

May 28, 2026

Triveni Engineering & Industries Ltd.: Long-term rating reaffirmed and removed from rating watch with developing implications; Stable outlook assigned; short-term rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based - Term loan	326.93	326.93	[ICRA]AA+ (Stable); reaffirmed and removed from rating watch with developing implications; Stable outlook assigned
Long term – Fund based - Working capital facilities	1825.00	1825.00	[ICRA]AA+ (Stable); reaffirmed and removed from rating watch with developing implications; Stable outlook assigned
Short term - Non-fund based - Working capital facilities	958.44	958.44	[ICRA]A1+; reaffirmed
Commercial paper**	175.00	100.00	[ICRA]A1+; reaffirmed
Commercial paper**	125.00	200.00	[ICRA]A1+; reaffirmed
Total	3,410.37	3,410.37	

*Instrument details are provided in Annexure II, **carved out of working capital limits

Rationale

The ratings assigned to Triveni Engineering and Industries Limited (TEIL) have been reaffirmed, and the long-term rating has been removed from ‘watch with developing implications’, following the National Company Law Tribunal’s (NCLT) approval of the composite scheme of arrangement among Triveni Engineering and Industries Limited (TEIL; amalgamated/demerged company), Sir Shadi Lal Enterprises Limited (SSEL; amalgamating company), Triveni Power Transmission Limited (TPTL; resulting company), and their respective shareholders/creditors. Pursuant to the approval, SSEL — being a subsidiary of TEIL — has been amalgamated with TEIL, while the power transmission business (PTB) of TEIL will be transferred to TPTL on a going-concern basis. The amalgamation is driven by synergies arising from both TEIL and SSEL operating in the sugar and distillery segments, while the demerger will enable focused growth as PTB caters to a different customer/market segment. The appointed date for the amalgamation is April 1, 2025, while the demerger is effective from April 1, 2026. Post demerger, TEIL will retain a 29.88% stake in TPTL, thereby classifying TPTL as an associate of TEIL.

Despite the demerger of the PTB business, which contributed meaningfully to TEIL’s revenues and profitability, ICRA expects the company to maintain a healthy business and financial profile. This will be supported by its forward-integrated operations into distillery and co-generation, which provide alternative revenue streams and partially mitigate the inherent cyclicality of the sugar business. Further, the water business and the country liquor operations provide diversification and additional revenue support. Notably, over the years, the distillery segment — driven by ethanol blending opportunities — and the water business have been meaningful contributors to TEIL’s overall profitability, lending resilience to the earnings.

The ratings continue to positively factor in TEIL’s large scale of operations with a crushing capacity of 70,500 tonnes (including SSEL) of cane per day (TCD) and a distillery capacity of 860 kilolitres per day (KLDP). Further, ICRA expects the company to register modest revenue growth (excluding the PTB business) and maintain moderate margins over the medium term, supported by favourable sugar realisations and steady distillery operations, despite the increase in cane prices in SY2026. The company is also expected to maintain a comfortable capital structure and healthy debt coverage indicators, supported by steady accruals.

The ratings remain constrained by the vulnerability of TEIL’s profitability to the cyclical nature of the sugar industry and agro-climatic risks related to cane production. Further, the profitability of sugar mills, including TEIL, is exposed to the policies of

the Government of UP (GoUP) and the Central Government on cane prices, international trade, domestic quota, sugar and ethanol pricing and interest subvention loan for distillery capacity expansion.

The Stable outlook reflects ICRA's expectation that TEIL will sustain a healthy operational profile, supported by its integrated sugar, distillery and co-generation operations, which provide diversification and mitigate the cyclicity, along with contributions from the water business, and the comfortable liquidity and stable credit metrics.

Key rating drivers and their description

Credit strengths

One of the largest sugar producers in India with efficient operations - TEIL is one of the largest sugar manufacturers in the country with 70,500 TCD of sugar capacity, and it continues to have healthy gross recovery rates at 11.06% in SY2026 (PY: 10.80%) along with a net recovery rate of 11.06% in SY2026 (PY: 10.13%). The net recovery rate stood higher in SY2026, mainly because no sugar was diverted towards B-heavy molasses. Going forward, the cane crushing and recovery rates are expected to remain comfortable.

Forward-integrated operations and water business guard against cyclicity in sugar business - TEIL's operations are forward-integrated with a distillery capacity of 860 KLPD and a co-generation capacity of 104.5 megawatt (MW), which provide alternative revenue streams and offer cushion against the cyclicity in the sugar business. Moreover, a steady revenue contribution from the water business with an outstanding order backlog of ~Rs. 1,599 crore as on December 31, 2025, provides comfortable medium-term revenue visibility.

As of 9M FY2026, TEIL's revenue diversification has improved with the sugar business (including co-generation) accounting for ~55% of the company's gross revenue in 9M FY2026, compared to 75-80% historically. Distillery accounted for ~36% of the gross revenue in 9M FY2026 and the balance was derived from the water (3%) and power transmission businesses (4%). Despite the demerger of the PTB business, ICRA expects TEIL to maintain a healthy business and financial profile, supported by its distillery and co-generation operations, while the water and country liquor businesses provide additional diversification.

Strong capital structure and comfortable coverage metrics— The company maintains a healthy capital structure, reflected in a debt-to-equity ratio of 0.6x as on March 31, 2025 (PY: 0.5x). However, the decline in operating profitability in FY2025 led to a moderation in the coverage indicators, with the interest coverage at 5.7x (PY: 11.3x), total debt/OPBDITA at 4.1x (PY: 2.3x), TOL/TNW at 1.0x (PY: 0.8x), and DSCR at 2.2x (PY: 2.5x). The company's credit metrics are expected to improve in FY2026, supported primarily by an expected recovery in operating profitability.

Credit challenges

Profitability vulnerable to policy interventions by the Government - TEIL's profitability, along with that of the other sugar mills, continues to be vulnerable to the GoUP and the Central Government's policy on cane prices. Thus, the company's performance can be adversely impacted by a disproportionate increase in cane prices in any particular year. Further, the profitability remains vulnerable to the Government's policies on international trade, domestic quota, sugar MSP, remunerative ethanol prices and interest subvention loan for distillery capacity expansion. The continuation of Government support in the form of remunerative ethanol prices and interest subvention for the debt-funded distillery capex is likely to prevent the piling up of cane arrears. Further, the UP state-advised price (UP-SAP) has been revised upwards by Rs. 30/quintal for SY2026, which could limit the profitability, going forward. Nevertheless, firm domestic prices and increased contribution from ethanol supplies is likely to offset the risk to some extent.

Exposed to industry cyclicity and agro-climatic risks - Being an agri-commodity, the sugarcane crop is dependent on climatic conditions and is vulnerable to pests and diseases that may not only impact the yield per hectare but also the recovery rate. These factors can have a significant impact on the company's profitability. Further, high dependence on a single crop variety

may affect the yield and recovery rate. However, TEIL has been exploring other varieties to mitigate this risk to a certain extent. In addition, the cyclical nature in sugar production results in a volatility in sugar prices. However, the sharp downfall in sugar prices has been curtailed after the introduction of MSP by the Central Government in June 2018. Over the long term, the forward-integrated operations act as a cushion against the cyclical nature and support the company's cash flows.

Environmental and social risks

Environmental considerations - Sugar entities like TEIL are directly exposed to climate risks, which affect sugarcane production and yield. Further, excessive or deficient rainfall affects cane availability. However, the company's sugar facilities are in UP, which has high sugar recovery rates and a longer crushing season with adequate availability of cane, thereby mitigating the climatic risks to a certain extent. Nevertheless, the company remains exposed to raw material availability which can be impacted by red rot and unseasonal and heavy rainfall, as was seen in the recent past.

Social considerations - The worldwide societal shift to less sugar-intensive food products, considering the health issues related to high sugar consumption, could structurally reduce the demand for sugar products. However, such changes in consumer behaviour or any other drivers of change are expected to be relatively slow paced. Therefore, while TEIL remains exposed to the aforementioned social risk, it is not likely to materially affect its credit profile in the medium term, given the increasing sucrose diversion towards ethanol.

Liquidity position: Adequate

TEIL's liquidity position remains adequate, supported by healthy cash flow from operations compared to its debt obligations and an average drawing power cushion of ~Rs. 400 crore over the 12 months ended March 2026, indicating comfortable liquidity. While the higher inventory holding requirements may increase the working capital intensity, ICRA expects the liquidity to remain comfortable in the near term, with steady accruals likely to be sufficient to meet the annual consolidated debt repayment obligations of ~Rs. 123 crore in FY2027.

Rating sensitivities

Positive factors – An upgrade will be backed by a healthy increase in the scale of business and profitability coupled with the diversification in revenues, leading to an improvement in the debt coverage metrics while maintaining a strong liquidity position.

Negative factors – ICRA could revise the ratings downwards if there is any sharp decline in revenue and profitability along with a significant drop in the ethanol business that would weaken the debt coverage metrics. A specific metric that may drive an unfavourable rating action could be TOL/TNW above 1.2 times on a sustained basis.

Analytical approach

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

About the company

TEIL is an integrated sugar manufacturing company with a current cane crushing capacity of 70,500 TCD (including SSEL's capacity which is a subsidiary of TEIL), a distillery capacity of 860 KLPD (not including SSEL's distillery capacity of 100 KLPD) and a co-generation capacity of 104.5 megawatt (MW) spread across eight locations (including SSEL) in Uttar Pradesh (UP). TEIL forayed into the production of country liquor in FY2021, thus facilitating forward integration. It also has a water business division in Noida, which is involved in water treatment equipment and plants. The company provides water and wastewater treatment solutions to both industrial and municipal segments under EPC and PPP models.

Key financial indicators (audited)

Consolidated	FY2024	FY2025	9M FY2026*
Operating income	5,220.1	5,689.2	4,782.5
PAT	395.0	238.2	102.2
OPBDIT/OI	12.0%	8.4%	5.7%
PAT/OI	7.6%	4.2%	2.1%
Total outside liabilities/Tangible net worth (times)	0.8	1.0	-
Total debt/OPBDIT (times)	2.3	4.1	-
Interest coverage (OPBDIT/Interest expense) (times)	11.3	5.7	3.7

Source: Company, ICRA Research; * Result; All ratios as per ICRA's calculations; Amount in Rs. crore
 PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	FY2027		Date	FY2026	FY2025		FY2024	
		Amount rated (Rs. crore)	May 28, 2026		Rating	Date	Rating	Date	Rating
Fund based - Cash credit	Long term	1,825.00	[ICRA]AA+ (Stable)	Apr 04, 2025	[ICRA]AA+ Rating Watch with Developing Implications	Dec 19, 2024	[ICRA]AA+ Rating Watch with Developing Implications	Mar 28, 2024	[ICRA]AA+ (Stable)
				May 16, 2025	[ICRA]AA+ Rating Watch with Developing Implications	-	-	-	-
Fund based - Term loan	Long term	326.93	[ICRA]AA+ (Stable)	Apr 04, 2025	[ICRA]AA+ Rating Watch with Developing Implications	Dec 19, 2024	[ICRA]AA+ Rating Watch with Developing Implications	Mar 28, 2024	[ICRA]AA+ (Stable)
				May 16, 2025	[ICRA]AA+ Rating Watch with Developing Implications	-	-	-	-
Non-fund based - Others	Short term	958.44	[ICRA]A1+	Apr 04, 2025	[ICRA]A1+	Dec 19, 2024	[ICRA]A1+ Rating Watch with Developing Implications	Mar 28, 2024	[ICRA]A1+
				May 16, 2025	[ICRA]A1+	-	-	-	-

Commercial paper	Short term	100.00	[ICRA]A1+	May 16, 2025	[ICRA]A1+				
Commercial paper	Short term	200.00	[ICRA]A1+	Apr 04, 2025	[ICRA]A1+	Dec 19, 2024	[ICRA]A1+ Rating Watch with Developing Implications	Mar 28, 2024	[ICRA]A1+
				May 16, 2025	[ICRA]A1+	-	-	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA-rated instruments that fall under the regulatory purview of various Financial Sector Regulators (FSR) are as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA that fall under the regulatory purview of various Financial Sector Regulators (FSR) are as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

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	Simple
Commercial paper	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 II: 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	2023-2025	7.5%-8.1%	2026-2031	326.93	[ICRA]AA+ (Stable)
NA	Long term – Fund based - Working capital facilities	NA	NA	NA	1,825.00	[ICRA]AA+ (Stable)
NA	Short term - Non-fund based - Working capital facilities	NA	NA	NA	958.44	[ICRA]A1+
INE256C14HO5	Commercial paper	April 17, 2026	6.70%	June 25, 2026	50.00	[ICRA]A1+
INE256C14HP2	Commercial paper	April 23, 2026	6.60%	June 29, 2026	50.00	[ICRA]A1+
Yet to be placed	Commercial paper	NA	NA	NA	200.00	[ICRA]A1+

Source: Company

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

Annexure III: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Triveni Engineering Ltd	100%	Full consolidation
Triveni Energy Systems Ltd	100%	Full consolidation
Svastida Projects Limited	100%	Full consolidation
Triveni Entertainment Ltd	100%	Full consolidation
Triveni Industries Limited	100%	Full consolidation
Triveni Sugar Limited	100%	Full consolidation
United Shippers & Dredgers Limited	100%	Full consolidation
Gaurangi Enterprises Limited	100%	Full consolidation
Triveni Power Transmission Limited	100%	Full consolidation
Sir Shadilal Enterprises Limited	61.77%	Full consolidation
Triveni Sports Private Limited	50.00%	Equity method
Triveni Foundation (Section 8 company)	100%	Full consolidation
Mathura Wastewater Management Private Limited	100%	Full consolidation
PALI ZLD PVT LTD (PALI)	100%	Full consolidation

Source: Company

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