

OUTLOOK FOR INDUSTRIAL GEARS & DEFENCE INDUSTRY AND OUR POWER TRANSMISSION BUSINESS

Gears Industry and Triveni Gears Business Outlook

- Outlook for domestic product segment within high-speed gears is promising across key sectors:
 - **Sugar and Distillery:** The Steam Turbine Generator (STG) market is expected to grow in the smaller power range for Sugar and Distillery sector. The ethanol production capacity in India currently is ~1,000 crore litres, which is expected to go up by 25% to 1,250 crore litres by the end of 2023. In order to achieve the target of 20% blending by 2025, ~1,000+ crore litres of ethanol will be required. With ~300+ crore litres for other usage, there is need to create capacity of ~1,700 crore litres, assuming that the plants operate at 80% efficiency.
 - **Oil & Gas:** The domestic Oil & Gas sector is doubling the refining capacity by 2030, leading to gearbox requirements for Steam Turbines, Gas Turbines, Pumps and Compressors. India's oil consumption is forecast to rise from 4.05 MBPD in FY 22 to 7.2 MBPD in 2030. Consumption of natural gas in India is expected to grow by 25 billion cubic metres (BCM), registering an average annual growth of 9% until 2024.
 - **Steel and Cement:** Infrastructure growth is providing stimulus for expansion of Steel and Cement for Waste Heat Recovery (WHR). Cement companies are on an expansion spree and are expected to add 80-100 million tonnes (mt) of fresh capacity by FY 25 despite the looming challenges of rising input cost and uncertainty on the demand front. The Union Cabinet approved a ₹ 6,322-crore PLI scheme in July 2022, to boost the production of speciality steel in India. The Government aims to double the country's annual crude steel making capacity to 300 million tonnes from 150 million tonnes at present.
 - Growing potential is seen in the **Waste-to-Energy (WtE)** through agricultural and municipal waste.
- Focus on market share gains in product segment, especially from the international market through greater promotion of technology and thrust on new and existing customer relationships.
- Increasing footprint to capture high-growth opportunities for Aftermarket segment through a combination of own efforts and expanding the agents' network.

Collaborating with global technology OEMs in select areas for participation in marine propulsion gearboxes aligned to the naval & coastguard requirements

- In the Defence segment, the business expects increased order booking from key segments of Gas Turbines packaging, gearboxes and special application pumps, where the key activities of qualifications and Request For Proposal (RFP) have progressed considerably in the last couple of years.

Defence Industry and our Defence Business Outlook

- Development of in-house technology, engineering & design for propulsion shafting, for marine application, is under way.
- Collaborating with global technology OEMs in select areas for participation in marine propulsion gearboxes aligned to the naval & coastguard requirements.
- Expanding portfolio of special application pumps with indigenous design and development.
- Indigenous manufacturing and assembly of Base Frame and Acoustics Enclosure for propulsion gas turbines for naval marine application.
- New multi-modal Defence facility is planned to be commissioned by early 2024 in Mysuru, and will cater to the assembly and testing needs for a wide range of defence equipment, starting with the ones for Naval marine application. The modern facility shall cater to all the current and future development programmes that the Company is venturing into. The master plan shall cater for expansion in future into Army and Air Force projects as well.
- Triveni-PTB is developing multiple product lines for Naval applications, like Stabilizers, Light Weight Gearboxes, Propulsion Shafting & System, Steering Gear and Special Application Pumps for a range of marine platforms. Aggressive efforts are on for enlistment with Navy & Coast Guard as approved vendor.
- Triveni-PTB is foraying into small power Gas Turbine Generators for Naval Marine application in collaboration with world renowned OEMs.