved keeping the long term interest of all stakeholders in mind. As a result of our assessment of the sugar scenario, we are fortunate to be left with substantial sugar inventories which could now be liquidated at remunerative sugar prices. Under this scenario, sugar operations coupled with the co-generation and distillery should provide substantial upside potential for the profitability of the company.

The engineering businesses are performing in line with our expectations and have an aggregate order book of Rs. 6.7 billion, a growth of 24% year on year. While we have visibility in the near term through our order book, but given the current domestic economic scenario, there may be some postponement in finalization of orders or rescheduling of deliveries in respect of our turbine business. However, by expanding the market reach and getting into higher MW & high pressure range which has a larger market, we expect the turbine business to register strong growth both in terms of revenue and profits in the coming quarters. Further, the scaling up of operations of our water business gives us enough confidence in getting further high value orders in future and also in achieving excellent growth prospects for this business."

- 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 among the three largest sugar manufacturers in India, and the market leader in its engineering businesses comprising steam turbines, 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, Raninagal and Milak Narainpur (all in central Uttar Pradesh) and Ramkola (eastern Uttar Pradesh). The Company's turbine manufacturing and gear manufacturing facilities are located at Bangalore and Mysore respectively while the Water & Waste water treatment business is located at Noida. Triveni's sugar crushing capacity is 61,000 TCD. The Company also has a total co-generation capacity of 68 MW located in two of its major facilities viz., Khatauli (46 MW) & Deoband (22 MW) and a 160,000 litre per day capacity distillery at Muzaffarnagar. Additionally, Triveni Khushali Bazaar, a rural and semi-urban retail store, is steadily expanding its reach with 42 stores currently in operation.

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

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DETAILS TO THE ANNOUNCEMENT

- Financial results review
- Business-wise performance review and outlook

9M & Q3 FY2008 : FINANCIAL RESULTS REVIEW

(all figures in Rs million, unless otherwise mentioned)

Net sales

	Q3 FY2008	Q3 FY 2007	9M FY 2008	9M FY 2007
Net sales	4,401	3,435	11,650	10,150
Change	28%		15%	

During the quarter, the turnover of the sugar and related businesses achieved a growth of 34% to Rs. 3.15 billion while engineering business achieved growth of 5 % to Rs 1.45 billion. The increase in the turnover of the sugar and related businesses are due to higher volumes of sugar sold and higher sugar realization price coupled with higher turnover of distillery.

During nine month period, the turnover of both the engineering businesses and sugar businesses registered an increase of 11% each at Rs. 8.17 & 4.74 billion respectively.

EBITDA

	Q3 FY 08	Q3 FY 07	9M FY 08	H1 FY 07
EBITDA	753	83	2,353	785
Growth	807%		200%	
EBITDA Margin	17.1%	2.4%	20.2%	7.7%

All three engineering businesses registered substantial improvements in operating profit with overall EBITDA going up by 44.9% and 48.6% for the quarter and the nine months period respectively, along with substantial expansion in EBITDA margins. The sugar business also achieved EBITDA of Rs 442.2 million and Rs 1,330.6 million for the quarter and nine months period respectively while for the same periods last year, there were operating losses of Rs. 244.3 million and Rs.18.4 million respectively.

Finance cost & Depreciation

	Q3 FY 08	Q3 FY 07	9M FY 08	9M FY 07
Finance Cost	274.9	220.8	698.2	398.1
Depreciation & Amortisation	203.6	195.8	628.2	452.3

The increase in depreciation and finance costs are primarily on account of the capitalization and funding of new capacities in all the businesses.

Profit before Tax and Profit after Tax

	Q3 FY 08	Q3 FY 07	9M FY 08	9M FY 07
Profit before Tax (PBT)	274.6	(333.6)	1027.0	(65.4)
PBT Margin (%)	6.2%		8.8%	
Profit after tax (PAT)	246.0	(199.7)	845.6	73.2
Growth			1055%	
PAT Margin (%)	5.6		7.3	0.7

PBT and PAT for the quarter and nine month period have shown significant increase. It has been a ten-fold increase in PAT during 9M FY 08 on account of the overall improved performance of engineering businesses and also on account of sugar operations.

9M/ Q3 FY2008: BUSINESS-WISE PERFORMANCE REVIEW

(all figures in Rs. million, unless otherwise mentioned)

Sugar business

Triveni is among the three largest players in the Indian sugar sector, with a present capacity of 61,000 TCD. The sugar cane crushing for 2007-08 season is now over and Triveni's seven units put together manufactured approx. 580,000 tonnes of sugar, a marginal decline of 2% when compared with the 2006-07 sugar season, as against a estimated decline in sugar production of 12-14% across the state of UP. The sugar cane crushing was marginally lower by 4% compared to last season. Even though the lower crush during 2007-08 season is in line with the general trend in the State which is owing to delayed start of the season, long spell of cold wave resulting in ground frost which in turn impacted the yield substantially particularly for plant cane, Triveni, on account of its cane development programme and cane payment to farmers ensured much lower decline than the rest in the industry. However, the overall recoveries have shown improvement over previous season from 9.69% to 9.90%.

Performance

	Q3 FY 08	Q3 FY 07	9M FY 2008	9M FY 2007
Sugar despatches (000 MT) % change	168.5 35%	124.7	364.4 10%	331.2
Realisation price (Rs /MT) Free Average (Free + Levy)	 14625 14444	 13575 13492	 14412 14280	 15136 14921
Net sales	2632	1884	6450	6053
% change	40%		7%	
PBIT	47	(585)	105	(878)

The sugar realizations has been more or less in line with during this quarter when compared with previous quarter and significantly higher than those achieved in the corresponding quarter of the previous year. Further, the sugar prices are on the rise since the beginning of July 08 and the current sugar realizations are significantly higher at over Rs. 16500 per tonne. Triveni has over two third of its current season's sugar production held as inventories and this will help in ensuring better margins and profitability in the subsequent period/s.

The issue of cane pricing continues to be sub-judice. Lucknow bench of Allahabad High Court upheld the State Advised Price (SAP) of Rs. 1250 per tonne as announced by the UP State for sugar year 2007-08. The industry has already gone in appeal against this order before the Supreme Court. Pending final verdict in these matters from Supreme Court, the accounts for the quarter and nine months have been prepared based on the cane price of Rs. 110 per quintal as paid in accordance with the interim order of Lucknow Bench of Allahabad High Court and Supreme Court.

Industry Scenario

For sugar year 2007-08, UP sugar units faced the uncertainty in the cane pricing in the beginning of the sugar season resulting in late start of the crushing, coupled with adverse climatic conditions such as lack of winter rains, long spell of severe cold wave etc., resulted in lower cane crushing & sugar production by ~ 14% when compared with the 2006-07 sugar season. As regards the overall sugar production for the country for 2007-08 season, it is estimated that would be around 26.5 million tonne, a decline of over 6%.

On account of uncertainty in cane pricing in UP and higher realization for competing crops such as Wheat, Paddy etc., all across the country, the initial estimates of area under sugar cane across India, has reduced from 5.3 million hectare to 4.3 million hectare, a reduction of ~ 20%. Further, up till the third week of July, the monsoon in major parts of the sugar cane growing area in the country (except UP & Uttarakhand) has been significantly lower and therefore, may have an impact on the yield of sugar cane production. As per the preliminary estimates, the overall sugar production in the country for 2008-09 season could come down to ~ 21.5 million tonne which may further go down in 2009-10 season. The estimated reduction in sugar production for the coming season in Maharashtra could be as high as 38% while that of UP could be around 10%. It is estimated that the annual production in the next season may be lower than the annual consumption. This in turn will bring down the stock to consumption ratio and would enable the sugar prices to increase steadily in future.

The issue of cane pricing for the seasons 2006-07 and 2007-08 is presently sub-judice. In respect of cane Price for the season 2006-07, the Allahabad High Court, on December 19, 2007, had quashed the SAP declared by the State Government and directed the Government to reassess the price within three months in consultation with stakeholders and experts. In the SLPs filed against the High Court judgement, the Supreme Court in an interim order has stayed the operation of the High Court judgment and has directed to make payment of cane dues for 2006-07 at Rs. 1,180 per tonne. As regards the cane pricing for 2007-08, Lucknow Bench of Allahabad High Court and subsequently Supreme Court, through their interim orders had directed the sugar mills to pay an interim cane price of Rs. 1100 per tonne. In early July, 2008, Lucknow Bench of Allahabad High Court through its final order upheld the SAP of Rs. 1,250 per tonne. The industry has appealed against the order of High Court in the Supreme Court. The SLP amongst other grounds is filed focusing on the two major grounds viz., (a) conflicting judgments of two co-ordinate benches of the same High Court and (b) power of State to fix cane price is without any guidelines/criteria/norm and therefore is arbitrary. Hence, the cane prices for 2006-07 & 2007-08 are currently before Supreme Court. As regards the deduction of transportation charges from the farmers on account of the cane procured though the cane centres of the factories, Allahabad High Court had decided that the deduction should be revised from Rs. 5.75 per quintal of cane procured from centres to Rs. 10.58 per quintal. This matter is also currently before the Supreme Court. Triveni has made payment of Rs. 1,250 per tonne for 2006-07 and Rs. 1,100 per tonne for 2007-08 in accordance with the court's order. We hope for a rational solution through the judiciary process in the long term interest of all stakeholders.

Global sugar scenario is getting impacted on account the sustained higher prices of crude. This has resulted in significant shift in the usage of sugar cane in Brazil for manufacture of ethanol. Brazil's agriculture consultancy, Datagro revised its estimate for Brazil's Centre/South 2008/09 cane crush down to 480 mln tonnes from a previous estimate of 495 mln issued in May. A sizeable portion of the crop - 32 mln tonnes - will not be harvested this season, and will be left to be harvested early next year due to poor weather at the start of the harvest in April, and the fact that many new sugarcane mills did not enter production as originally planned. Further, out of 35 new mills that were planned for the 2008/09 season, only 13 were up and running as the opening of some mills has been held up by delays in the supply of equipments.

As a result of the smaller than expected cane crop, Brazil should produce 30.0 mln tonnes of sugar, down by 700,000 tonnes from the 2007/08 crop. Ethanol production is seen topping out nationwide at a record 26.683 bln litres, or 4.31 bln more than last season. Ethanol exports are seen reaching 4.8 bln litres in 2008/09, with most of it going to the US.

Datagro also increased its estimate of the percentage of cane to be used for ethanol production in 2008/09 to 59.3%. The ethanol sugar mix in the Centre/South has been raised to 61.1% / 38.9%, while the estimate for the North/Northeast remained at 44.4% / 55.6%.

Global sugar prices have been under significant swings in the last couple of months due to funds buying as well as due to improved fundamentals arising from revised surplus outlook. In the recent past, there has been significant increase in futures prices for both raw and whites sugar. After touching a high of US 14 cents per pound of raw sugar for October 08 futures and USD 393 for whites, on 16th July 08, the rate declined significantly in the next couple of days on account of investment fund liquidation inspired in part by falls in crude oil on similar lines. However, in the long term, it is expected that high global crude prices, increased use of sugar cane juice for manufacture of ethanol in Brazil resulting in lower sugar production and availability to world market, substantially reduced sugar production from India, increasing global demand etc., should see the international sugar prices rising in future.

Outlook

Even though the sugar production during 2007-08 season across the State of Uttar Pradesh was lower by 14%, Triveni's sugar production for sugar season 2007-08, was only lower by 2%. Despite lower planting this year, we expect higher yields due to adequate and well distributed monsoon. In view of likely timely start of the forthcoming season, we are hopeful to achieve marginally higher crush in 2008-09 season.

With the country's estimated lower production for 2008-09 and 2009-10 sugar season together with prevailing higher crude prices resulting in Brazil diverting more sugar cane juice to produce ethanol should ensure a continued rise in sugar prices. We believe that the sugar prices in India, in the coming quarters, should see a sustained rise and Triveni is well positioned to capture the rising sugar prices going forward with substantial quantity of sugar inventories.

Co-generation business

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

Performance

	Q3FY 08	Q3FY 07	9M FY 08	9M FY 07
Operational details				
Power Generated – 000 KWH	70507	88592	269888	278990
Power exported – '000 KWH	54741	69487	185658	186820
Financial details				
Net sales (Rs. million)	336.5	399.0	1250.8	1240.5
-Increase/(decrease)	(-)16%		1%	
PBIT (Rs. million)	149.4	152.5	561.7	446.8
-Increase/(decrease)	(-)2%		26%	
PBIT margin (%)	44.4	38.2	44.9	36.0

On account of shorter 2007-08 sugar season, the total operational period of power plants were lower than the corresponding periods of previous year. While the power plants operated for the full quarter during the last year, it only operated for an average of more than 2 months during the current quarter. However, the power exported for the nine month period for current year is more or less at par with the exports for the same period of the previous year. Further, the turnover for the quarter and nine month period include income of Rs 122 million and Rs 214 million from carbon credits. The carbon credits accrued in respect of Khatauli plant for the period March'07 to April'08 is expected to be accounted for in Q4FY2008.

Outlook

The co-generation business provides a long term and sustainable source of incremental revenue while diversifying and de-risking the Company's operating profile. In addition to that, the Company will also derive financial benefits due to a tax holiday for a period of 10 years and reduction of deferred tax charges.

The regulatory and tariff environment is encouraging, in view of the National Electricity Policy, the Electricity Act 2003, and measures taken by the UP Electricity Regulatory Commission to mitigate commercial and regulatory uncertainties.

On account of late start of crush and lower crush of sugar cane in Khatauli and Deoband, the co-generation units only operated for shorter duration during this year. However, with the estimated higher sugar cane crush and longer duration of season during 2008-09 sugar season, the number of days of operations should also be higher.

Triveni's co-generation facilities are eligible for carbon credits under the Kyoto Protocol's Clean Development Mechanism (CDM) and are expected to generate approx. 200,000 carbon credits annually on an on-going basis.

Distillery Business

Triveni's 160 KLPD distillery is operating at very high capacity utilization and is currently producing rectified spirit, extra-neutral alcohol.

	Q3FY 08	9M FY 08
Operational details		
Production (000 ltr)	13053	30930
Sales (000 ltr)	8941	24923
Avg. realization (ltr)	20.38	18.49
Financial details		
Net sales (Rs. million)	186.4	466.6
PBIT (Rs. million)	66.8	105.5
PBIT margin (%)	35.8	22.6

The distillery was commissioned in April' 2007 and hence, it had limited operations in the corresponding quarter of the previous period.

The realization from distillery is showing improvement. The increase in prices Q-o-Q has been 14% and the current prices are significantly higher than the previous quarter prices. On account of reduced sugar cane crushing and molasses production during 2007-08 season and expected lower production for the next season, we believe the prices of molasses as well as alcohol prices should continue to rise in the coming quarters.

Steam turbines business

Triveni is the domestic market leader, with a market share of 78% for range upto 20 MW in FY 07, and is one of the largest manufacturers worldwide in high and low pressure turbines upto 20 MW. The unit presently produces turbines upto 30 MW. The company retained its market share during the current quarter as well. Company's ability to provide high-tech precision engineered-to-order solutions has made it one of the most trusted names within the sector.

Performance

	Q3FY 08	Q3 FY 07	9M FY 08	9M FY 07
Net Sales (Rs. million)	1175.7	1160.1	3763.3	3540.2
-Increase/(decrease)	1.3%		6.3%	
PBIT (Rs Million)	286.1	294.7	950.3	794.2
-Increase/(decrease)	(-)3%		19.7%	
PBIT margin (%)	24.3	25.4	25.3	22.4

Sales of turbines depends on various factors especially the delivery schedule from the customer. The margins for nine months period have shown significant improvement by over 300 basis due to change in product mix, improved share of servicing, spares and retrofitting, improved efficiencies and cost reduction and value engineering. The growth in sales for the nine months period is higher by 6.3% on account of the shut down of the unit for 26 days in the first quarter which had affected both production and dispatches. The outstanding order book as on 30st June 2008 has been Rs. 4.64 billion for 638 MW.

The sales comprises of the turbines, the bought outs and servicing & spares etc. The revenue from servicing and spares has increased from 8.7% to 11% during the nine month period of current year. Our focus on exports started showing results with the exports forming 13% of the total turnover in the current nine month period as against 5% in the corresponding nine months period of the previous year.

<u>Outlook</u>

The order book build up is normally driven by two factors: (i) growing economic activity and the resultant strong capital goods sector, and (ii) Triveni's ability to deliver world-class products at competitive cost. The product diversification and range enhancement efforts would make available new markets to achieve sustained growth.

As regards the first factor, the economic activity in the country has been impacted in the recent past with lower growth in Index of Industrial Production. It is estimated that on account of macro-economic factors, there may be slight slowdown /postponement in the finalization of domestic orders which may in turn impact our growth plans to some extent. Even though, demand for Triveni's turbines comes from a variety of sectors such as Sugar, Sponge Iron, Textiles, paper, Independent Power Producers, and Sugar Cogeneration plants, slow-down in few sectors may not impact its operations significantly given our focus on expanding the market reach for our turbines both in terms of export market and also on the higher MW / high pressure range of turbines, whose markets are significantly larger. Further, the refurbishment business, with the installation of Vacuum Balancing Tunnel, is also getting more orders. As regards the second factor of remaining a world class producer at competitive price, Triveni is investing in research & development for constantly improving its product as well as efficiency to match with the best, and has also undertaken technological upgradation of its manufacturing facility to increase productivity, maintain stringent quality standards and reduce the cost of production. Attempts are being made to achieve the growth plans by aggressively expanding the market as well as increasing the share of servicing, spares, refurbishing etc., apart from containing input cost so as to remain competitive and at the same time maintaining the margins.

High speed gears and gearboxes business

This business manufactures high-speed gears and gearboxes upto 70MW capacity and speeds of 50,000 rpm. Triveni is the country's largest one-stop solutions provider in this sector, with ~55% overall market share and 78% market share in the below 25 MW Segment.

Performance

	Q3FY 08	Q3 FY 07	9M FY 08	9M FY 07
Net Sales (Rs. million)	155.7	145.6	526.2	435.5
-Increase/(decrease)	7%		21%	
PBIT (Rs Million)	36.8	40.5	156.3	102.8
-Increase/(decrease)	(-) 9%		52%	
PBIT margin (%)	23.6	27.8	29.7	23.6

The turnover for 9 month period is higher by 21% at Rs. 526 million with a PBIT margin of 29.7%. The PBIT margins improvement for the nine month period has been significant and is by over 600 basis points. This is on account of change in product mix and execution of certain high margin retrofitting orders.

The order book position of this business as at 30th June 2008 has risen by 15% when compared with the end of previous quarter at Rs. 489 million. The unit's forey into high power hydel gear boxes is gaining momentum. Similarly, good orders have been received from some of the OEMs for other than turbine applications. We also manufacture and supply high quality loose gears to large engineering multinational corporations which has significant growth prospects both in terms of revenue and profitability.

Outlook

The unit's plan for achieving its growth is in place with focus on its supplies to OEMs, aggressively getting into retrofitting and also to expand its product profile into areas such as hydel gears, niche low speed gears etc.

Water business

This business is focused on providing world-class solutions in water and waste-water treatment to customers in industry as well as the municipal segment. In line with growth in the Company's overall revenues, 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

	Q3FY 08	Q3 FY 07	9M FY 08	9M FY 07
Net Sales (Rs. million)	120.2	74.8	448.5	293.5
-Increase/(decrease)	61%		53%	
PBIT (Rs Million)	16,8	7.8	88.8	29.7
-Increase/(decrease)	115%		199%	
PBIT margin (%)	14.0	10.4	19.8	10.1

The Company continued to successfully leverage its existing engineering relationships with industrial sector customers. Sales went up by 61% during the quarter and 53% during the nine month period. Similarly, PBIT margins have also improved by over 900 basis point year on year, reflecting the Company's technology-led operating efficiencies.

Order book has been growing consistently. The outstanding order book as on 30th June 2008 was Rs. 1.55 billion as against Rs. 400 million during the same period last year which is a growth of over 199%. The unit continued its foray into high value orders with bagging its single largest order of over Rs. 600 million. This order is towards setting up of a sewage treatment plant including tertiary treatment for a municipal client. This project is being funded by an international agency and the order has been secured under ICB bidding norms.

The unit's focus on upgrading the technology offering as well as participating with technology partners in getting into high technology jobs is continuing and the group is currently evaluating various opportunities. With these orders in hand, we believe the growth prospects for this business are very high and sustainable.

The water businesses' new manufacturing workshop cum office facility is complete and the operation of this business has been shifted to the new premises.

Outlook

Treated water is increasingly becoming a critical resource in large-sized industries and stringent environmental regulations are also mandating industries to treat waste water. At the same time, rising health consciousness is creating a demand for water treatment equipment in housing complexes and municipalities. The focus of Government of India, various state governments and local bodies in addressing the issue of providing water will be the key driver of demand generation in this business line. These developments offer an attractive opportunity for the Company's water business which already has the necessary technological capability and know-how. The Company has been working in association with Siemens Water Technologies. It has access to sophisticated technologies for high technology micro-filtration solutions and equipment for drinking water, process water and reuse applications. The company's foray in desalination projects, initiation into product development for Tertiary Filtration in waste water recycling jobs etc., would enable the unit to post good order booking and sales growth.

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.*

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UNAUDITED FINANCIAL RESULTS
FOR THE 9 MONTHS ENDED 30TH JUNE 2008

Rs. In lacs

Particulars	Quarter Ended		9 Months Ended		Previous Accounting Period of 18 Months Ended
	30.06.08	30.06.07	30.06.08	30.06.07	30.09.07 AUDITED
1. Net Sales / Income from Operations	44006	34351	116496	101495	190724
2. Other Income	164	210	675	292	624
3. Total Income (1+2)	**44170**	**34561**	**117171**	**101787**	**191348**
4. Expenditure					
a) (Increase)/Decrease in stock in trade and work in progress	19576	6417	(31823)	(36763)	1804
b) Consumption of raw materials	12692	22111	96173	107484	136436
c) Purchase of traded goods	125	68	381	154	694
d) Employees cost	2895	2505	8906	7373	13531
e) Depreciation	1935	1896	5971	4316	8128
f) Other expenditure	4218	4000	17107	14736	25624
g) Off-Season expenses (Net) & Amount Capitalised on Captive Supplies	(2766)	(1308)	3204	1058	(10242)
h) **Total**	**38675**	**35689**	**99919**	**98358**	**175975**
5. Interest (Net)	2749	2208	6982	3981	7307
6. Exceptional Items	-	-	-	102	214
7. Profit (+)/Loss (-) from Ordinary Activities before tax (3)- (4+5+6)	**2746**	**(3336)**	**10270**	**(654)**	**7852**
8. Tax Expense (Net of MAT credit entitlement)	286	(1339)	1814	(1386)	309
9. Net Profit (+) / Loss (-) from Ordinary Activities after tax (7-8)	**2460**	**(1997)**	**8456**	**732**	**7543**
10. Extraordinary Items	-	-	-	-	-
11. Net Profit (+) / Loss (-) for the period (9-10)	**2460**	**(1997)**	**8456**	**732**	**7543**
12. Paid up Equity Share Capital (Face Value Re.1/-)	2579	2579	2579	2579	2579
13. Reserves excluding Revaluation Reserves					64906
14. Earning per share-Basic/Diluted (not annualised) - Rs.	0.95	(0.77)	3.28	0.28	2.92
15. Public shareholding					
Number of shares	85255267	78771930	85255267	78771930	85255267
Percentage of shareholding	33.06	30.55	33.06	30.55	33.06

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

Particulars	30.06.08	30.06.07	30.06.08	30.06.07	30.09.07
1. Segment Revenue					
[Net Sale/Income from each segment]					
(a) Sugar					
Sugar	26320	18839	64497	60526	109633
Co-Generation	3365	3990	12508	12405	15273
Distillery	1864	712	4666	712	1822
	31549	23541	81671	73643	126728
(b) Engineering					
Steam Turbine	11757	11601	37633	35402	69277
Gears	1557	1456	5262	4355	9411
Water	1202	748	4485	2935	5113
	14516	13805	47380	42692	83801
(c) Others	317	209	968	1087	1944
Total	46382	37555	130019	117422	212473
Less : Inter segment revenue	2376	3204	13523	15927	21749
Net Sales	**44006**	**34351**	**116496**	**101495**	**190724**
2. Segment Results					
[Profit (+) / Loss (-) before tax and interest]					
(a) Sugar					
Sugar	468	(5846)	1052	(8784)	(5181)
Co-Generation	1494	1525	5617	4468	4974
Distillery	668	73	1055	73	214
	2630	(4248)	7724	(4243)	7
(b) Engineering					
Steam Turbine	2861	2947	9503	7942	15388
Gears	368	405	1563	1028	2325
Water	168	78	888	297	580
	3397	3430	11954	9267	18293
(c) Others	58	(25)	32	(188)	(245)
Total	6085	(843)	19710	4836	18055
Less : i) Interest (Net)	2749	2208	6982	3981	7307
ii) Other un-allocable expenditure [Net of un-allocable income]	590	285	2458	1509	2896
Total Profit Before Tax	**2746**	**(3336)**	**10270**	**(654)**	**7852**
3. Capital Employed					
[Segment Assets - Segment Liabilities]					
(a) Sugar					
Sugar	149285	116437	149285	116437	110297
Co-Generation	23711	25284	23711	25284	23203
Distillery	12273	10629	12273	10629	10544
	185269	152350	185269	152350	144044
(b) Engineering					
Steam Turbine	11461	3280	11461	3280	5578
Gears	3597	3370	3597	3370	3757
Water	2551	1103	2551	1103	1323
	17609	7753	17609	7753	10658
(c) Others	2430	2502	2430	2502	2510
(d) Unallocated (Net)	(127883)	(104292)	(127883)	(104292)	(88233)
Total	**77425**	**58313**	**77425**	**58313**	**68979**

Notes :

1. In view of the seasonal nature of company's businesses including cyclicality in turbine despatches, the performance results of the quarters may vary.

2. Earlier the Hon'ble Allahabad High Court had quashed SAP of Rs.125/- per quintal for the season 2006-07 fixed by the U P Government. However, for the season 2007-08, the Lucknow Bench of the same Court has recently upheld SAP of Rs.125/- per quintal. SLPs against the aforesaid two judgments of the two different Benches of the same Court have been filed in the Hon'ble Supreme Court. Pending final verdict in this matter, the accounts for the quarter and nine months period ended June 30, 2008 have been prepared based on cane price of Rs.110 per quintal as paid in accordance with the earlier interim order of the High Court, which was also upheld by the Supreme Court. If the results were computed based on cane price of Rs.125 per quintal, the profit after tax for the nine months period would have been lower by Rs.2033 lacs. Necessary adjustments on account of changes in cane price, if required, will be made based on further developments in the Supreme Court.

3. Pursuant to the Accounting Standard (AS) 15 (Revised) – 'Employee benefits', the liability towards various employee benefits for the current period has been provided on an estimated basis. Liability accrued up to the commencement of the year will be adjusted against the opening reserves in accordance with the transitional provisions prescribed under the said Standard.

4. During the quarter under review, the Company has divested its stake in Abohar Power Generation Limited, a wholly owned subsidiary company.

5. During the quarter, business segments have been re-categorised and accordingly figures relating thereto of previous periods have been regrouped. Further, the figures of previous periods under various heads have been regrouped to the extent necessary.

6. The above results were reviewed and recommended for adoption by the Audit Committee and approved by the Board of Directors of the company at their meetings held on July 29 and July 30, 2008 respectively. The statutory auditors have carried out a limited review of the financial results.

7. One investor complaint was pending at the beginning of the quarter. 14 complaints were received during the quarter. All complaints were disposed of during the quarter.

Place : Noida
Date : July 30, 2008

For Triveni Engineering & Industries Limited

Dhruv M Sawhney
Chairman & Managing Director