

By E-filing

REF:TEIL:SE:

Date: December 20, 2024

The Deputy General Manager Department of Corporate Services, BSE Limited 1 st Floor, New Trading Ring, Rotunda Building, P.J. Tower, Dalal Street, Fort, MUMBAI - 400 001	The Asst. Vice President, Listing Department National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), MUMBAI - 400 051
STOCK CODE: 532356	STOCK CODE: TRIVENI
Sub: Updation in Credit Rating	

Dear Sir,

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, we would like to inform you that MIs ICRA Limited has update the ratings for the bank facilities & commercial paper programme of the Company, as per details given below. The outlook on the long-term rating is stable:-.

Instrument	Rated Amount (Rs. crore)	Rating Action ^[1]
Commercial Paper	300.00	[ICRA]A1+; Placed on Rating Watch with Developing Implications
Short Term-Non Fund Based-Working Capital facilities	963.44	[ICRA]A1+; Placed on Rating Watch with Developing Implications
Long Term-Fund Based- Working Capital facilities	1825.00	[ICRA]AA+; Placed on Rating Watch with Developing Implications
Long Term-Fund Based-Term Loan	321.93	[ICRA]AA+; Placed on Rating Watch with Developing Implications
Total	3410.37	

Letters dated 19 December, 2024 issued by ICRA Limited to this effect are enclosed.

You are requested to take the above on record and disseminate to all concerned.

Thanking you,

Yours faithfully,
For TRIVENI ENGINEERING & INDUSTRIES LTD.,



GEETA BHALLA
Group Vice President &
Company Secretary

M.No. ACS9475

December 19, 2024

Triveni Engineering & Industries Ltd.: Ratings placed on rating watch with developing implications

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term – Fund-based - Term loan	321.93	321.93	[ICRA]AA+; placed on rating watch with developing implications
Long term - Fund-based - Working capital facilities	1,825.00	1,825.00	[ICRA]AA+; placed on rating watch with developing implications
Short term - Non-fund based - Working capital facilities	963.44	963.44	[ICRA]A1+; placed on rating watch with developing implications
Commercial paper*	300.00	300.00	[ICRA]A1+; placed on rating watch with developing implications
Total	3,410.37	3,410.37	

* Instrument details are provided in Annexure-I; * carved out of working capital limits

Rationale

Material Event

On December 10, 2024, Triveni Engineering and Industries Limited (TEIL) announced that the board has approved a composite scheme of arrangement amongst TEIL (Amalgamated company/Demerged Company), Sir Shadi Lal Enterprises Limited (SSEL) (Amalgamating Company), Triveni Power Transmission Limited (TPTL) (Resulting Company) and their respective shareholders/creditors.

As part of the scheme, SSEL, which is a subsidiary of TEIL¹, shall be amalgamated with TEIL. Post amalgamation, the shares held by TEIL in SSEL shall be cancelled and SSEL shall stand dissolved. For every 137 equity shares of SSEL with a face value of Rs. 10 each, the shareholders will be entitled to receive 100 equity shares with a face value of Rs. 1 each in TEIL. There will be no cash consideration in the transaction.

Post the amalgamation, the power transmission business (PTB) of TEIL shall be transferred to TPTL on a going concern basis. For every 3 equity shares of Rs. 1 each held in TEIL, the shareholder will be entitled to receive 1 equity share of Rs. 2 each of TPTL. There will be no cash consideration in the transaction. Further, TPTL shall be listed in stock exchanges subject to necessary approvals.

As per company management, the rationale behind the amalgamation of TEIL and SSEL is because both the companies are in the same line of business i.e. sugar and distillery. Hence, the proposed amalgamation would lead to operational and financial synergies for the company. Further, PTB business caters to different market segment/customers when compared to sugar business. Hence, the demerger of PTB business from TEIL will enable sugar and PTB business to grow separately.

¹ TEIL holds 61.77% in SSEL

Impact of Material Event

PTB business reported revenue to ~Rs. 292 crore (4.75% of TEIL's revenue) and Profit Before Interest and Tax (PBIT) of Rs. 107 crores (~17% of TEIL's PBIT) in FY2024. Hence, it provides a cushion against the cyclicity of the sugar business and stability to TEIL's cashflows in case of any downturn in sugar business.

However, the extent of the impact on the credit profile of TEIL would be ascertained upon successful completion of the above scheme of arrangement. The amalgamation is expected to be completed by April 2025 and the demerger is expected to be completed in 15 months, subject to receipt of requisite approvals. ICRA would continue to monitor the developments related to the transaction and take appropriate rating action, as required.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Sugar
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financial statement of TEIL; the list of entities consolidated are enlisted in Annexure II

About the company

TEIL is an integrated sugar manufacturing company with a current cane crushing capacity of 70,500 TCD (including SSEL capacity which is a subsidiary of TEIL), distillery capacity of 860 kilolitres per day (KLPD) (not including SSEL distillery capacity of 100 KLPD) and co-generation capacity of 104.5 megawatt (MW) spread across seven locations in Uttar Pradesh (UP). TEIL forayed into the production of country liquor in FY2021, thus, facilitating forward integration. The company runs engineering businesses that include a gear division in Mysore, manufacturing high-speed gears. It also has a water business division in Noida, which is involved in water treatment equipment and plants.

Key financial indicators (audited)

Consolidated	FY2023	FY2024	H1 FY2025*
Operating income	5,616.8	5,220.1	2,791.6
PAT#	1,775.5	395.0	8.6
OPBDIT/OI	11.0%	12.0%	3.3%
PAT/OI	31.6%	7.6%	0.3%
Total outside liabilities/Tangible net worth (times)	0.7	0.8	0.5
Total debt/OPBDIT (times)	1.5	2.3	3.0
Interest coverage (OPBDIT/Interest expense) (times)	10.9	11.3	2.1

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; #PAT excluding share of profits from associates; *provisional financials

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2025)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs Crore)	19-Dec-2024	FY2024		FY2023		FY2022	
				Date	Rating	Date	Rating	Date	Rating
Long term-loan-fund based	Long term	321.93	[ICRA]AA+; Rating watch with developing implications	28-MAR-2024	[ICRA]AA+ (Stable)	24-JUN-2022	[ICRA]AA (Stable)	07-APR-2021	[ICRA]AA- (Positive)
				-	-	24-MAR-2023	[ICRA]AA (Stable)	11-NOV-2021	[ICRA]AA (Stable)
				-	-	-	-	18-JAN-2022	[ICRA]AA (Stable)
Fund based - Working capital facilities	Long term	1825.00	[ICRA]AA+; Rating watch with developing implications	28-MAR-2024	[ICRA]AA+ (Stable)	24-JUN-2022	[ICRA]AA (Stable)	07-APR-2021	[ICRA]AA- (Positive)
				-	-	24-MAR-2023	[ICRA]AA (Stable)	11-NOV-2021	[ICRA]AA (Stable)
				-	-	-	-	18-JAN-2022	[ICRA]AA (Stable)
Non-fund based - Working capital facilities	Short term	963.44	[ICRA]A1+; Rating watch with developing implications	28-MAR-2024	[ICRA]A1+	24-JUN-2022	[ICRA]A1+	07-APR-2021	[ICRA]A1+
				-	-	24-MAR-2023	[ICRA]A1+	11-NOV-2021	[ICRA]A1+
				-	-	-	-	18-JAN-2022	[ICRA]A1+
Commercial paper*	Short term	300.00	[ICRA]A1+; Rating watch with developing implications	28-MAR-2024	[ICRA]A1+	24-JUN-2022	[ICRA]A1+	07-APR-2021	[ICRA]A1+
				-	-	24-MAR-2023	[ICRA]A1+	11-NOV-2021	[ICRA]A1+
				-	-	-	-	18-JAN-2022	[ICRA]A1+

* carved out of working capital limits

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term – Fund-based - Term loan	Simple
Long term – Fund-based - Working capital facilities	Simple
Short term - Non-fund based - Working capital facilities	Very Simple
Commercial paper	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long term - Fund based - Term loan	2018-2023	4.0%-5.0%*	2023-2028	321.93	[ICRA]AA+; Rating watch with developing implications
NA	Long term – Fund-based - Working capital facilities	NA	NA	NA	1825.00	[ICRA]AA+; Rating watch with developing implications
NA	Short term - Non-fund based - Working capital facilities	NA	NA	NA	963.44	[ICRA]A1+; Rating watch with developing implications
Yet to be placed	Commercial paper	NA	NA	NA	300.00	[ICRA]A1+; Rating watch with developing implications

Source: Company; *effective as interest rates are subvention

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Triveni Engineering Ltd	100.00%	Full Consolidation
Triveni Energy Systems Ltd	100.00%	Full Consolidation
Svastida Projects Limited	100.00%	Full Consolidation
Triveni Entertainment Ltd	100.00%	Full Consolidation
Triveni Industries Limited	100.00%	Full Consolidation
Triveni Sugar Limited	100.00%	Full Consolidation
United Shippers & Dredgers Limited	100.00%	Full Consolidation
Gaurangi Enterprises Limited	100.00%	Full Consolidation
Triveni Foundation	100.00%	Full Consolidation
Mathura Wastewater Management Private Limited	100.00%	Full Consolidation
PALI ZLD PVT LTD (PALI)	100.00%	Full Consolidation
Triveni Sports Private Limited	50.00%	Equity Method
Sir Shadi Lal Enterprises Limited	61.77%	Full Consolidation

Source: Company

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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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ICRA Limited

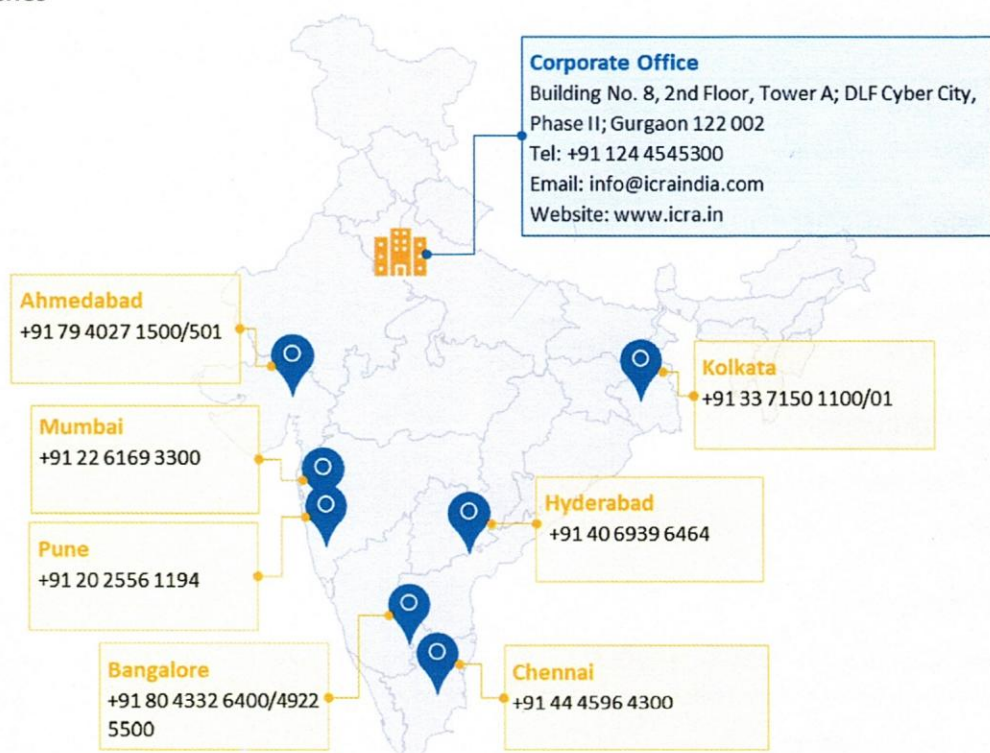


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Branches



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