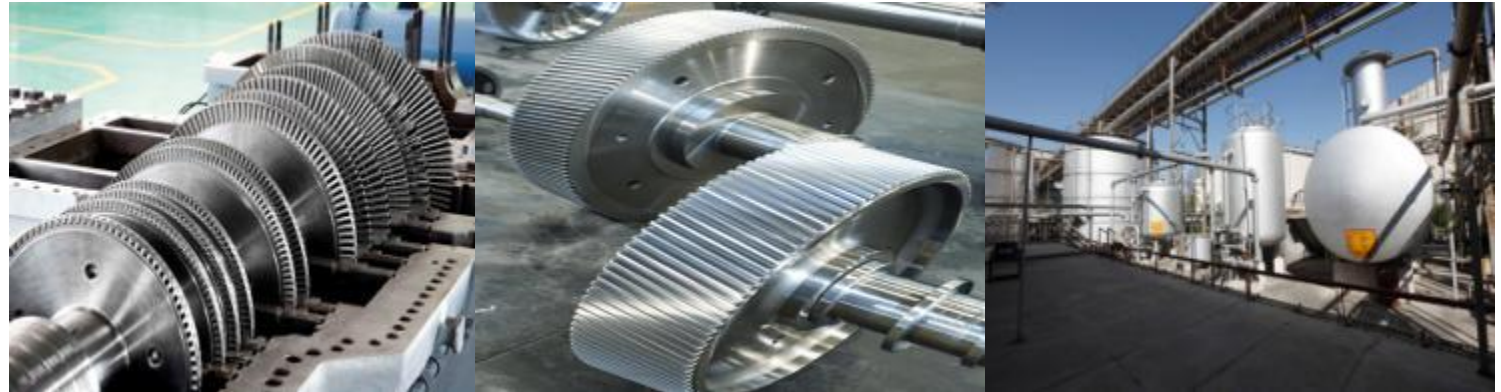


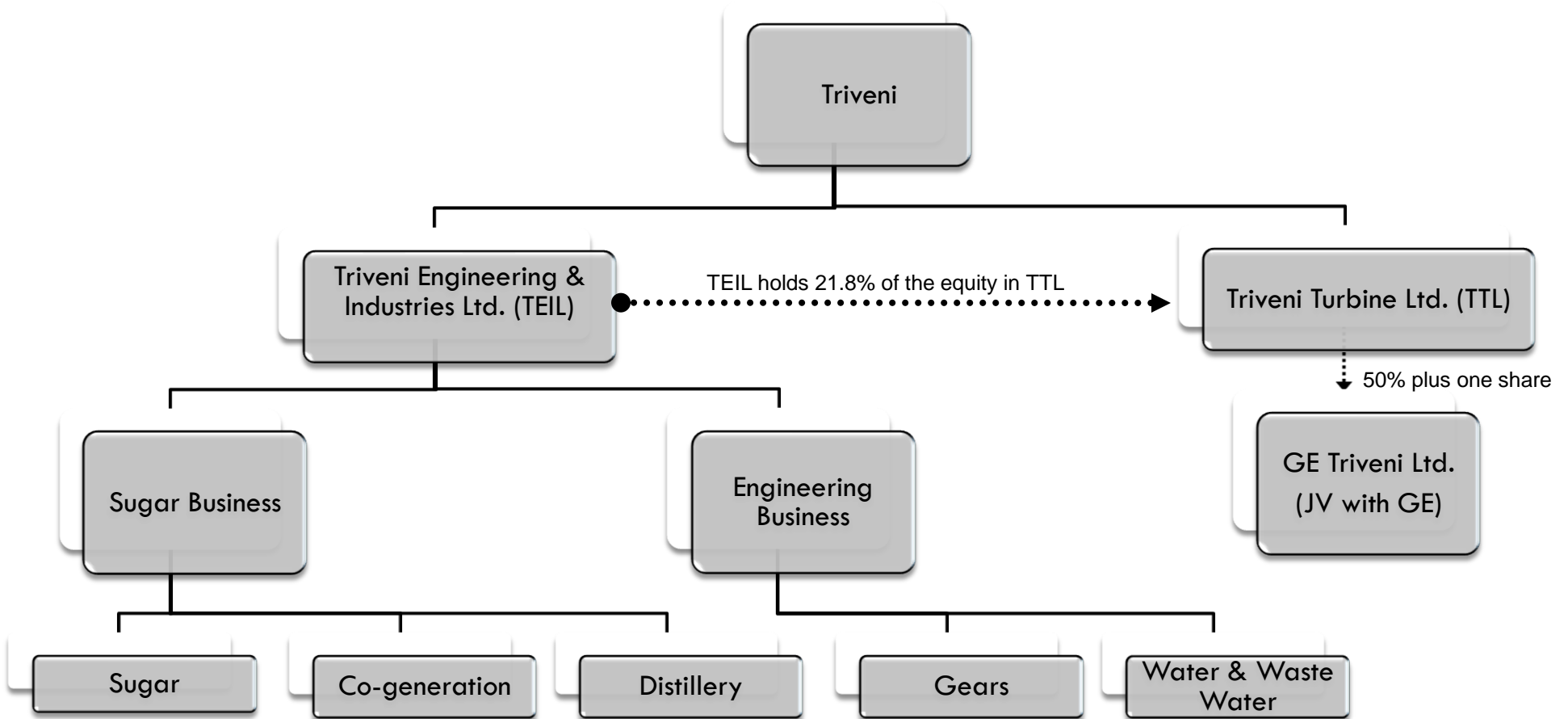


## **Triveni Engineering & Industries Ltd. Corporate Presentation - August 2011**



# Triveni – Organization Structure

2



# Triveni – Fact Sheet

3

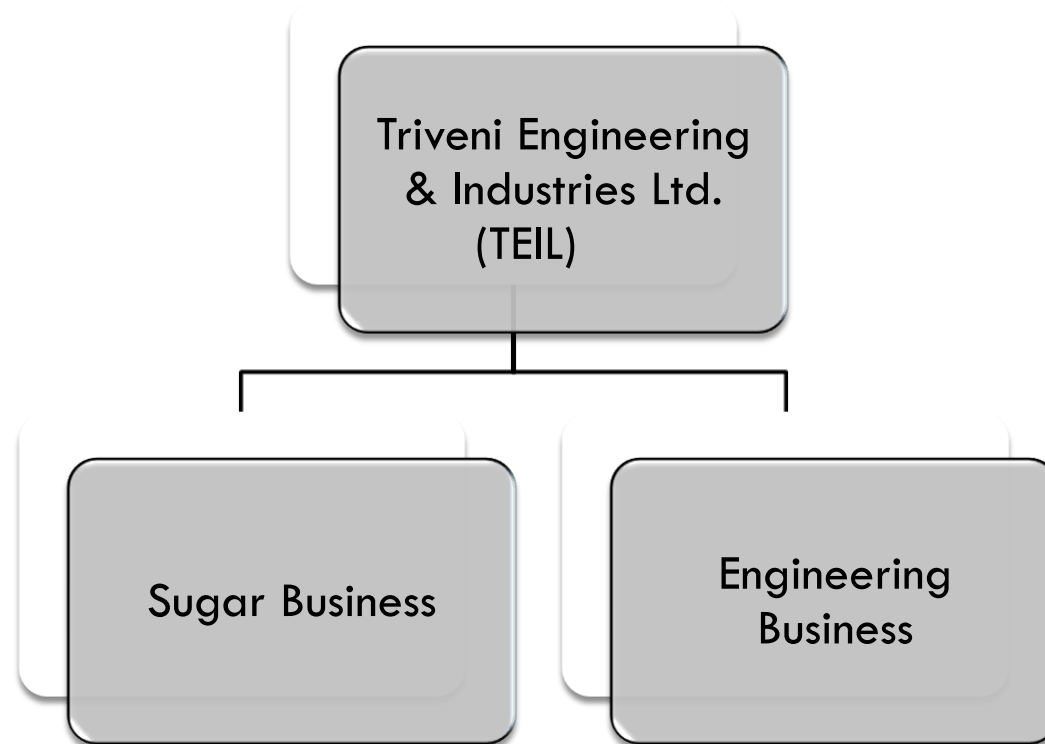
Two Independent  
companies –  
Triveni Engineering &  
Industries Ltd.  
*(Listed)*  
and  
Triveni Turbine Ltd.  
*(Under Listing Process)*

Promoter  
driven, professionally  
managed company

Eminent and  
independent Board  
of Directors

Pan India Presence

# Triveni Engineering & Industries Ltd. (TEIL)



# Engineering Business

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## **Gears Business**

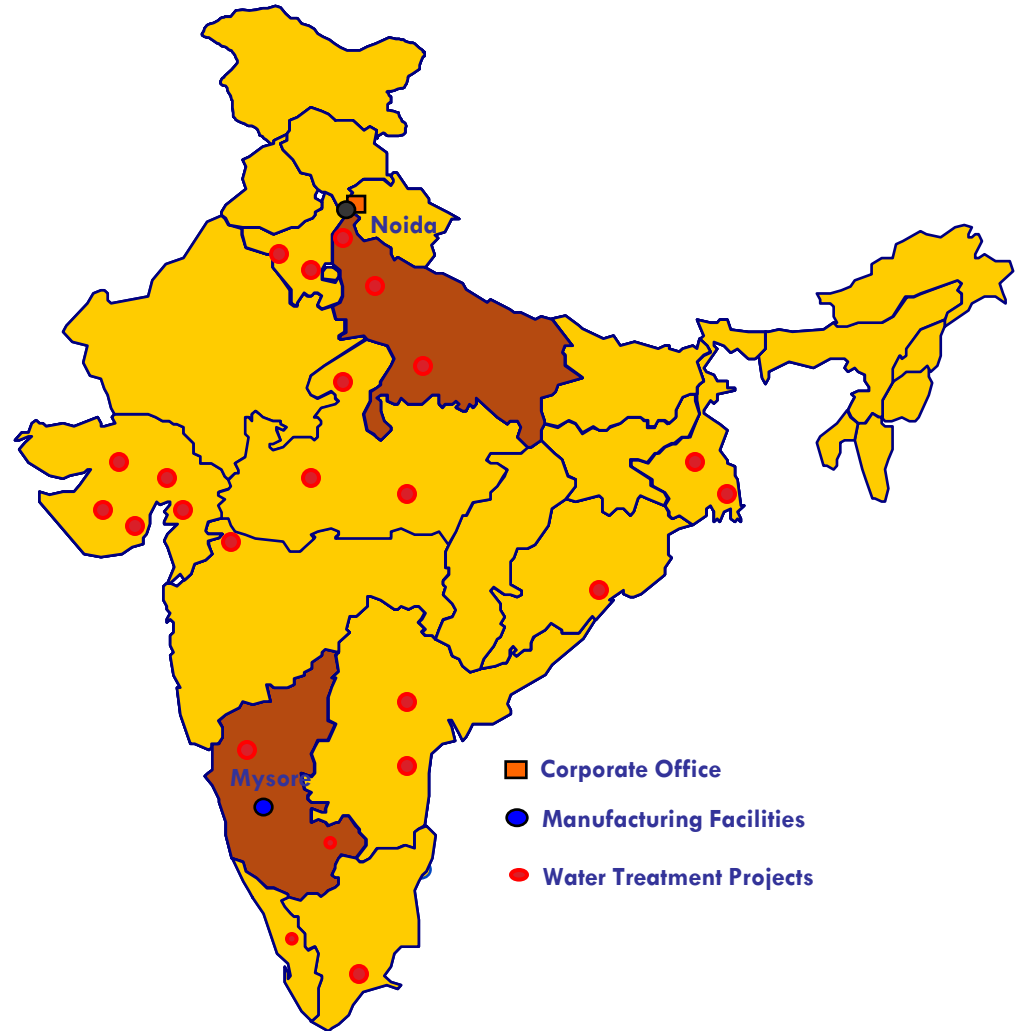
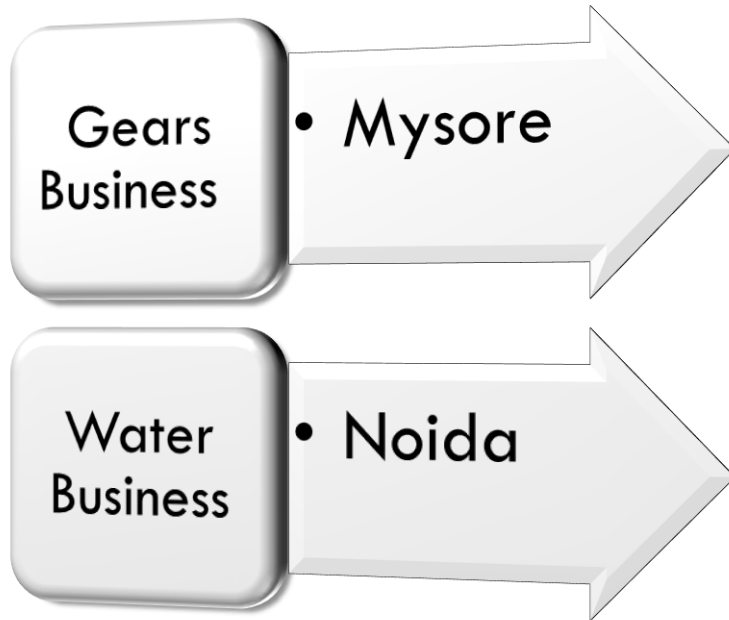
- Largest manufacturer of High speed gears & gear boxes in India

## **Water Business**

- A leading player in the high technology water & waste water business

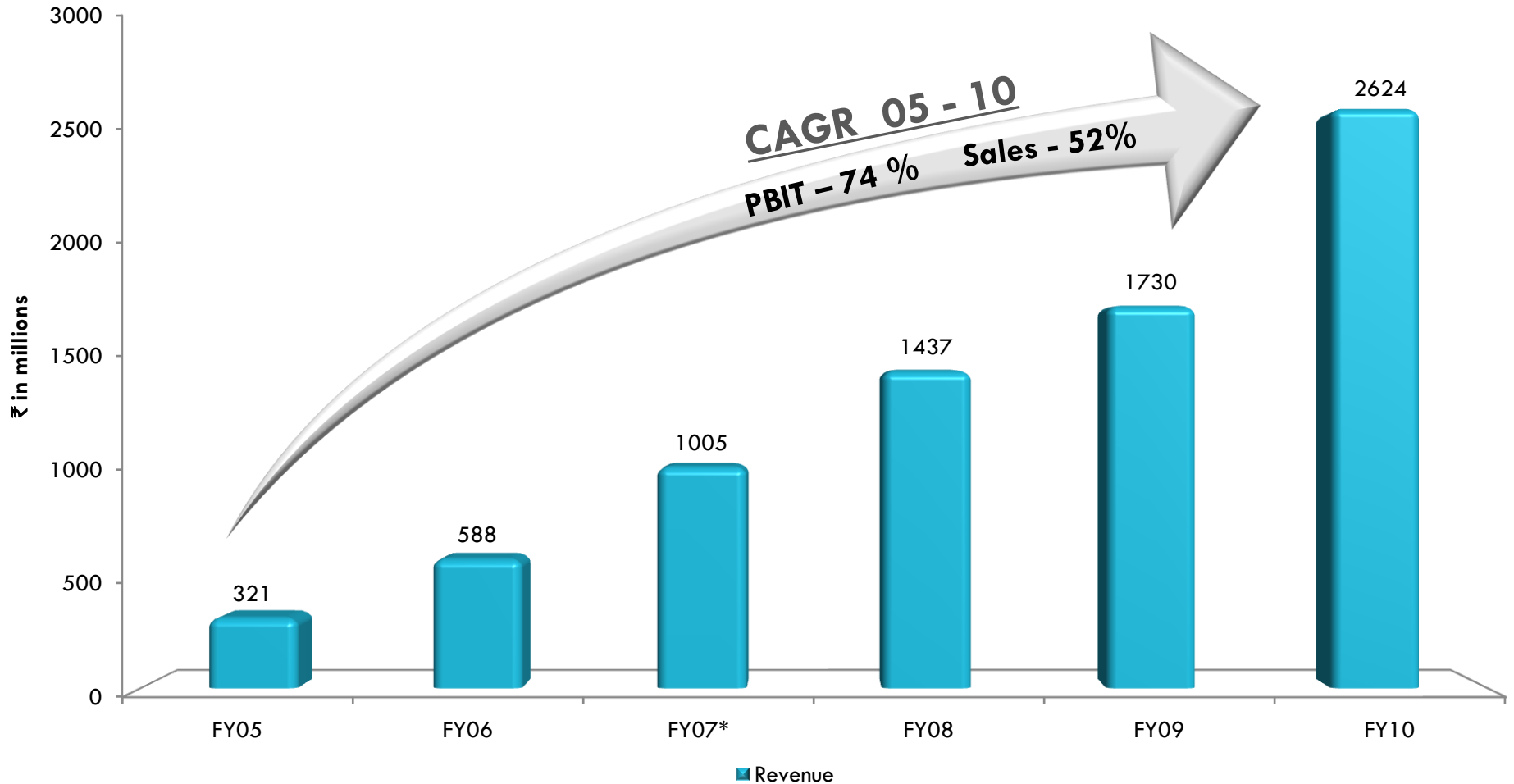
# Engineering Business - Pan India Presence

6



# Engineering Business – Revenue Growth

7



FY07\* - 12 months period from Oct 06 – Sep 07

# Gears Business Group – Business Perspective

8

- Triveni is in the business of design, manufacture and marketing of customised gears and gearboxes.
- State of the art design and manufacturing facility at Mysore.
- Conforms to international standards such as DIN, API & AGMA - DIN 3 quality assured.
- About 60% market share in complete high speed gear market across applications up to 70 MW capacity and speeds of 70,000 rpm.
- The high speed gear range for steam, gas, pumps and compressor applications.
- Own developed technology for high speed gear boxes upto 7.5 MW.
- Indigenously developed 6 MW hydel gearbox.
- Range above 7.5 MW-62 MW is manufactured using technology licensed from Lufkin.
- Renewed the License Agreement with Lufkin for a further period of 12 years with extended product range and geographies -
  - Product range includes Steam Turbine gear boxes upto 62 MW, gear boxes for compressors and load gear boxes for gas turbines apart from gear boxes for mechanical drives like Pumps, Fans and Blowers driven by Electric Motor, Steam Turbine or Diesel Engine.
  - Geographies extended to cover major markets in South East Asia such as Malaysia, Indonesia, Singapore, Thailand with the possibility of enhancing territories in the future.
- Full range to be manufactured in Mysore.

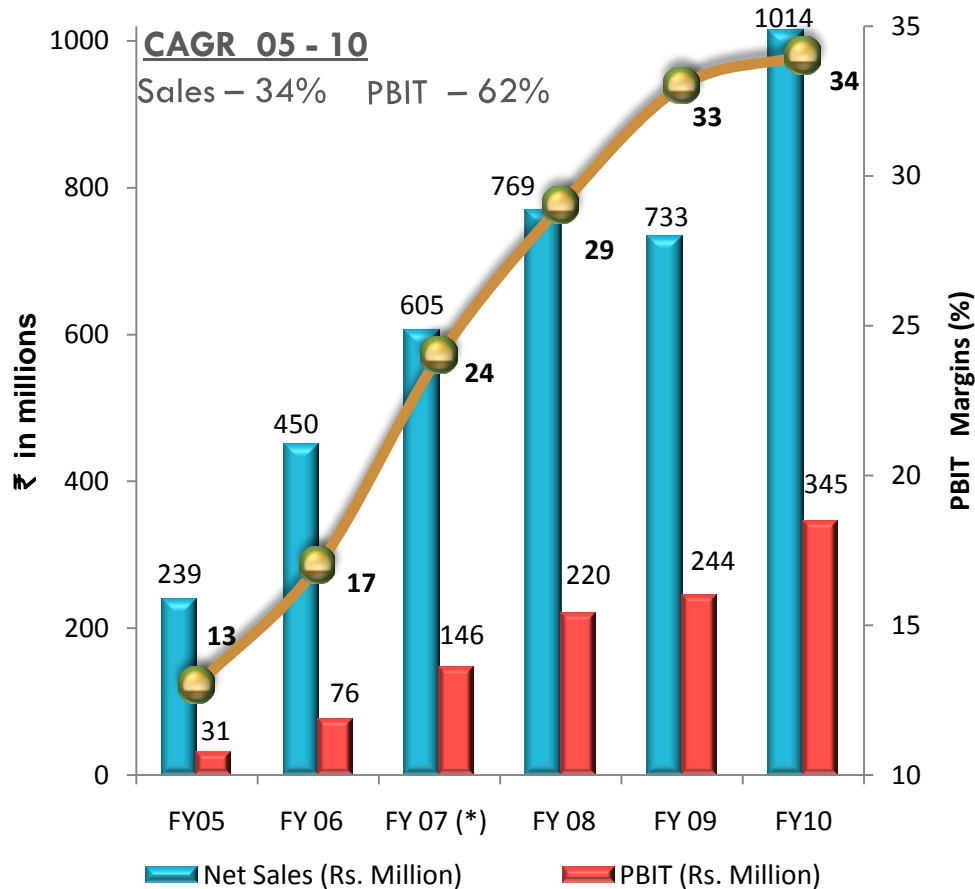
# Gears Business Group – Low Speed Gear Technology License Agreement

- On 22nd July 2011, the company signed the Technology License Agreement for manufacture of niche engineered-to-order high technology low speed gear applications with Lufkin
- The agreement envisages transfer of technology for four industrial segments viz., Rubber & Plastics, Metals and Steel, Marine and Coal pulverizer application in the thermal power plants.
- The company will be undertaking the marketing of these products and its after-market operations in India and other major SAARC countries and several countries in Africa.
- The total market opportunities for the low speed gears applications in the above mentioned four segments in these countries are estimated at around ₹ 5 billion, with an annual growth of ~ 15%. The agreement is for a period for seven years and has provisions for expanding products and markets in the future.
- This will enable the gears business to expand its product portfolio significantly by catering to the needs of low speed gear applications in four growing industrial segments. The association with Lufkin, an established brand in these segments, will help us to launch these products into Indian market quite expeditiously and successfully.

# Gears Business Group - Financial Performance

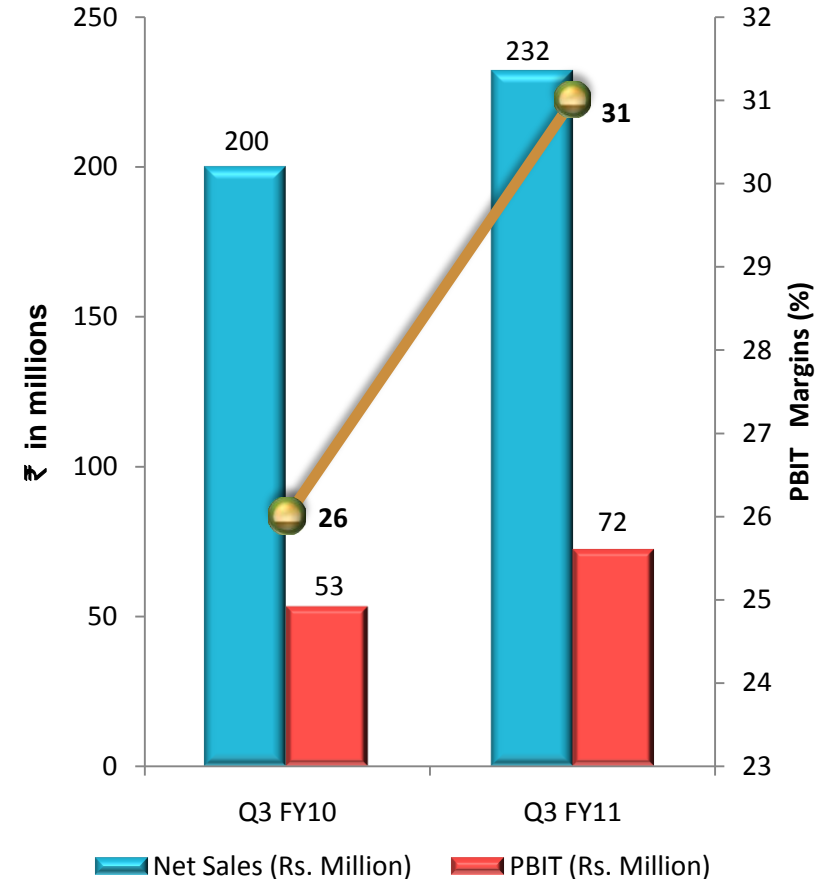
10

Past Performance



FY07\* - 12 months period from Oct 06 - Sep 07

Q3 FY11 v/s Q3 FY10 Performance



■ Outstanding Order Book as on 30<sup>th</sup> June 2011 - ₹ 800 million

# Water Industry – Potential To Grow

11

- ❑ Rising Water Demand to double by 2025 from 2000 levels - Growth potential in coming years in both major segments – Municipal and Industrial
- ❑ Asian development bank & World Bank are actively promoting privatisation and commercialisation of water - through sector restructuring loans, urban water supply loans and urban infrastructure loans
- ❑ Annual estimated market for Water/Waste Treatment is ~ ₹ 54 billion with an estimated growth of 13% between 2010-13
- ❑ Jawaharlal Nehru National Urban Renewal Mission (JNNURM ) – annual estimated water related schemes of ₹13-15 billion
- ❑ 62,374 MW of new power generation capacities to be added in the 11th five year plan; Annual estimated market size of ₹ 10-13 billion for water business
- ❑ Major expansion and capacity additions envisaged in steel, coal etc. – estimated annual market of ₹ 7-12 billion
- ❑ High cost & scarcity of water driving manufacturing industry to have In-house water management and water recycling programs
- ❑ Stricter regulations for environmental compliance in terms of effluent and pollution control

# Water Business Group - Business Perspective

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- ❑ Technology association with world's leading technology providers for various products, process & solutions such as Ultra filtration (UF), Reverse Osmosis (RO), Moving Bed Bio Reactor (MBBR) etc.
- ❑ One of the widest ranges of products & technologies offered in the Indian Market.
- ❑ Indigenous Product lines include clarifiers, aerators, filters, membrane solutions, de-watering equipment and high purity water systems.
- ❑ Over 2000 numbers of process equipments for water & waste water treatment applications, supplied and commissioned till date.
- ❑ Undertaken the largest desalination plant for a power plant.
- ❑ Undertaken sewage recycling to boiler feed quality water project
- ❑ Currently executing the largest plant in the country involving UF for surface water treatment and largest globally for MBBR technology. Project includes operations and maintenance contract for a ten year period.
- ❑ With the visibility of a fast growing market, WBG expected to grow consistently in future.

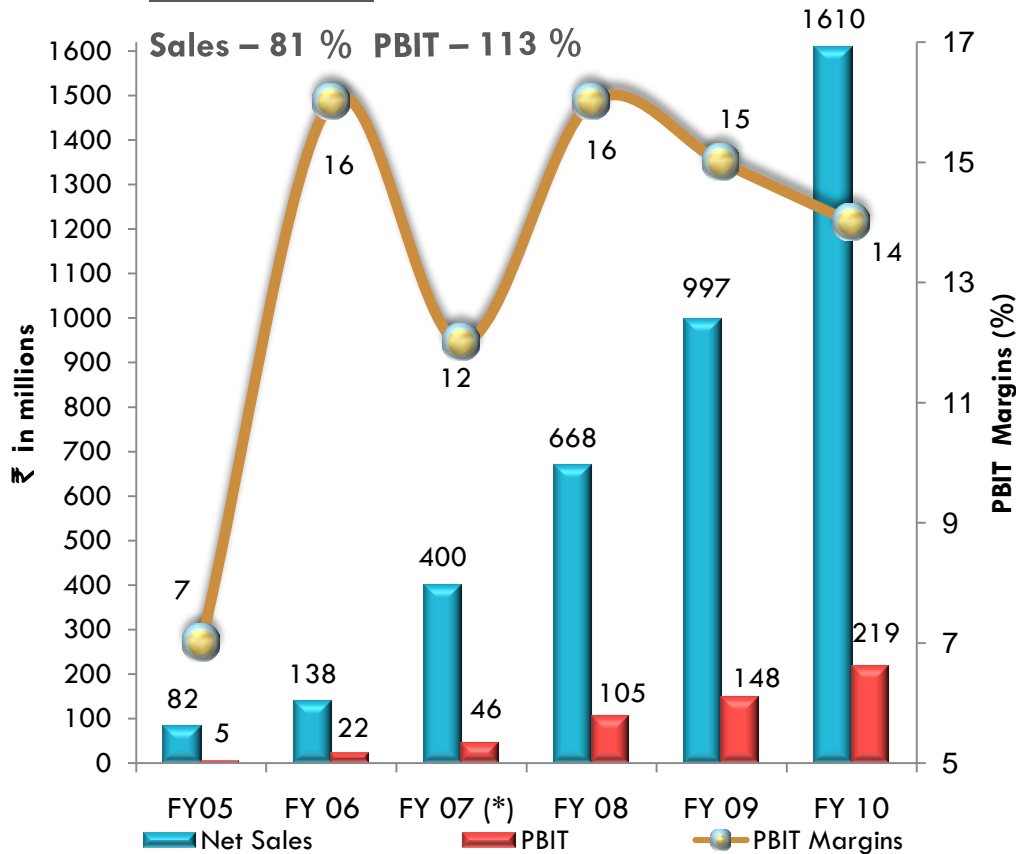
# Water Business Group - Financial Performance

13

## Past Performance

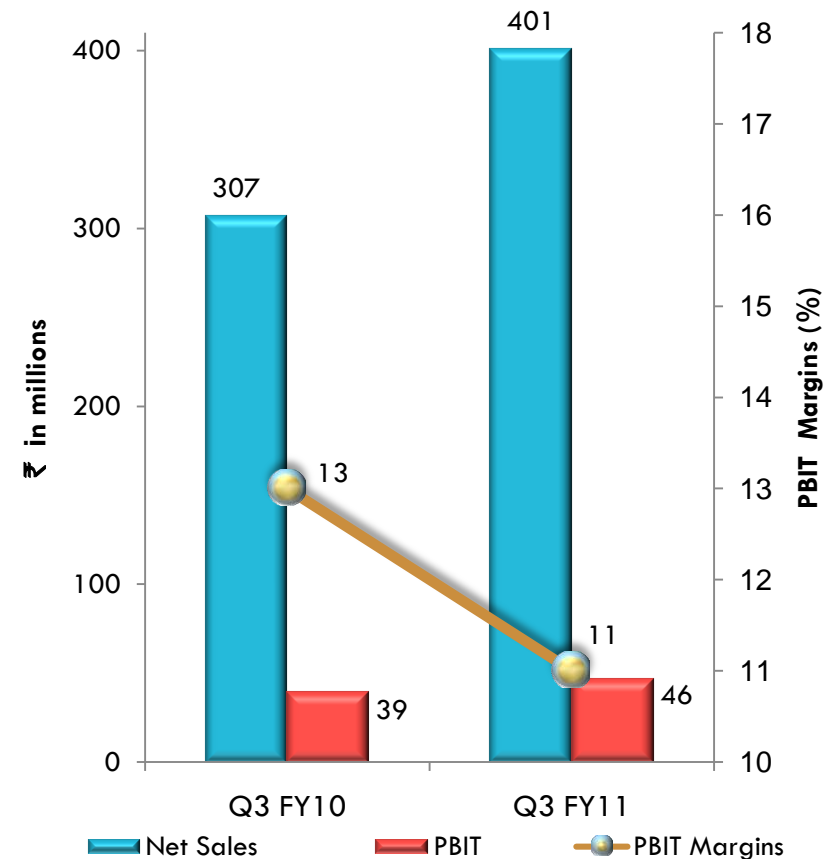
### CAGR 05 - 10

Sales – 81 % PBIT – 113 %



FY07\* - 12 months period from Oct 06 – Sep 07

## Q3 FY11 v/s Q3 FY10 Performance



■ Outstanding order Book as on 30<sup>th</sup> June 2011 - ₹ 5.07 billion

# Sugar Business

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## Sugar Business

- One of the largest sugar producers in India – 61000 TCD capacity

## Co-generation Business

- 68 MW of state of the art co-generation facility; with one 22 MW plant having multi-fuel capability

## Distillery Business

- One of the largest single stream molasses based distillery in the country with a capacity of 160,000 LPD

# Sugar Industry Overview

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## Global:

- ❑ As per the current estimates, Brazil may crush 535 million tonnes which is lower than the earlier estimates by about 40 million tonnes.
- ❑ Due to increasing volume of flexi fuel vehicles and higher oil prices, the utilization mix for sugarcane between sugar and ethanol in Brazil expected to remain more and less at 43:57.
- ❑ International sugar scenario currently indicates firm sugar prices. Current high sugar prices globally is driven by the logistics issues in Brazil as well as the estimates of year-on-year lower production in Brazil.

## Indian:

- ❑ India sugar production for 2010-11 estimates at ~ 24.2 million tonnes – lower than the initial estimates of 25.5 million tonnes.
- ❑ Sugar consumption to be buoyant at 22-22.5 million tonnes; Exports under ALS (1.2 million tonnes) and OGL (1.0 million tonnes); Additional exports of half a million tonnes approved in mid august 2011.
- ❑ Country's sugar balance at 30<sup>th</sup> Sept 2011 - to be more or less at opening levels of ~ 5 million tonnes.
- ❑ The preliminary estimates for sugar planting in the country has been higher by 10% from 4.98 million hectares to 5.47 million hectares; in U.P. the estimates indicate 2.32 million hectares under planting as against 2.10 million hectares in 2010-11 which is an increase of 10.5%.
- ❑ Ethanol blending programme stabilized as per plan; Pricing expected to be linked with petrol prices – would be a big positive for sugar companies.
- ❑ Overall U.P.'s sugar production higher by 13% in the current sugar season.; Skewed regional production in UP with Central UP increase at 44%; West U.P. – 0%, East U.P. (– 8%).

# Domestic Production & Consumption of Sugar

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(Figures in million tonnes)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
						(Est)
Opening Stock as on 1st Oct.	4.0	4.3*	11.0	10.4	4.4	5.0\$
Production during the Season	19.3	28.3	26.3	14.5	18.9	24.2
Imports	-	-	-	2.5	4.0**	0
Total Availability	23.3	32.6	37.3	27.4	27.3	29.2
Off-take						
I) Internal Consumption	18.5	19.9	21.9	23.0	21.3#	22.0
ii) Exports	1.1	1.7	5.0	0.02	0.2	2.2
Total offtake	19.6	21.6	26.9	23.0	21.5	24.2
Closing Stock as on 30th Sept.	3.7	11.0	10.4	4.4	5.8	5.0##
<b>Stock as % of Off take</b>	<b>20.0%</b>	<b>55.3%</b>	<b>47.7%</b>	<b>19.2%</b>	<b>27.2%</b>	<b>22.7%</b>

Note: "Years" mentioned are sugar years and not calendar years. The sugar year is from October to September

• Adjustment made as per .Central Excise Certificate : \*\* Includes import of raw & white sugar : # Based on net release : \$ As per the govt. data

• ## Without considering the latest half a million exports approval

Source: ISMA/Company Estimates

**Closing stock taken as a percent of consumption is one of the indicators of sugar price movement.**

# Sugar – Key Differentiators

17

• Major facilities located in cane rich areas of Western Uttar Pradesh with more than 80% cane intensity – fertile and irrigated land

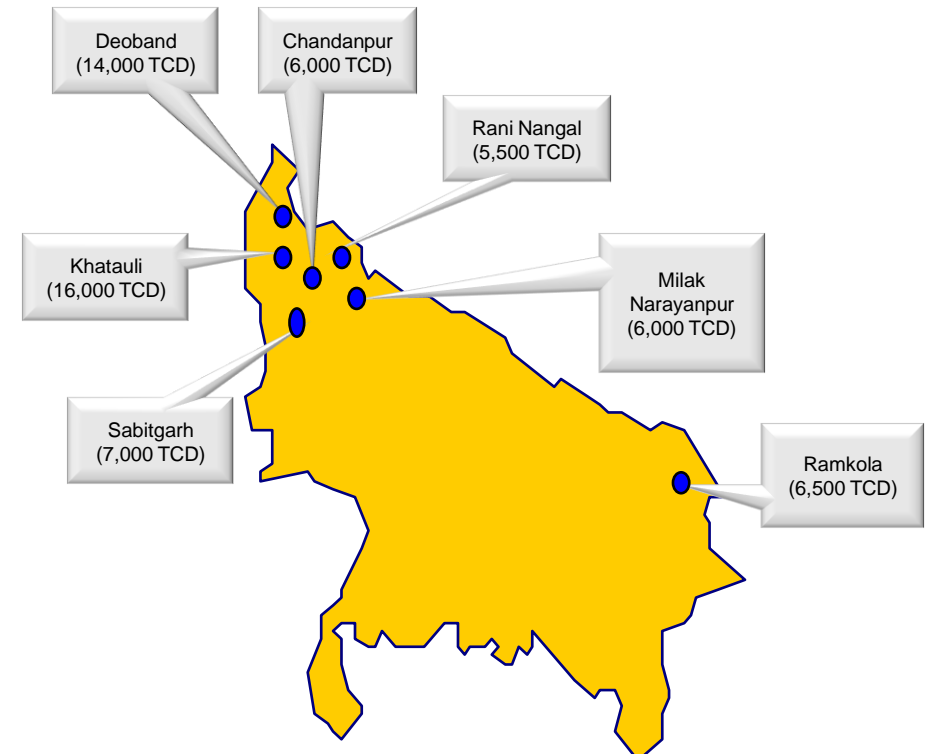
• Sugar cane catchment area for all sugar units under canal irrigation – both in Western & Central Uttar Pradesh - Lower dependency on monsoon

• Closer to country's major sugar consuming markets - better realizations & lower transportation cost

• Long term relationship with ~ 250,000 farmers

• Extensive sugar cane development programme – to develop new areas under cane cultivation in our new locations; improving yields of cane across the units

## SUGAR PLANT LOCATIONS



# Sugar - Performance

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## Sugar Season 2010-11

- ❑ For 2010-11 season, Government has revised the levy obligation from 20% to 10%.
- ❑ SAP announced by UP Government was ₹ 205 per quintal for normal variety and Mills paid as per SAP.
- ❑ Triveni's seven sugar units put together crushed 4.56 million tonnes of sugarcane and manufactured ~ 0.42 million tonnes of sugar.
- ❑ Average Recovery during 2010-11 season has been 9.21% which is higher in comparison to the 9.10% of previous season of 2009-10.
- ❑ Intensive cane development efforts are on for improving yields of sugar cane for farmers and also making the cane available for crushing by the mills.

## Q3/9M FY 2010-11

- ❑ Sugar despatches during 9M FY 11 was higher at 350.13 (000 MT) compared to the corresponding period of previous year.
- ❑ The average free realisation during Q3 FY 11 was at ₹ 27,882 per million tonne. The sugar prices were not sufficient to meet the average cost of production resulting in loss at PBIT level.

	FY 05	FY 06	FY 07 (*)	FY 08	FY 09	FY 10
Net Sales (₹ in millions)	7676	8663	7605	8863	12529	14055
PBIT (₹ in millions)	1404	1351	(900)	359	2023	(573)
PBIT Margins (%)	18	16	NM	4	16	NM
Sugar Manufactured (000 t)	384	381	591	580	336	505

FY07\* - 12 months period from Oct 06 – Sep 07

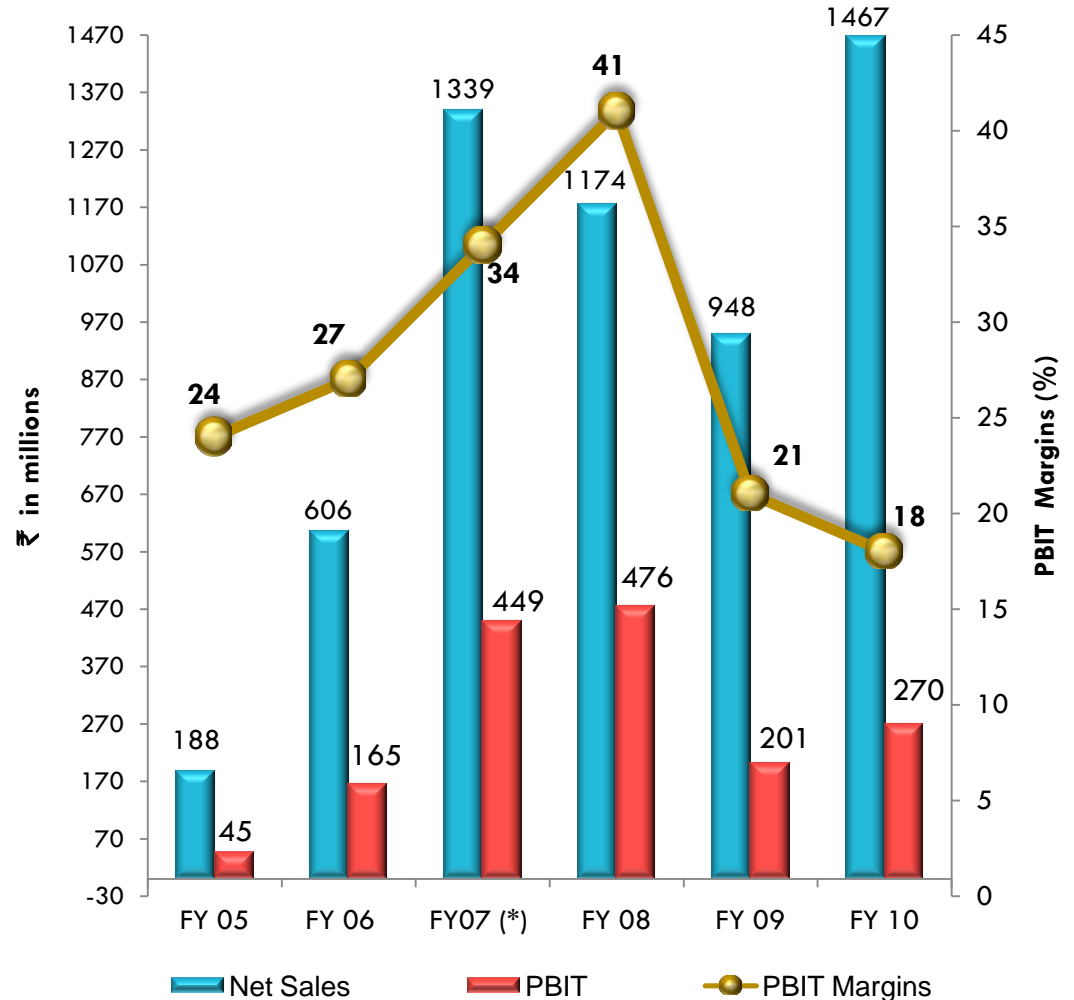
# Sugar Business – Co-generation Business

19

68 MW of co-generation capacity; three plants in two sugar units of Khatauli & Deoband.

## Q3/9M FY 2010-11:

- Achieved net sales of ₹1143 million while PBIT stood at ₹ 366 million with 32% PBIT margin during 9M FY 11.
- 195 million units of power was generated during 9M FY11 out of which 128 million units were exported to the grid.
- The business entitled for Carbon Credits for two of its units – revenue from the sale of CERs accrued from April 08 is expected in Q4 FY 11. (87860 CERs for Deoband and around 51000 CERs for Khatauli)
- There were minimal operations during the quarter due to paucity of raw material.



FY07\* - 12 months period from Oct 06 – Sep 07

# Sugar Business - Distillery Business

20

- Integration of Sugar operation – value addition of by-product – molasses.
- 160 KLPD distillery, commissioned in April 2007, is one of the largest single stream molasses based distillery in the country and is located at Muzaffarnagar.
- Ideally located to use the molasses from two of the major units viz., Khatauli & Deoband.
- In the short span of time, started producing one of the country's best quality ENA.

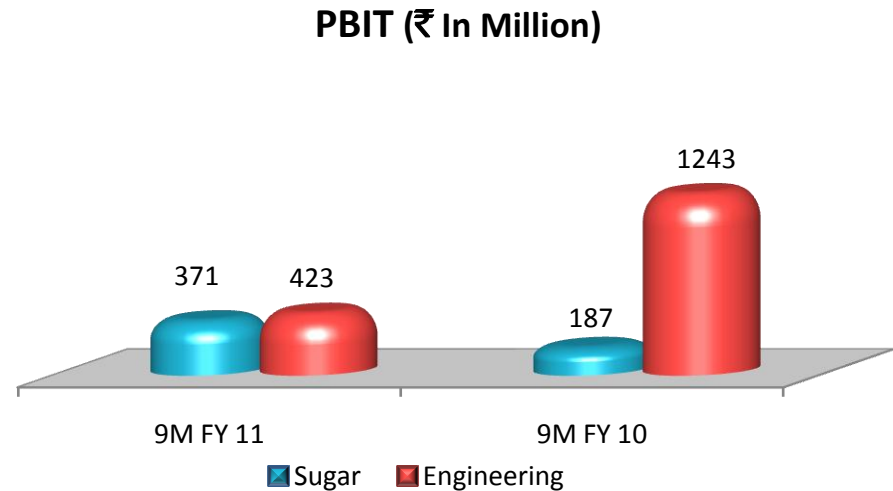
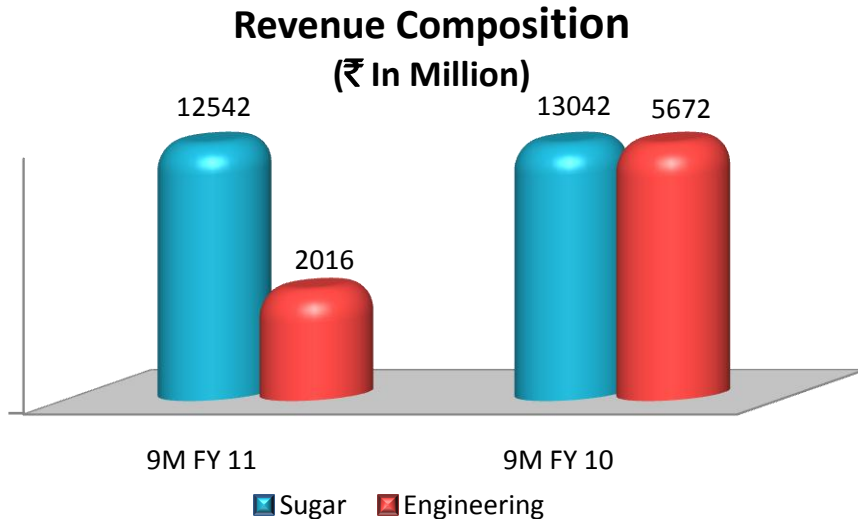
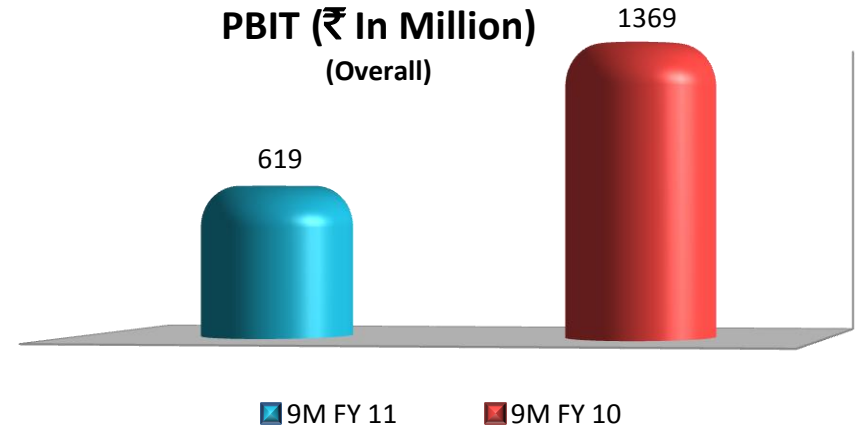
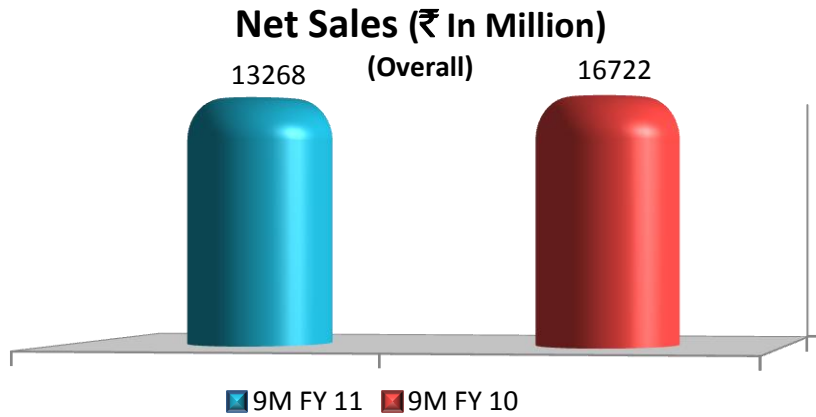
## **Q3/9M FY 2010-11:**

- The company has contracted over one third of its estimated distillery production for 2010-11 for ethanol supplies to oil companies.
- Distillery operated for about 17 days during Q3 FY11. It is now proposed to start the operations by end August will continue into the season 2011-12.
- During 9M FY 11 net sales stood at ₹ 572 million.
- Average realization during 9M FY 11 was ₹ 28.29/ltr.

# 9M FY 11 Financial Results

(Note: The financials for 9M FY 11 do not include the financials of Steam Turbine business and are not comparable with the previous period/s)

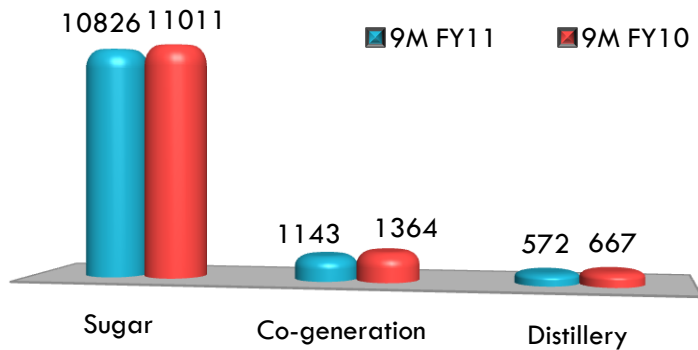
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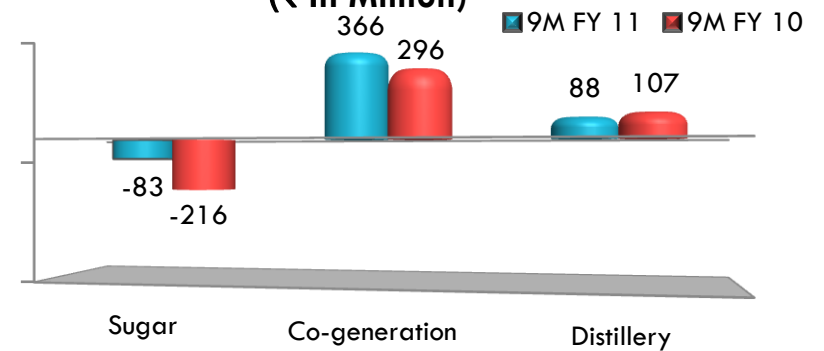
# 9M FY 11 Financial Results

22

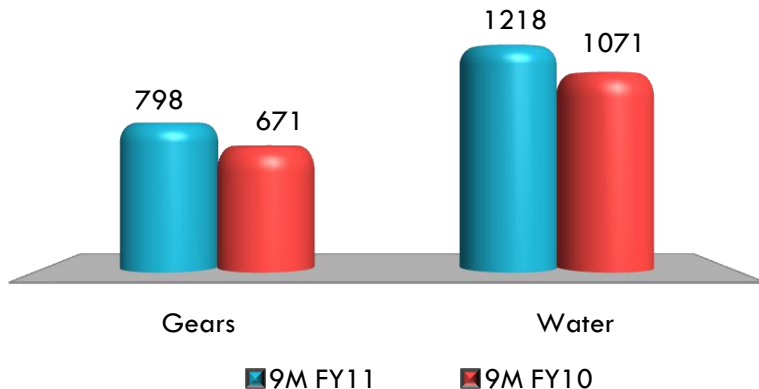
**Net Turnover – Sugar Business**  
(₹ In Million)



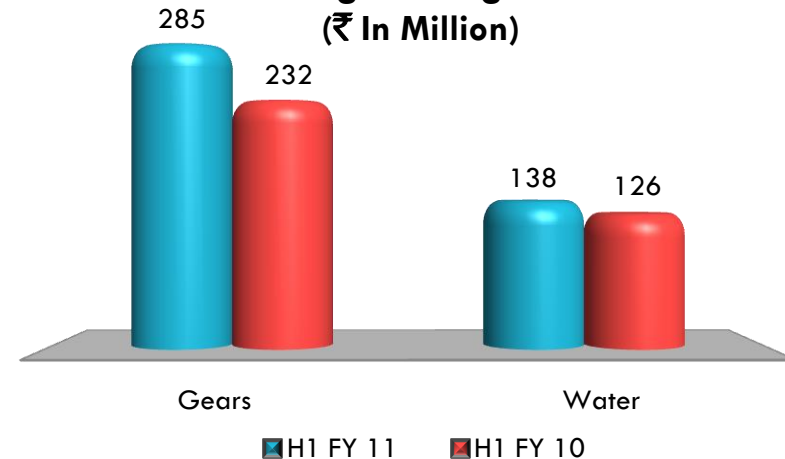
**PBIT – Sugar Business**  
(₹ In Million)



**Net Turnover – Engineering Business**  
(₹ In Million)



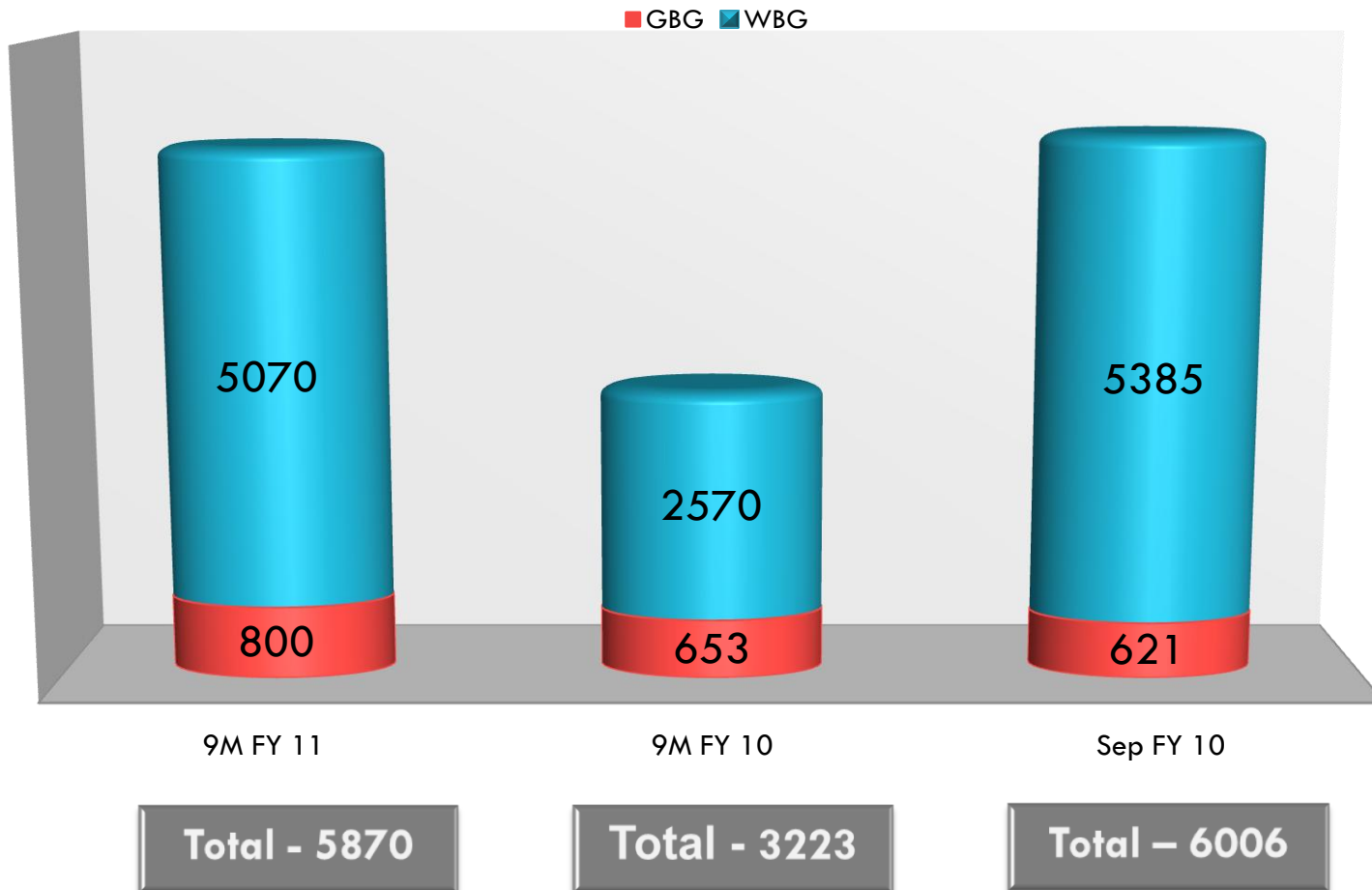
**PBIT – Engineering Business**  
(₹ In Million)



# 9M FY 11 Financial Results

23

## Order Book in Millions



# Triveni Turbine Ltd. (TTL)



# Demerger of Steam Turbine Business into Triveni Turbine Limited (TTL)

25

- Board of Directors approved the demerger of Turbine Business from Triveni Engg & Ind Ltd (TEIL) in March 2010.
- The demerged entity is Triveni Turbine Limited (“TTL”) (formerly known as Triveni Retail Ventures Ltd.).
- The scheme of arrangement involving demerger of the steam turbine business to Triveni Turbine Limited (TTL) was approved by Hon’ble High Court at Allahabad and has become effective 21.04.2011 from the appointed date on 01.10.2010.
- Pursuant to the scheme, equity shares have been issued and allotted by TTL to the shareholders of the company, on record date i.e. May 4, 2011, 1 (one) Equity Share of ₹ 1/- each credited as fully paid up in TTL for every 1 (one) Equity Share of ₹ 1/- each fully paid-up held by them in the capital of TEIL. TEIL is also holding 72 million equity shares of ₹ 1/- each in TTL, 21.8% of the total holding. The total equity capital of TTL is ₹ 330 million
- TTL has filed required documents/ information with the stock exchanges for getting the TTL shares listed and received the in-principle approval from both BSE and NSE and are awaiting the SEBI approval for the listing.

# TTL - Pan India Presence

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# Power Generation Market

27

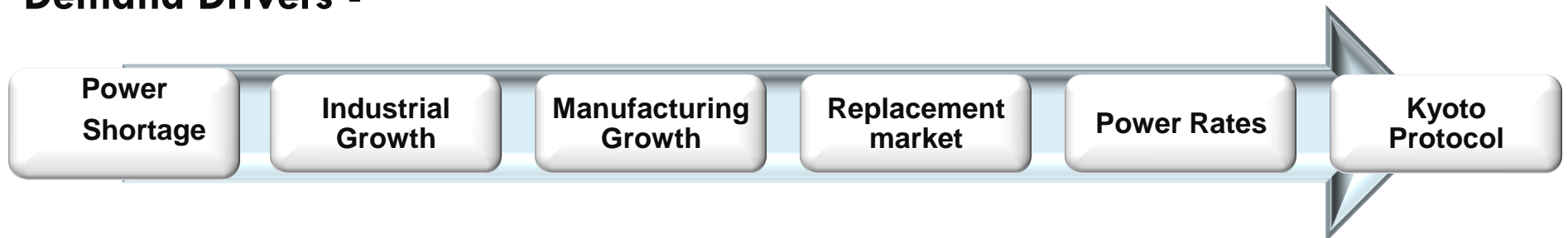
## Market Characteristics -

- Premium on shorter deliveries
- Purchase decision based on high levels of technology, efficiency & lower life cycle cost
- Price sensitive market
- Strong servicing capabilities and lifetime relationship with the customer is expected
- Robust designs, typically suited for the Indian market are in demand

## Annual Market for Turbines -

The Conservative domestic demand estimate for steam turbines upto 30 MW is about 2250 MW per annum including additions on account of growth, fulfilment of gap and replacement

## Demand Drivers -



# Power Generation – Potential To Grow

28

- Gap between power requirement and generation getting wide
  - Growing renewable energy market
  - Huge potential for Biomass based power generation
- Costly fuel source to influence replacement of DG to TG sets; thrust on co-generation
- Current industrial power consumption – generation gap to be bridged – focus on captive power generation
- Additional power requirement in the country estimated at 62,374 MW in 11<sup>th</sup> five year plan; incentivisation for surplus generation and allowing open access sale of power at remunerative prices

# TTL - Business Perspective

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- ❑ Cater to wide range of customers across segments like sugar, paper, co-gen, textiles, pharma, steel, IPP.
- ❑ Consistently upgrading the product range and efficiency.
- ❑ The current range of product up to 30MW.
- ❑ Manufacturing since 1968; over 2,500 turbines manufactured and sold since inception.
- ❑ Highly efficient turbines with indigenously developed tapered twisted blades.
- ❑ Fully integrated operations with strong Engineering & Design team.
- ❑ Facility equipped with state of the art equipments and machine tools best in the industry.
- ❑ Strong in-house R&D team and tie-ups with leading international design and R&D establishments.
- ❑ In-house learning centre – to create pool of technical team for design, engineering and servicing.
- ❑ Consistently maintained dominant market share. Commands over 60% of market share for range up to 30 MW.

# TTL - Customer Care & Refurbishing

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## Customer Care

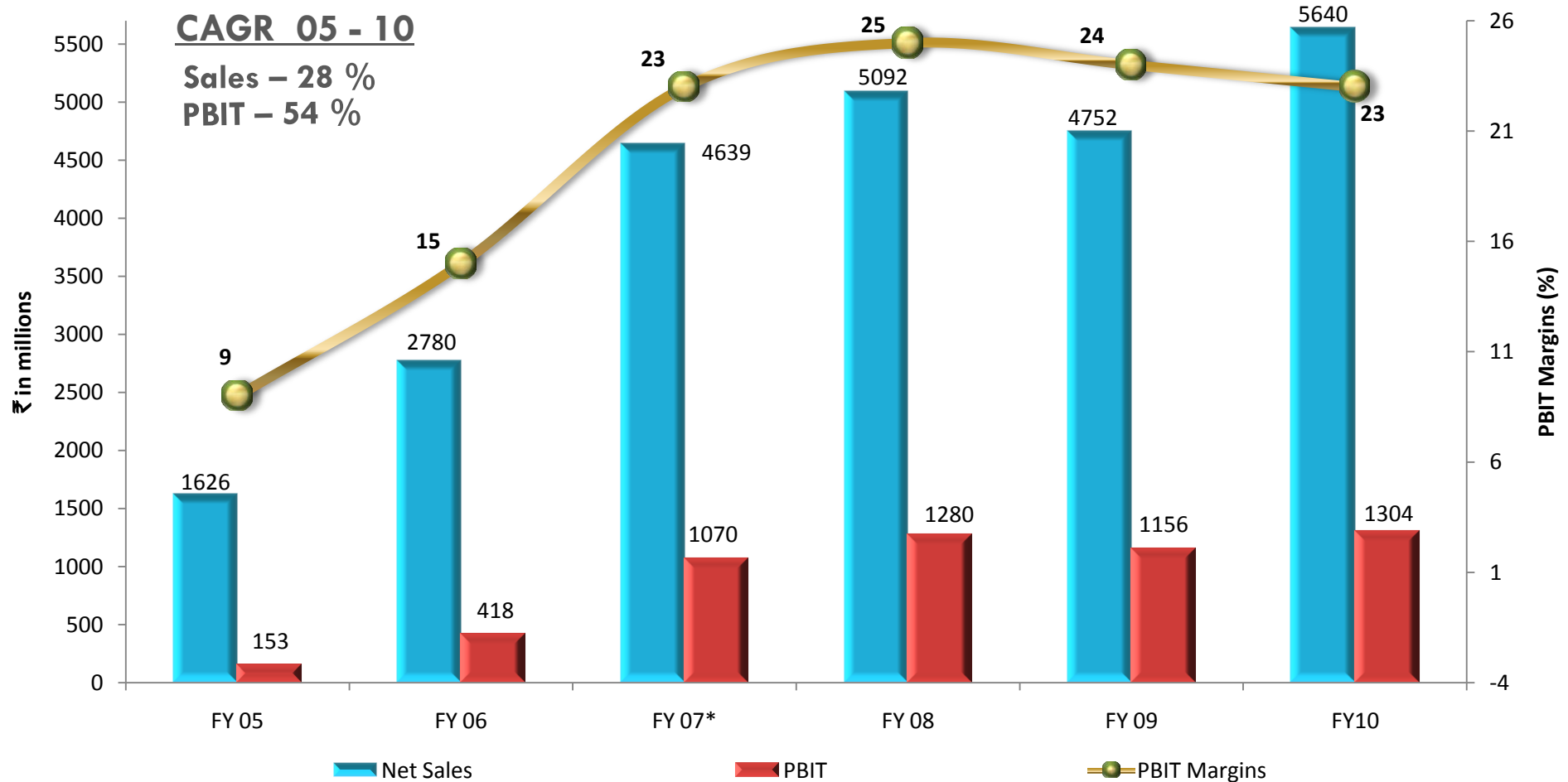
- ❑ An extensive network of 13 Service centres.
- ❑ A strong team of 180 service professionals.
- ❑ Reaching the customer site within 24 hours of service call.
- ❑ Currently over 900 turbines serviced annually.

## Refurbishing

- ❑ Full speed vacuum balancing tunnel for balancing turbines, compressors/alternators – can undertake higher sizes up to 200 MW depending on specifications.
- ❑ Refurbishment & Residual Life Assessment of all makes of turbines, compressors etc.; Overhauling & troubleshooting.
- ❑ Customization & upgradation of old turbines for both industrial and utility segments in India and Asia Pacific market.

# Financial Performance - Steam Turbine Business

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FY07\* - 12 months period from Oct 06 – Sep 07

**Outstanding Order Book as on 30<sup>th</sup> June 2011 – ₹ 5.51 billion for 937 MW**

# Performance – TTL

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	<b>Q1 FY 11</b> <b>Apr - June 2011</b>	<b>Q1 FY 10 (#)</b> <b>Apr - June 2010</b>
Net sales	1611	1368
EBITDA	367	344
EBITDA Margin	23%	25%
Depreciation	28	26
PBIT	339	318
PBIT Margin	21%	23%
Interest	23	30
PBT	316	288
PBT Margin	20%	21%
PAT	213	

# Performance of Turbine business under Triveni Engg & Ind. Limited

# Joint Venture with General Electric (GE)

33

- ❑ Triveni formed a Joint Venture with GE for the turbine business on 15<sup>th</sup> April 2010. GE Triveni Ltd. (GETL) headquartered in Bengaluru, will design, manufacture, supply, sell and service advanced technology steam turbines in India in the range above 30-100MW range for power generation applications in India and globally.
- ❑ GETL to get technology and on-going R&D support from GE and TTL and will use TTL's Bengaluru facility for turbine manufacturing.
- ❑ The vision of both partners is to make GETL a global leader in above 30—100 MW segment.
- ❑ The market for this range is currently estimated at around \$2.5 billion globally of which domestic market is about \$300 million.
- ❑ TTL holds one extra share with both parties having equal representation on the board; GETL a subsidiary of TTL.
- ❑ GETL became operational after fulfilment of all closing formalities including signing off all ancillary agreements and subscribing to the share capital of GETL by both the partners on 3<sup>rd</sup> of November 2010.
- ❑ GETL's operational activities started with key managerial personnel in position.
- ❑ Strong enquiry book both in domestic and international markets and GETL started quoting against these enquiries. Expect to have domestic and international order-booking in the next two quarters.

# Contact

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## **DISCLAIMER:**

Some of the statements in this presentation that are not historical facts are forward looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate.

These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

Further, this presentation may make references to reports and publications available in the public domain. Triveni Industries Ltd. makes no representation as to their accuracy or that the company subscribes to those views / findings.