ENGINEERING & INDUSTRIES LTD.

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For immediate release

FY 21 Consolidated Results ended Mar 31, 2021:

- **Gross Revenue from Operations at ₹ 4703.35 crore, a growth of 6%**
- **Profit before Tax (before exceptional items) at ₹ 459.10 crore - growth of 3%**
- **Profit after Tax at ₹ 294.61 crore**
- **Board recommends final dividend of ₹ 1.75 per equity share (175%) for the Financial year 2020-21**

- ***Sugar Businesses***
  - *Highlights of Sugar Season (SS) 2020-21:*
    - *In terms of sugar production, the Company has been ranked second in the country*
    - *8.54 million tonnes of sugarcane crushed and 0.94 million tonne of sugar produced*
    - *Khatauli Sugar Mill achieved the highest sugar production in the country as a single unit and second highest sugarcane crush in the country.*
    - *Two units recorded their highest ever crush – Sabitgarh & Rani Nangal*
    - *Five units (One unit viz. Khatauli on a part of the season) operated with B-heavy molasses diversion in season 2020-21 as against three units in season 2019-20.*
  - *Recovery of 10.98% (Gross Recovery of 11.86% after adjustment on account of B-heavy molasses) in SS 2020-21*
  - *Sugar production for the country, estimated around 30.9 million tonnes in the Sugar Season (SS) 2020-21, with a likely diversion of ~2.2 million tonnes for ethanol production*
  - *Sugar inventories lower by 17% at the year-end*
  - *Strong distillery performance on production and sales – growth of 14% and 23% in FY 21 respectively*

- ***Engineering Businesses***
  - *Despite decline in turnover due to the impact of Covid-19, profitability is by and large maintained.*
  - *Strong performance of Power Transmission Business in the current quarter due to stabilization in business conditions and improved profitability of Water Business due to efficient project execution and project cost savings.*

- *Expect order booking in both businesses to improve as Covid-19 second wave subsides and economic activity improves*
- *Outstanding order book of ₹ 1078.25 crore for combined Engineering Businesses.*

- ***Board Approval***
  - *The Board has approved expansion of distillation capacity of the existing and upcoming distilleries located at Muzaffarnagar (UP), Milak Narayanpur sugar unit at Distt Rampur UP and Sabitgarh Distt Bulandshahar (UP), subject to receipt of necessary statutory clearances, raising total distillation capacity from 520 to 660 KLPD at an aggregate cost of ₹100 crore (approx.) through low capital cost incidental expansion / debottlenecking through internal accruals. Such expansion will be completed before the commencement of the Sugar season 2022-23.*

NOIDA, June 29, 2021: 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 fourth quarter and twelve months ended Mar 31, 2021 (Q4 / FY 21). The Company has prepared the Financial Results for the fourth quarter and twelve months 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: Q4 / FY 21 (Consolidated)

In ₹ crore

	Q4 FY 21	Q4 FY 20	Change (%)	FY 21	FY 20	Change (%)
Revenue from Operations	1188.07	1494.02	-20%	4703.35	4436.63	6%
EBITDA	174.72	193.91	-10%	588.61	579.44	2%
EBITDA Margin	**15%**	**13%**		**13%**	**13%**	
Share of income from Associates	-9.17	3.97		1.21	20.39	-94%
Profit Before Tax (before exceptional items)	133.09	164.24	-19%	459.10	445.61	3%
Exceptional Items	0.67			0.67		
Profit Before Tax (PBT)	133.76	164.24	-19%	459.77	445.61	3%
Profit After Tax (PAT)	85.02	137.59	-38%	294.61	335.12	-12%
Other Comprehensive Income (Net of Tax)	-1.13	-1.81	38%	-0.61	-2.83	79%
Total Comprehensive Income	83.89	135.78	-38%	294.00	332.29	-12%
EPS (not annualized) (₹/share)	3.52	5.55		12.01	13.32	

- Increase in turnover in FY 21 is due to higher sale volumes in sugar and distillery segments, which have compensated for decline in the turnover of engineering businesses due to COVID-19 related issues. Lower turnover in the current quarter is due to lower sugar despatches.
- Operating profit for the year is 2% higher at ₹ 588.61 crore despite the fact that previous year includes higher export subsidy by ₹ 35.57 crore pertaining to FY 19. Operating profit of Q4 FY 21 is lower due to lower sugar despatches in the quarter and further, the previous quarter includes export subsidy of ₹ 40.39 crore pertaining to Q3 FY 20.
- Despite lower buffer stock subsidies by ₹ 17.93 crore, the Finance cost in FY 21 has been significantly lower by 35% mainly due to lower utilization of term loans, lower utilization of working capital borrowings and due to reduction in cost of funds.
- Based on the Share Purchase Agreement entered into in March'2021 for divesting stake in the Israel based associate Company, Aqwise, a provision of ₹ 23.20 crore towards impairment has been made in the standalone financial statements. No such impairment was required in the consolidated financial statements as the estimated consideration is higher than the carrying cost of the investments.
- The tax incidence and the effective tax rate during the current year is high as in the previous year, the deferred tax charge was lower by ₹ 40.59 crore due to remeasurement of deferred tax liabilities (net) which were expected to reverse in the future when the Company would have shifted to the new tax regime. The Company expects to transition to new tax regime during the next fiscal year.
- The total debt on a standalone basis as on Mar 31, 2021 is ₹ 943.66 crore, lower by 39% as against ₹ 1558.16 crore as on Mar 31, 2020, comprising terms loans of ₹ 382.09 crore, almost all such loans are with interest subvention or at subsidized interest rate. On a consolidated basis, the total debts are at ₹ 994.02 crore, with term loans at ₹ 432.44 crore.

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

"The overall performance of the Company during the twelve months ended Mar 31, 2021 has been satisfactory, especially it being a challenging year due to the unprecedented pandemic and its severe impact on public health, industry and the economy. The businesses had largely stabilized by the end of third quarter but surfacing of second wave towards the end of the year has posed further uncertainties. However, it is felt that the impact of the second wave on the industry may be much less pronounced.

Our performance in the sugar season has been satisfactory. There was a trend of widespread decline in crush and recovery in UP for the SS 2020-21, mainly due to climatic factors but the Company has experienced marginal decline, much less than that of the average of the State. We crushed 8.54 million tonnes of sugarcane with a recovery of 10.98% (gross recovery: 11.86% after adjustment towards B-heavy molasses). The Company continues to actively pursue variety substitution programme to gradually reduce overdependence on the star variety Co 0238.

On the exports side, the Government has announced a reduction in its assistance to the export of sugar from ₹ 6000 per tonne to ₹ 4000 per tonne of sugar against Maximum Admissible Export Quantity (MAEQ) for SS 2020-21 owing to strong global prices. The reduced assistance will be applicable for the quantity of MAEQ for which the export contracts/agreements are signed on or after 20th May, 2021. We had completed our obligations of 1.82 lakh tonnes before such change and we are thus entitled to subsidy of ₹ 6000/tonne. While the MAEQ target of 6.0 million tonnes will certainly be achieved (contract executed 5.8 million tonnes, Exports made 4.4-4.5 million tonnes), it is possible that it may even be surpassed by up to one million tonne even without export subsidies in view of firm international prices. Expected substantial exports will help in correcting the surplus sugar inventories.

The Government has lately announced that the target of 20% ethanol blending in petrol will be preponed to 2025 from the earlier target of 2030, which further reaffirms its focus and commitment on ethanol. This augurs well for integrated sugar companies like ours. The Company is well positioned to capitalize on this opportunity as its two new distilleries are underway and should be operational in Q4 FY 22. The combined capacity for the Company will move up from 320 KLPD currently to 520 KLPD. Further, the Board of Directors in this quarter has approved expansion of distillation capacity of the existing and upcoming distilleries, subject to receipt of necessary statutory clearances, raising total distillation capacity from 520 to 660 KLPD at an aggregate cost of ₹ 100 crore (approx.). Such expansion will be completed before the commencement of the Sugar season 2022-23. These expansions will help the Company to balance the sugar output with demand, thus leading to reasonable prices for sugar. During the year, the production and sale in Distillery segment recorded strong growth in view of full year impact of the new distillery.

In the engineering business, while there has been a decline in turnover by 15% due to pandemic induced conditions, it has been able to largely maintain the profitability through cost control and efficiencies. Apart from the traditional market in OEM and after market segment, Power Transmission Business is also focusing on Defence business under "Make in India" initiative and additionally, it has *partnered with global OEMs for precision manufacturing of components for wind gearboxes as well as industrial high-speed compressor gears. These initiatives are likely to throw open several opportunities for growth in the medium term. Water business has recently secured an EPC project of Water Sewerage project of US$ 22.80 million (₹ 156 crore) from Ministry of National Planning Housing & Infrastructure of Republic of Maldives funded by Exim Bank of India and additionally, it is participating in many bids of considerable value in respect of EPC and HAM projects.*

- ENDS -

Attached: Details to the Announcement and Results Table

<u>About Triveni Engineering & Industries Limited</u>

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 Power Transmission business and water & wastewater 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 6 co-generation power plants located across five sugar units and two molasses-based distilleries in U.P. India, located at Muzaffarnagar and Sabitgarh. The Company manufactures Hand Sanitizers at its distillery located in Muzaffarnagar and started manufacturing country liquor.

The Company produces premium quality multi-grade crystal sugar, raw, refined and pharmaceutical sugar. All of the Sugar units are FSSC 22000 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 at Muzaffarnagar produces Ethanol, Extra Neutral Alcohol (ENA), alcoholic beverages and Hand Sanitizers". The distillery at Sabitgarh produces Ethanol. Triveni currently operates 104.5 MW grid connected co-generation capacity.

The Company is the largest engineered-to-order turbo gearbox manufacturer in India. The Power Transmission business has 3 different business segments – Gears, Defence, Built to Print. It 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 provides complete and sustainable water technology solutions across the water usage segments. 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 21.85% 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.