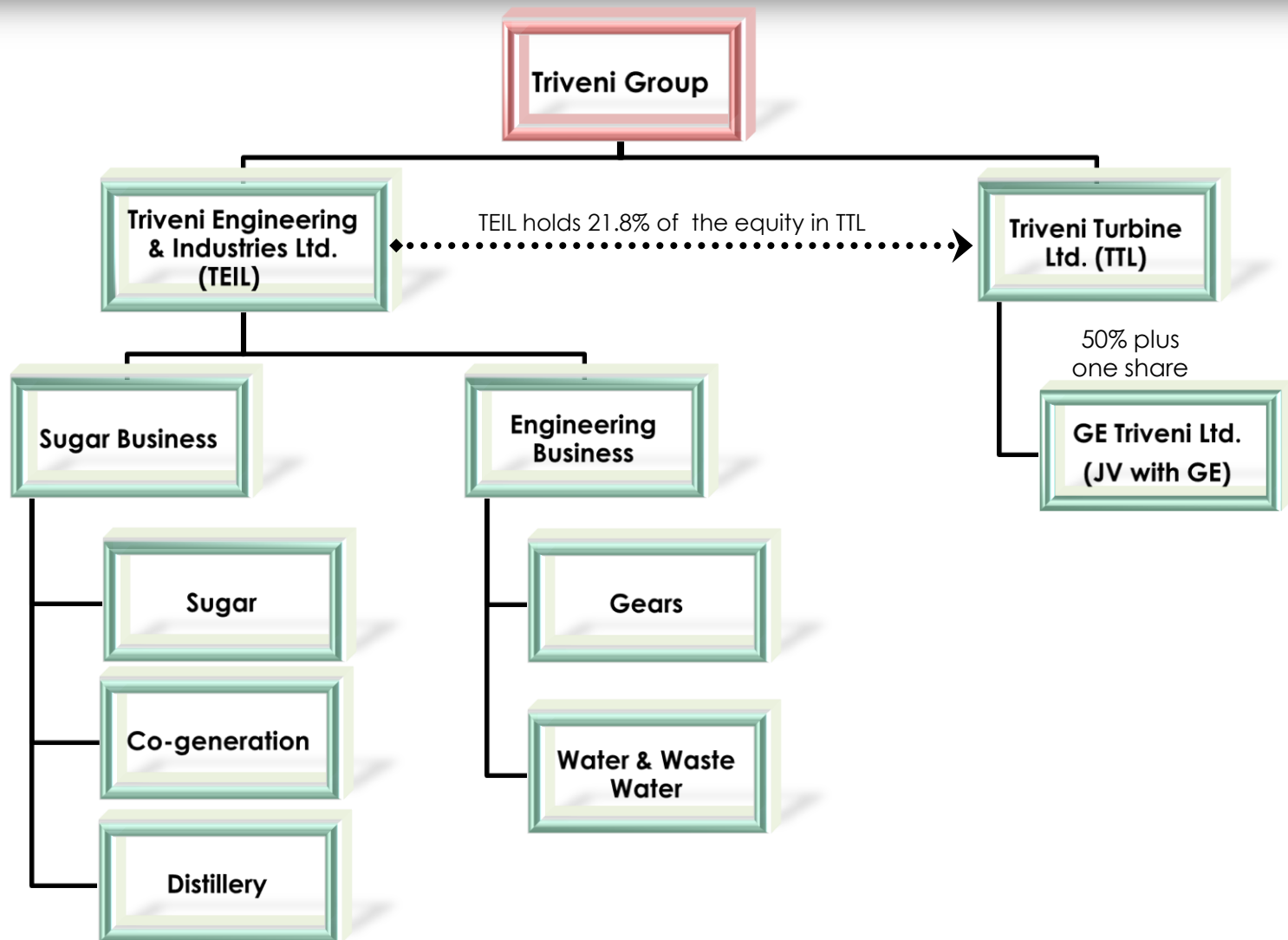




# Triveni Engineering & Industries Ltd.

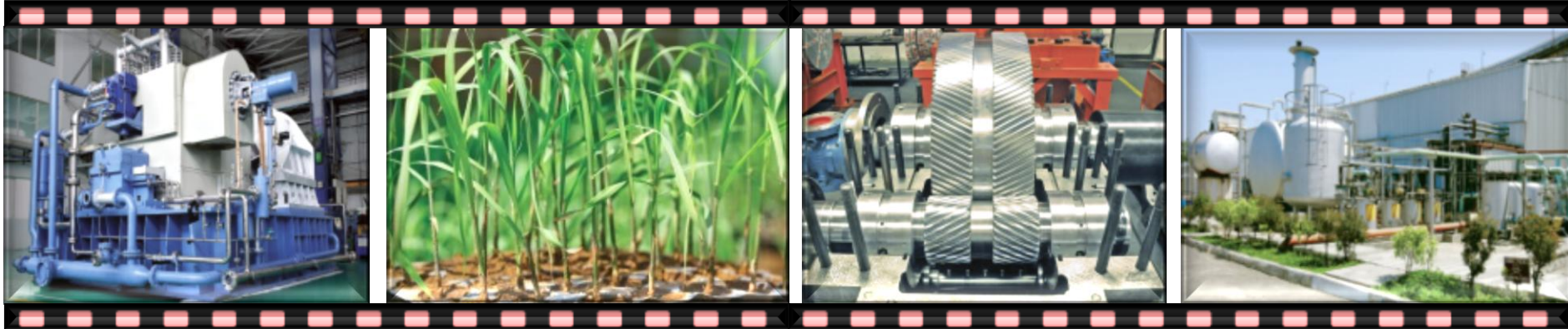
CORPORATE PRESENTATION H1 FY13

# Triveni Group Organisation Structure

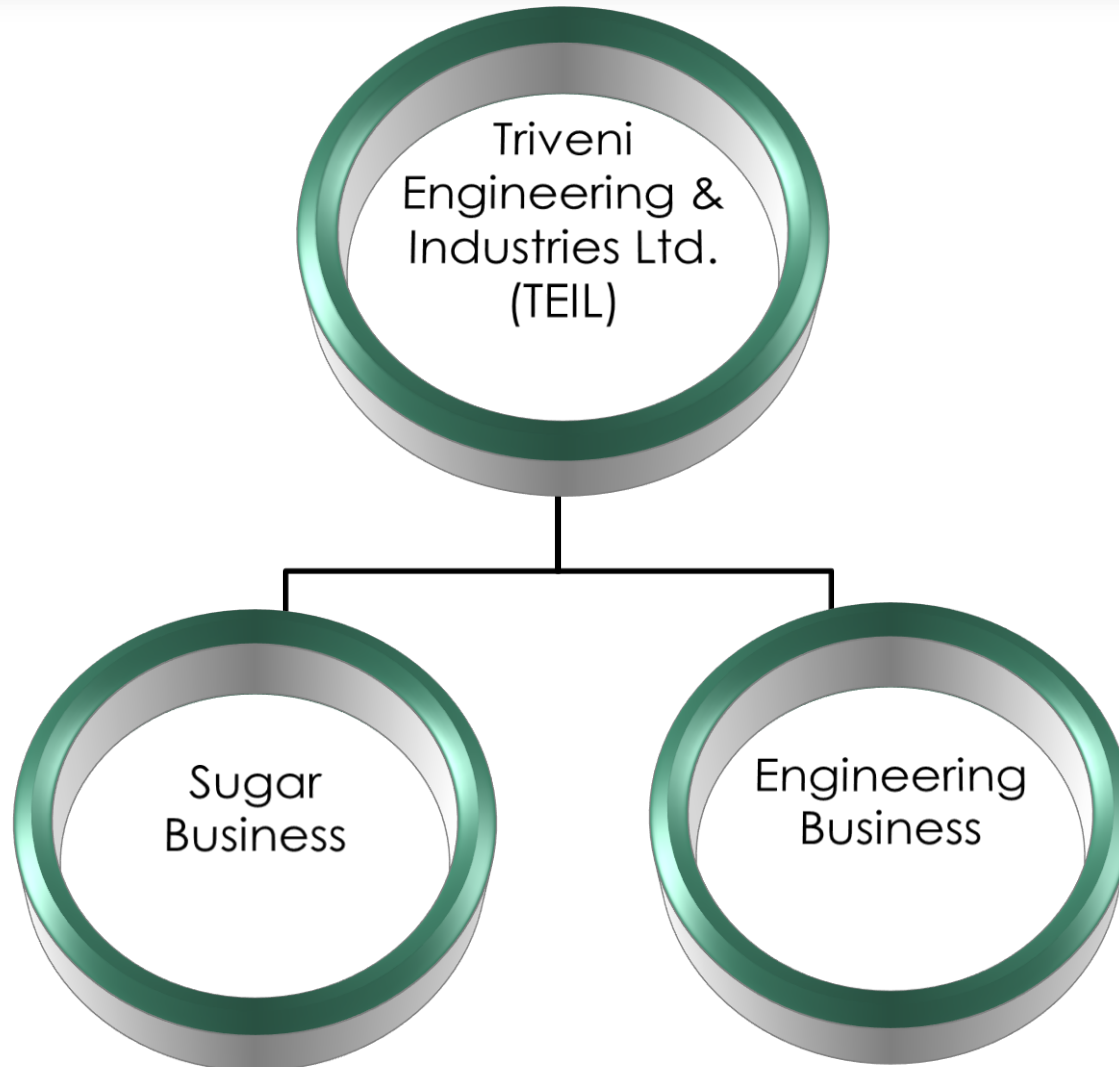


# Triveni Group Fact Sheet

- ❑ Two Independent Listed Companies – Triveni Engineering & Industries Ltd. and Triveni Turbine Ltd.
- ❑ Listed in both National Stock Exchange & Bombay Stock Exchange – Market Cap of ~ USD 400 million (June 17, 2013)
- ❑ Promoter driven, professionally managed companies with eminent and independent Board of Directors
- ❑ Triveni Engineering is one amongst the largest integrated sugar manufacturers in India and the market leader in its engineering businesses comprising high speed gears, gearboxes, and water treatment solutions.
- ❑ Triveni Turbine Ltd. is the market leader in the steam turbines upto 30 MW size.
- ❑ Pan India Presence



# Triveni Engineering & Industries Ltd. (TEIL)



# Engineering Business – Pan India Presence

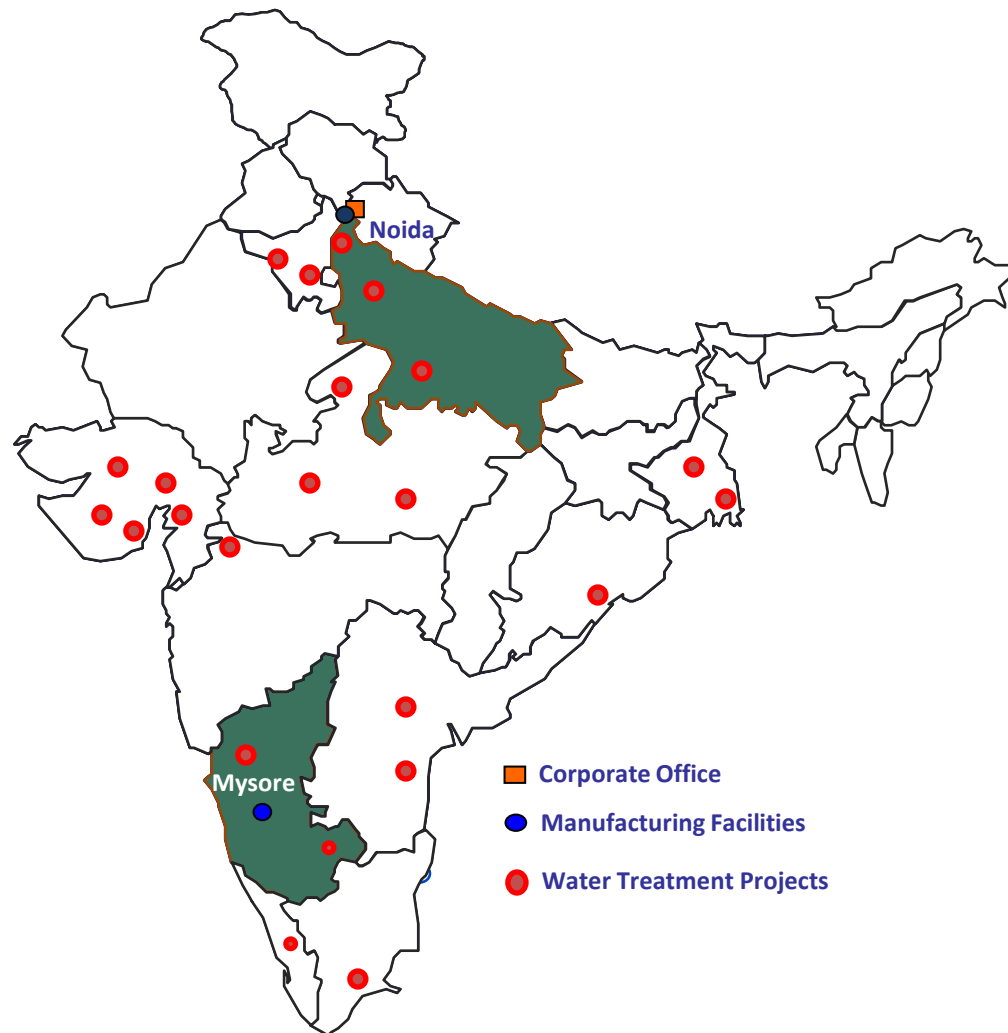
## GEARS BUSINESS - MYSORE

Market leader in  
High speed gears &  
gear boxes upto 70  
MW capacity and  
speed of 70,000  
rpm

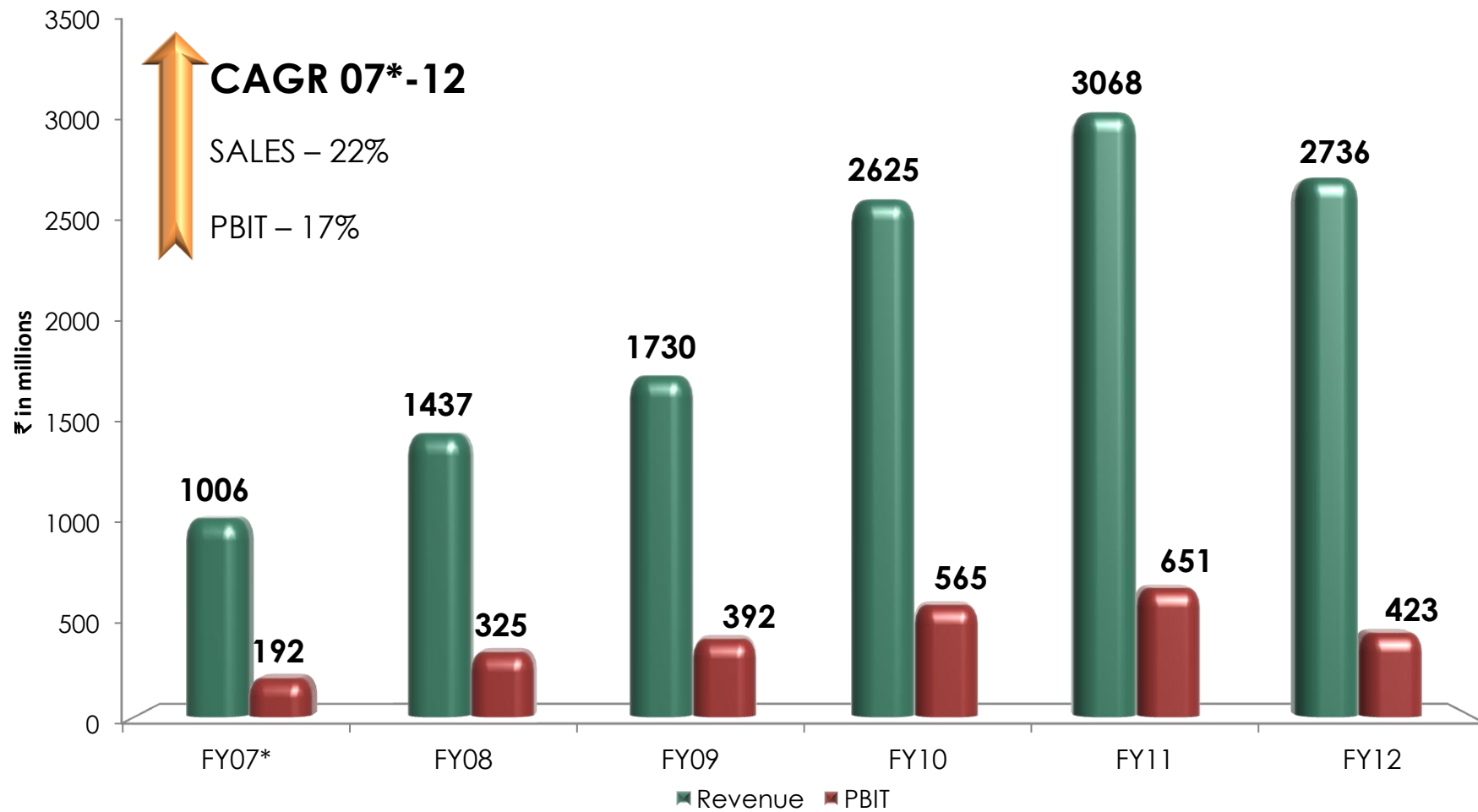
## Engineering Business

## WATER BUSINESS – NOIDA

A leading player in  
the high  
technology water  
& wastewater  
management  
business



# Engineering Business – Revenue Growth



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



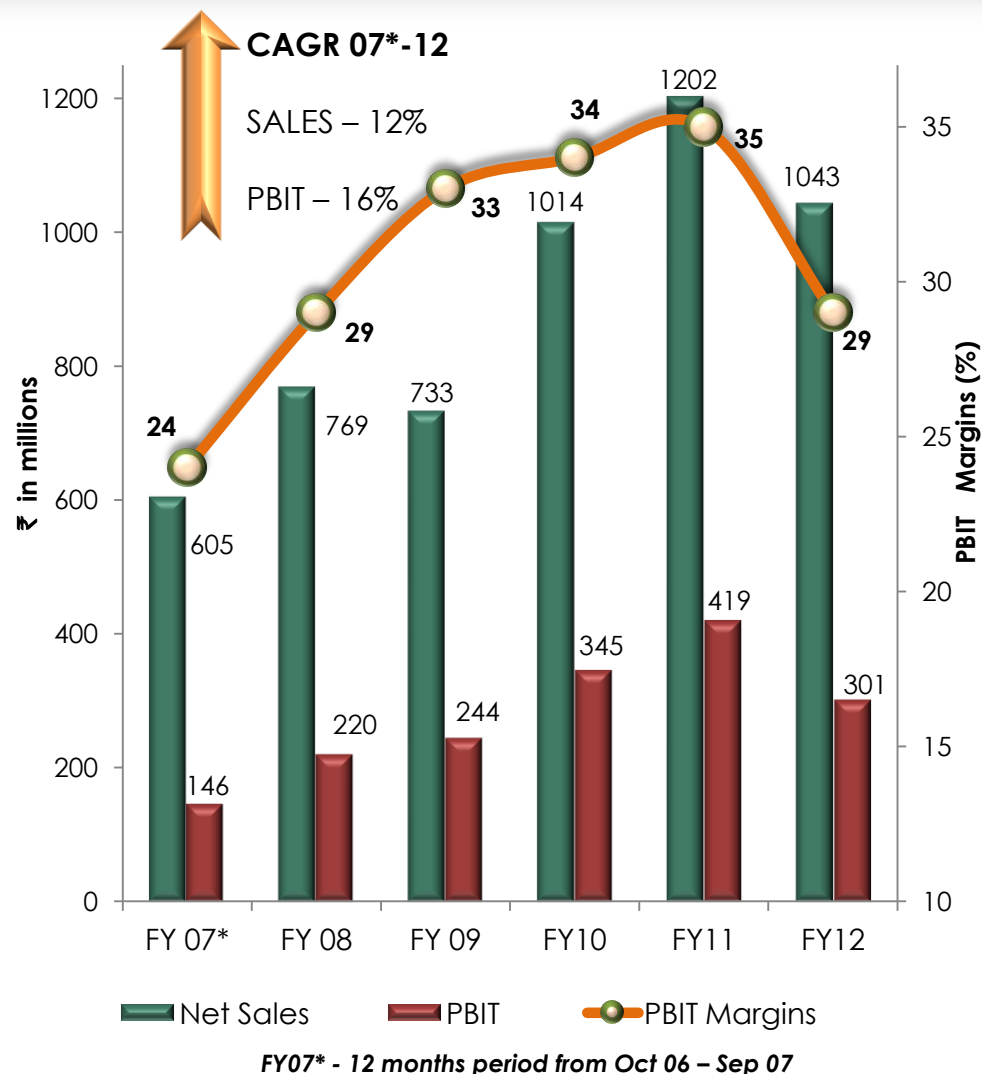
# Gears Business Group – Business Perspective

- ❑ Triveni is in the business of design, manufacture and marketing of customised gears and gearboxes (both high speed and niche low speed gears) having a state-of-the-art design and manufacturing facility at Mysore conforming to international standards.
- ❑ About 70% market share in complete high speed gear market across applications up to 70 MW capacity and speeds of 70,000 rpm.
- ❑ Own developed technology for high speed gear boxes upto 7.5 MW and for hydel gearbox range upto 6 MW.
- ❑ Range above 7.5 MW-62 MW is manufactured using technology licensed from Lufkin, USA.
- ❑ High Speed Gears product range includes all Steam Turbine gear boxes, 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.
- ❑ Niche engineered-to-order high technology low speed gear applications with Lufkin for four industrial segments viz., Rubber & Plastics, Metals and Steel, Marine and Coal pulverizer application in the thermal power plants.



# Gears Business Group – Financial Performance

- ❑ The sales during Q2 FY13, as compared to the previous quarter have been significantly better and consequently, the profitability has also improved substantially.
- ❑ The business from retrofitting, spares, servicing and other aftermarket activities has been showing growth with sales from these segments going up by 19% year on year.
- ❑ The total Order in-take during the quarter has been good at ₹ 27.3 crore.
- ❑ Focus on the export market, especially in retrofitting segment together with new products and new markets should result in higher order booking in coming quarters.
- ❑ Entry into new product lines as per the new agreement has started in a small way and we believe that this will go up in the coming quarters.





# Water Industry – Potential To Grow

- ❑ Rising Water Demand to double by 2025 from 2000 levels - Growth potential in coming years in both major segments – Municipal and Industrial.
- ❑ Multi-lateral funding actively promoting privatisation and commercialisation of water.
- ❑ Jawaharlal Nehru National Urban Renewal Mission (JNNURM) – annual estimated water related schemes of ₹13-15 billion.
- ❑ Substantial new power generation capacities to be added; Largest user of water & waste water treatment - 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.

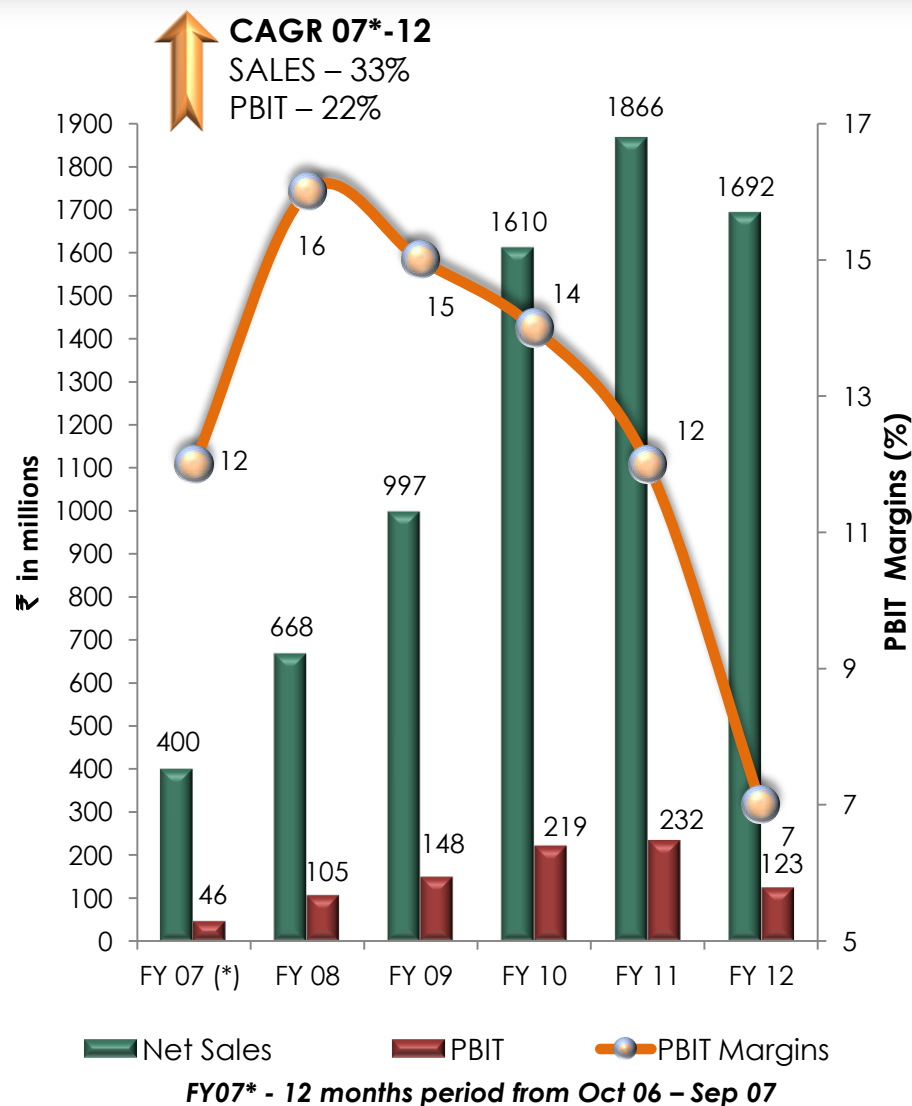
# Water Business

- ❑ 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.
- ❑ With the visibility of a fast growing market, Water Business expected to grow consistently in future.
- ❑ During FY12, the company has made a long term strategic investment by acquiring 25.04% equity stake in Aqwise-Wise Water Technologies Limited, a company registered in Israel, engaged in providing water treatment solutions using proprietary technology. The investment is synergistic to the water / waste water business of the company.



# Water Business – Financial Performance

- The business sentiments continue to remain sluggish which is being reflected both in slow order execution and fresh order booking. Unless the overall situation is improved, similar trends in order execution and booking may be continued in the coming quarters.
- The sales for the quarter have been lower on account of slow-down at the customers' end.
- There has been slow down in the order-intake from industrial segment and also no major municipal projects were finalised during the quarter, which resulted in significantly lower order-inflow during the current H1 vis a vis previous year.
- In the thermal power, metal & hydrocarbon segments, substantial capital expenditures are planned by major players and we believe many of these will come into finalisation towards the third / fourth quarter of our financial year.





# Sugar Industry Overview

## Global:

- International sugar prices also remained sluggish and are expected to remain under pressure as more sugar is expected to be exported from Brazil, Thailand.

## India:

- Contrary to initial estimates of much lower sugar production for the 2012-13 season, the current estimates indicate India's estimated sugar production for the current season at ~25 million tonnes, which is only a marginal decline from the previous year's sugar production.
- The prices showed a decline trend since middle of February 2013 presumably due to the requirements of some mills to arrange funds to pay cane dues. It is likely to stabilize in the coming quarters.
- While the Central government announced Fair and Remunerative Price for sugarcane for the current season at ₹ 170 per quintal corresponding to 9.5% recovery, the Government of Uttar Pradesh has announced the cane price (SAP) at ₹ 280 per quintal for normal variety, which is an increase of ₹40 per quintal and 17% compared to previous season.
- The Cabinet Committee on Economic Affairs (CCEA), on 4th April, 2013, decided to implement the recommendation of Dr. Rangarajan Committee by abolishing the supply of 10% of the sugar production by sugar units as levy sugar at a discounted price and also decided to abolish the regulated release mechanism for a period of 2 years.
- There is news of much lower level of sugarcane planting in Maharashtra due to acute water shortage, which may significantly limit the sugar production in the next season.

# Sugar Industry Overview

(Figures in million tonnes)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
							(E)
<b>Opening Stock as on 1<sup>st</sup> Oct.</b>	4.3	11.0	10.4	4.4	5.0	5.5	6.5
<b>Production during the Season</b>	28.3	26.3	14.5	18.9	24.4	26.30	25.0
<b>Imports</b>	-	-	2.5	4.0	0	0	0
<b>Total Availability</b>	32.6	37.3	27.4	27.3	29.4	31.8	31.5
<b>Off-take</b>							
<b>i) Internal Consumption</b>	19.9	21.9	23.0	21.3	20.8	22.0	22.5
<b>ii) Exports</b>	1.7	5.0	0.02	0.2	2.6	3.4	0
<b>Total off-take</b>	21.6	26.9	23.0	21.5	23.4	25.4	22.5
<b>Closing Stock as on 30th Sept.</b>	11.0	10.4	4.4	5.8	6.0	6.5	9.0
<b>Stock as % of Off-take</b>	55.3%	47.7%	19.1%	27.2%	28.9%	29.3%	40.0%

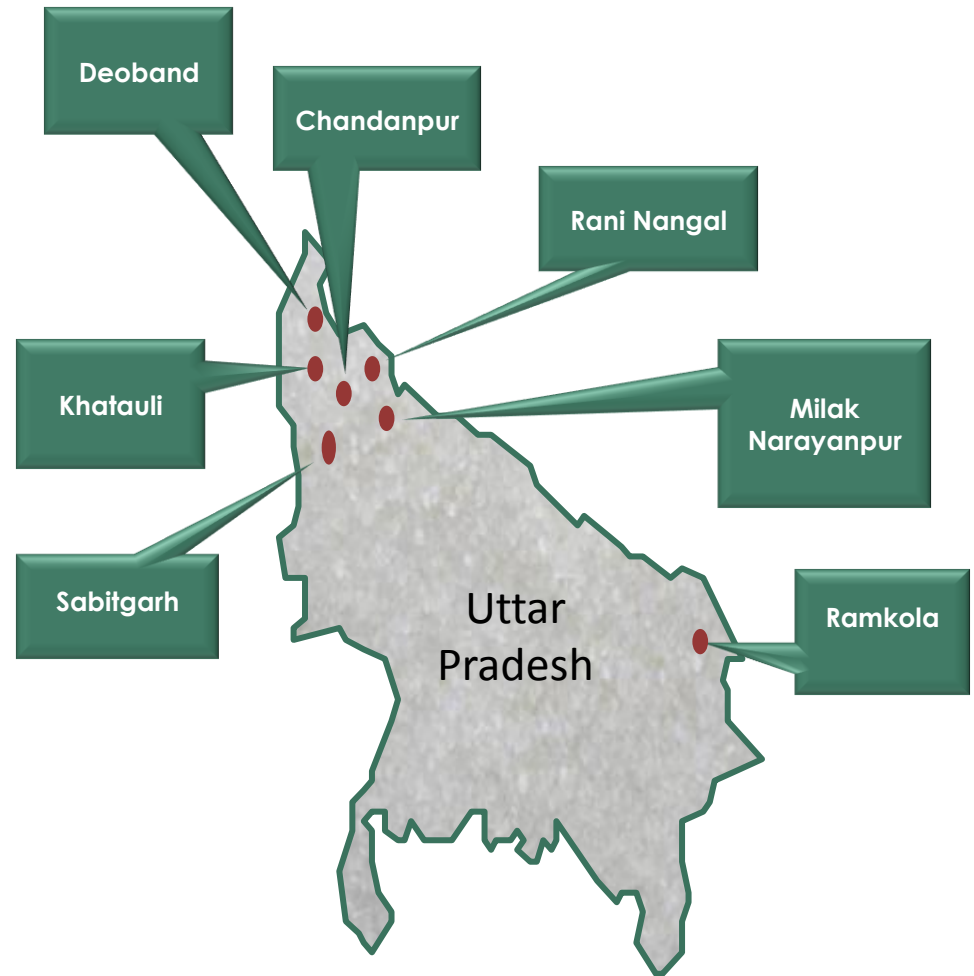
Source: ISMA

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



# Sugar Business

- ❑ 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 Business

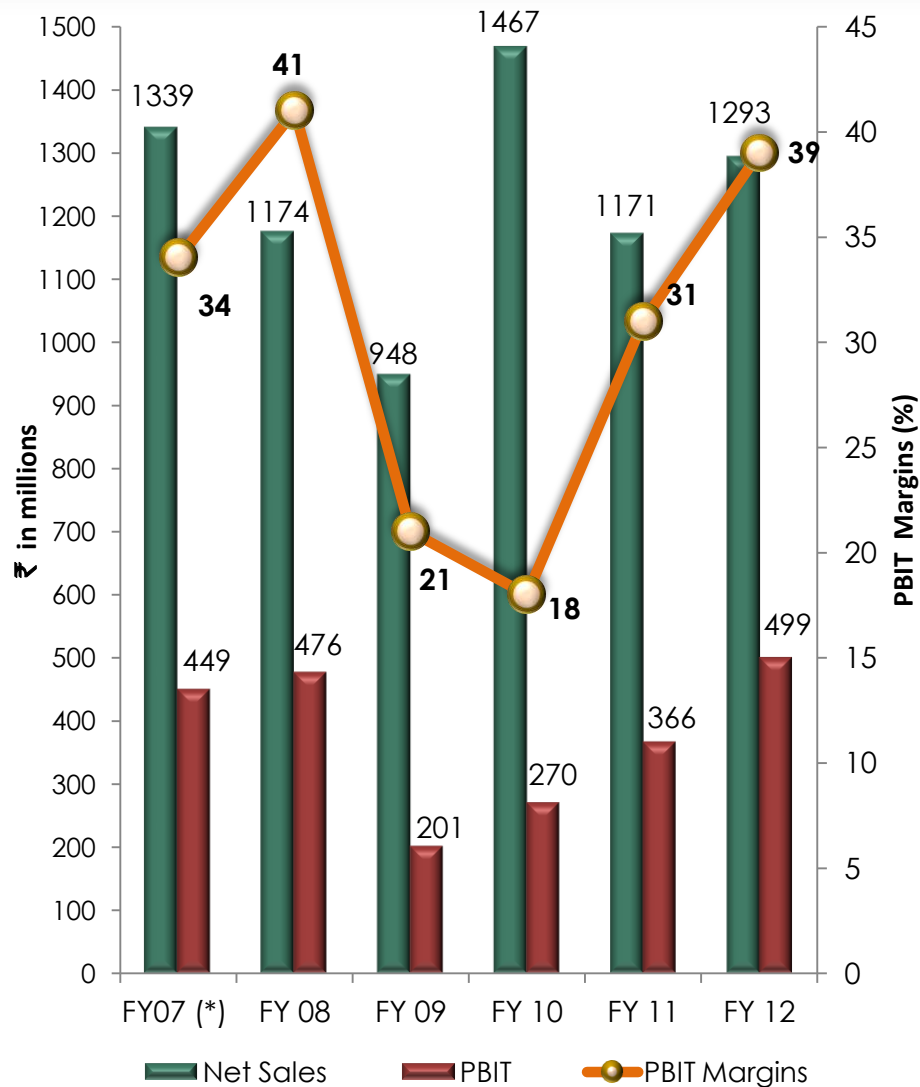
- Triveni crushed 5.63 million tonnes cane at an average recovery of 9.27% in FY13 which is higher by 2% in comparison to the previous season.
- Chandanpur & Milak Narayanpur units have started incidental co-generation during the season and put together exported 103.7 lakh units of power.
- The refinery at Sabitgarh sugar unit was commissioned and operated during the season. The company has taken steps to set refinery plant at Khatauli Sugar plant which will be operational from 2013-14 season.
- Net sales during H1 FY13 stood at ₹ 8999 million as against ₹ 7375 million during the corresponding period of last year which is an increase of 22%.
- The cost of production of sugar produced in 2012-13 being higher than the estimated realizable value, sugar inventories have been written down by ₹ 570 million. The higher cost of production was a direct consequence of unrealistically high cane price.

	<b>FY 07 (*)</b>	<b>FY 08</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>	<b>FY 12</b>
Net Sales (₹ in millions)	7605	8863	12529	14055	13434	14821
PBIT (₹ in millions)	(900)	359	2023	(573)	74	29
PBIT Margins (%)	NM	4	16	NM	0.6	0.2
Sugar Manufactured (000 t)	591	580	336	506	420	465

# Sugar Business - Co-generation Business

Three plants in two sugar units viz. Khatauli & Deoband.

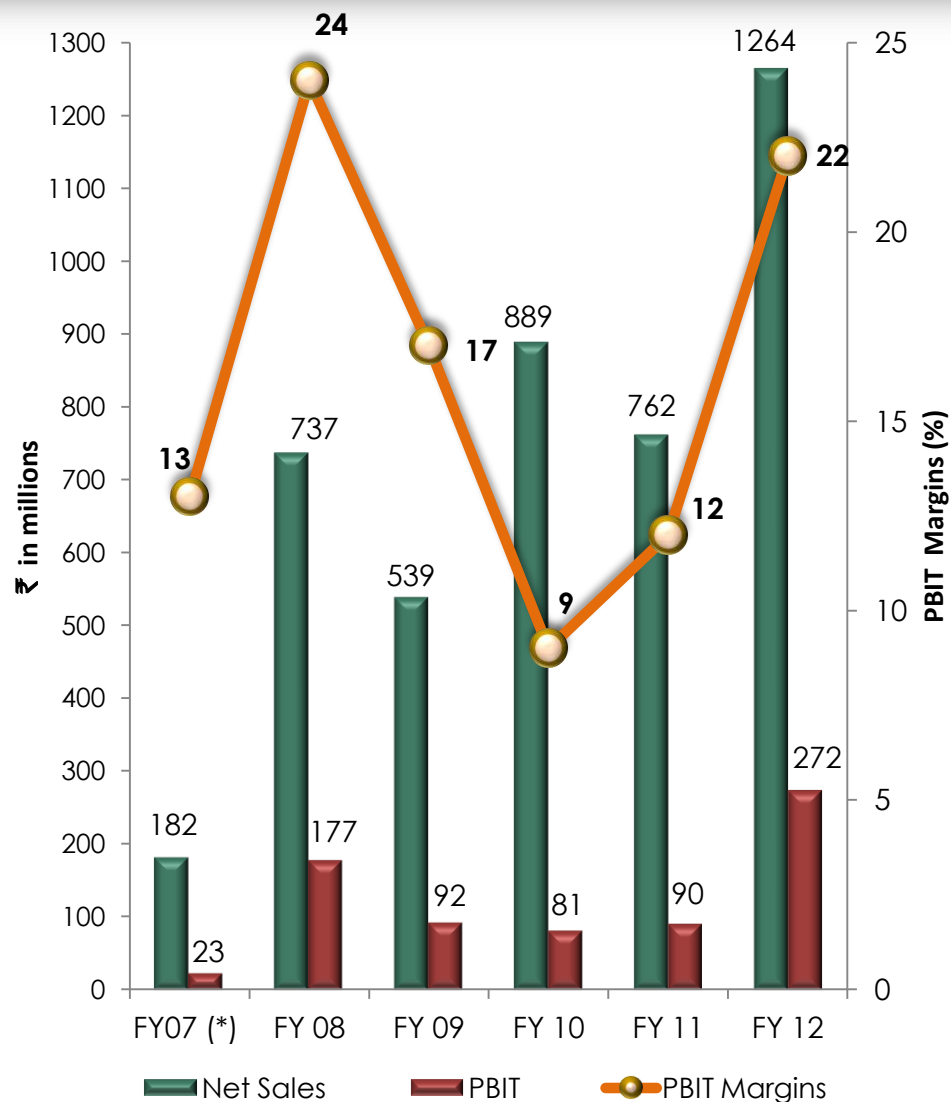
- The co-generation units operated for the full quarter Q2 FY13. On account of consistent crush, the power generation during the quarter has been higher by 3% when compared to last year.
- The operating efficiency of the plants continued to be excellent.
- Currently, CERs are being held by the Company in respect of Khatauli and Deoband for the period up to February 2012. As the prices of carbon credits continue to remain sluggish, the same will be sold at an appropriate time and accordingly, revenue will be recognised.
- It is expected that the impediments relating to issuance of RECs in U.P. may get resolved during Q3.



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

# Sugar Business - Distillery Business

- Distillery production during this half year is higher due to longer operational period (165).
- On account of higher realisation, the profit for both the quarter and half year has been significantly higher.
- As compared to previous year, the share of ENA in the product mix this year was much higher. Amongst others, Triveni continue to be the preferred supplier to United Spirits Ltd. (USL) which enabled the unit to achieve higher average sales realization.
- The operating efficiencies have been excellent.
- In the E-tender of ethanol, the Company expects to be awarded LOI of approx. 25% of its capacity at a price much higher than the interim price. The oil marketing companies are in the midst of completing the formalities and the off take is expected to start in this current quarter.



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

# Sugar Business – Operational Performance

## Co-generation Business

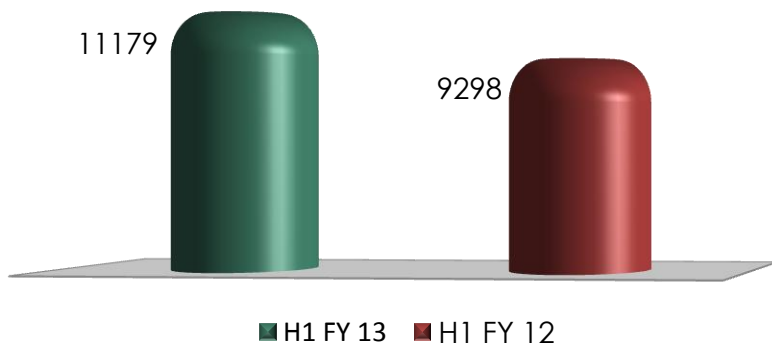
	Q2 FY 13	Q2 FY 12	H1 FY13	H1 FY 12
Power Generated – (lac units)	1297.48	1262.28	1911.98	1979.96
Power Exported – (lac units)	846.13	827.49	1247.16	1301.24

## Distillery Business

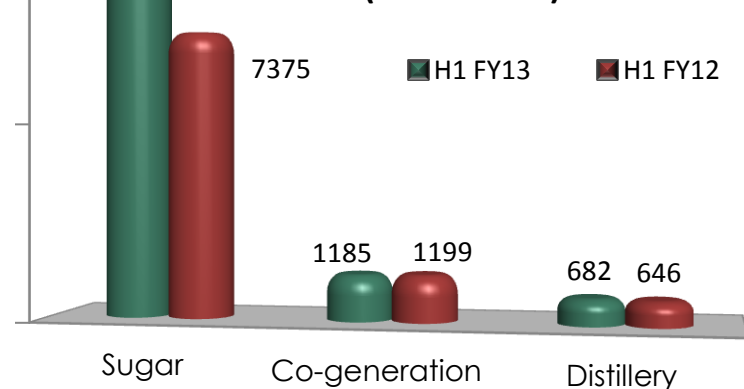
	Q2 FY 13	Q2 FY 12	H1 FY 13	HY FY 12
Production (000 ltr)	14049	14,420	26535	22,912
Sales (000 ltr)	8540	10,848	19828	19,852
Avg. realization (₹/ltr)	33.96	30.37	33.90	31.85

# H1 FY13 Financial Performance

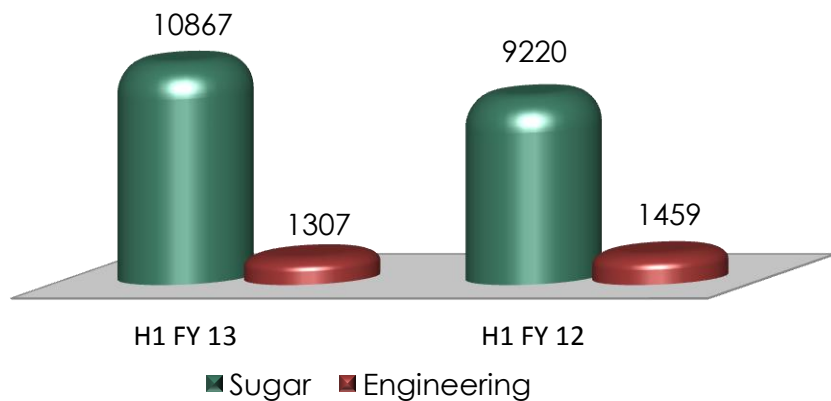
**Net Sales (₹ In Million)**  
(Overall)



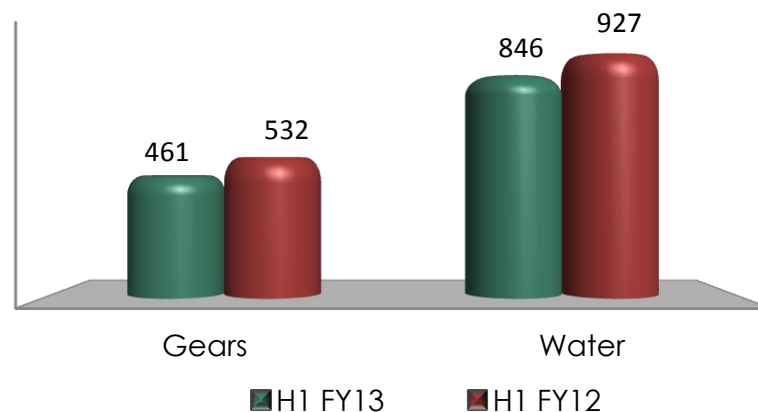
**Net Turnover – Sugar Business (₹ In Million)**



**Revenue Composition (₹ In Million)**



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

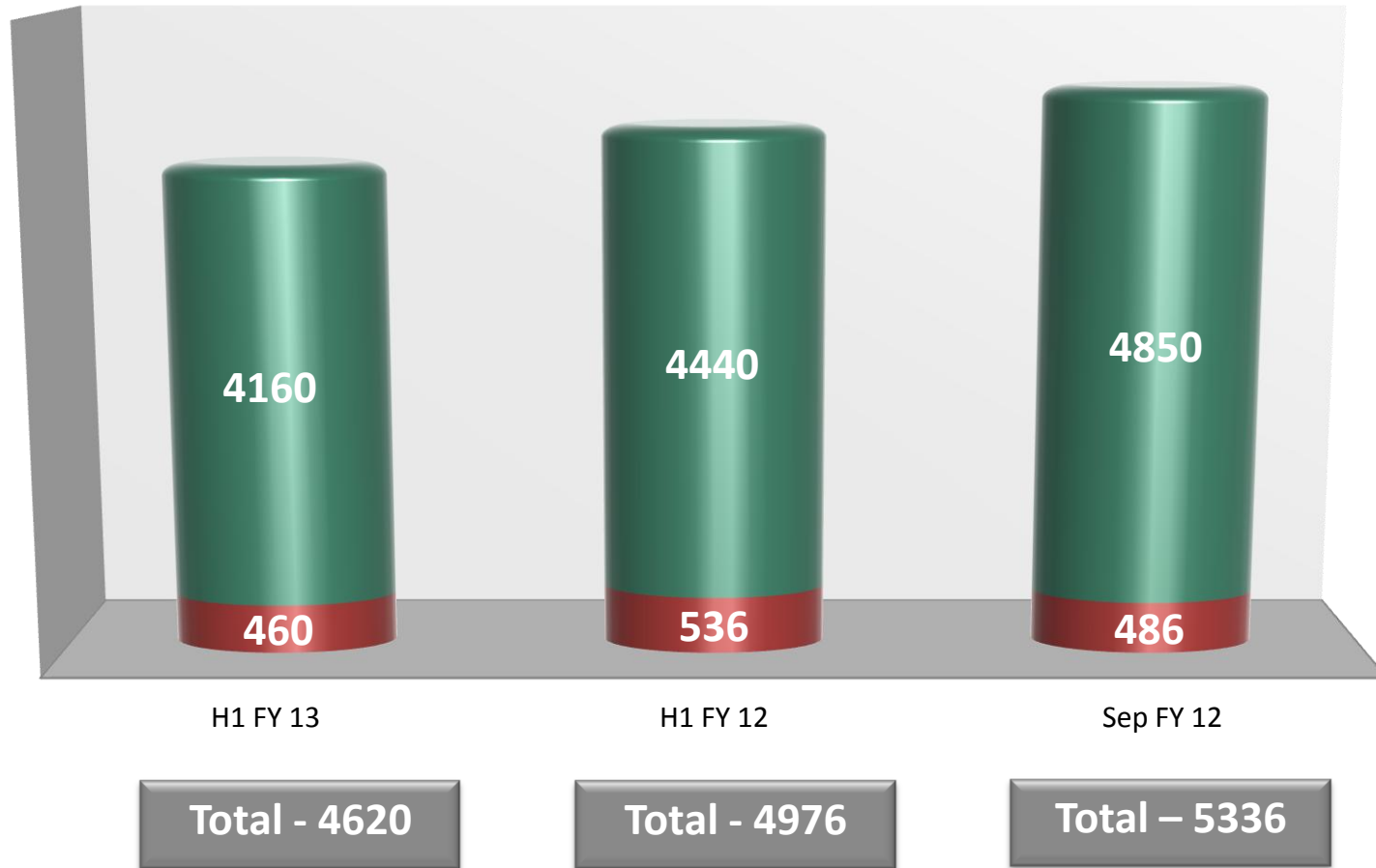




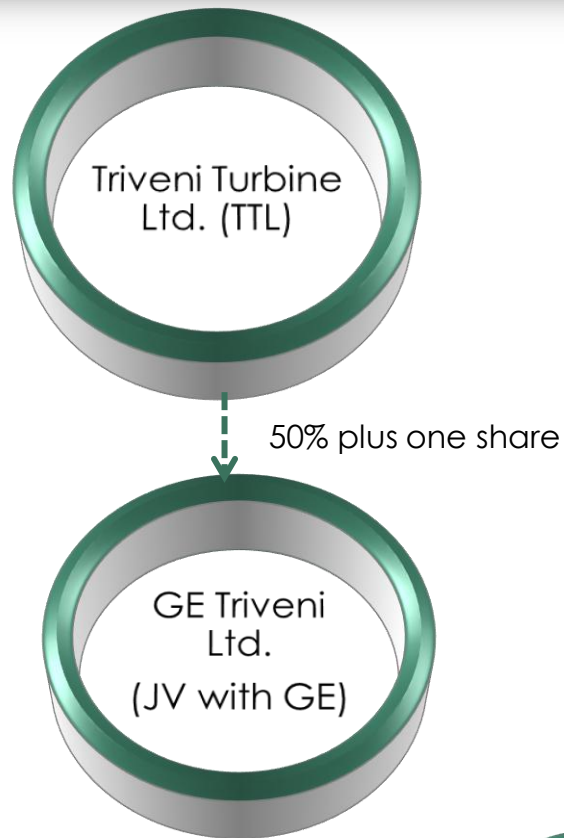
# H1 FY13 Financial Performance

## Order Book in Millions

■ GBG ■ WBG

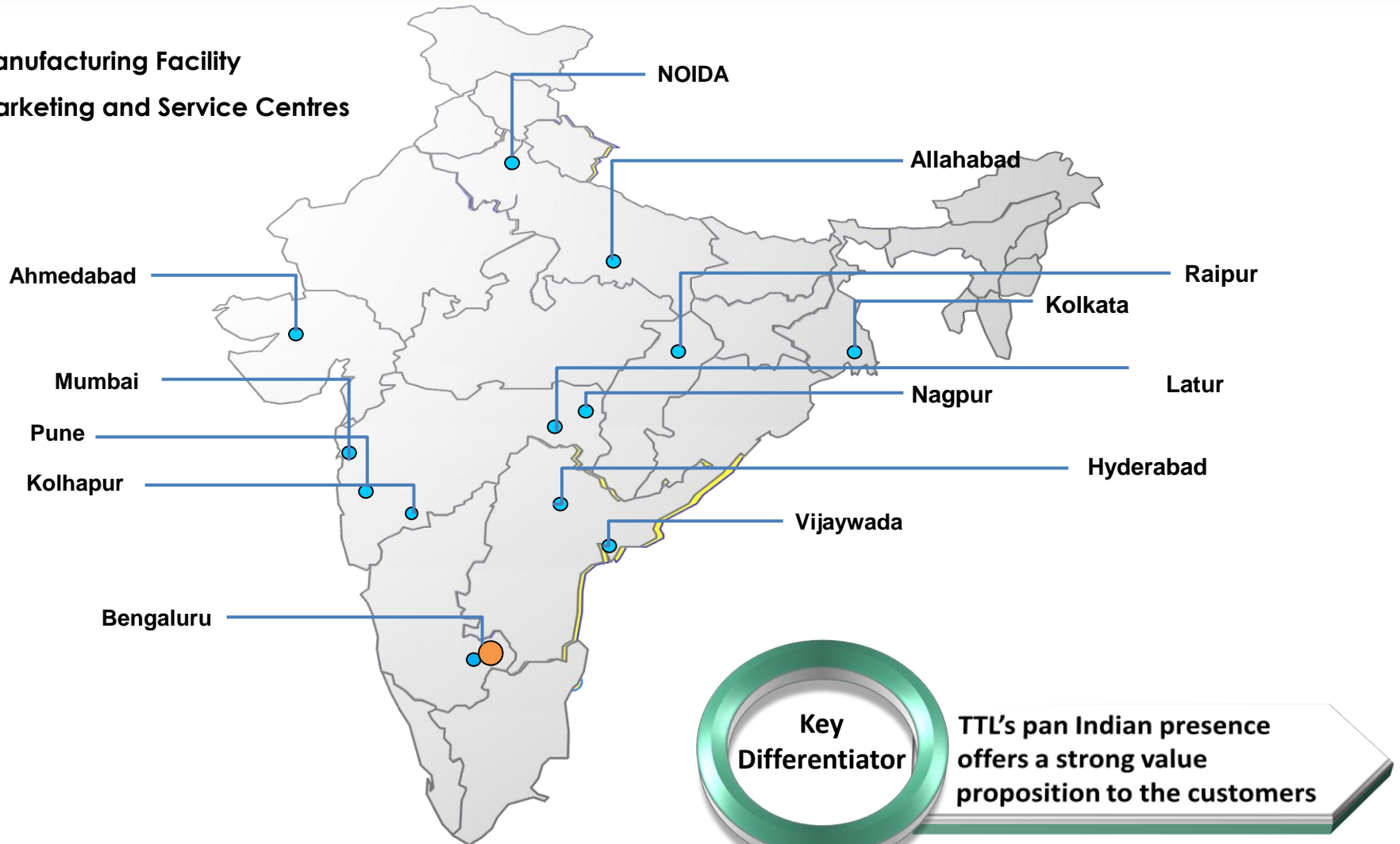


# Triveni Turbine Ltd. (TTL)



- TEIL is holding 72 million equity shares of ₹ 1/- each in TTL - 21.8% of the total equity capital of ₹ 330 million

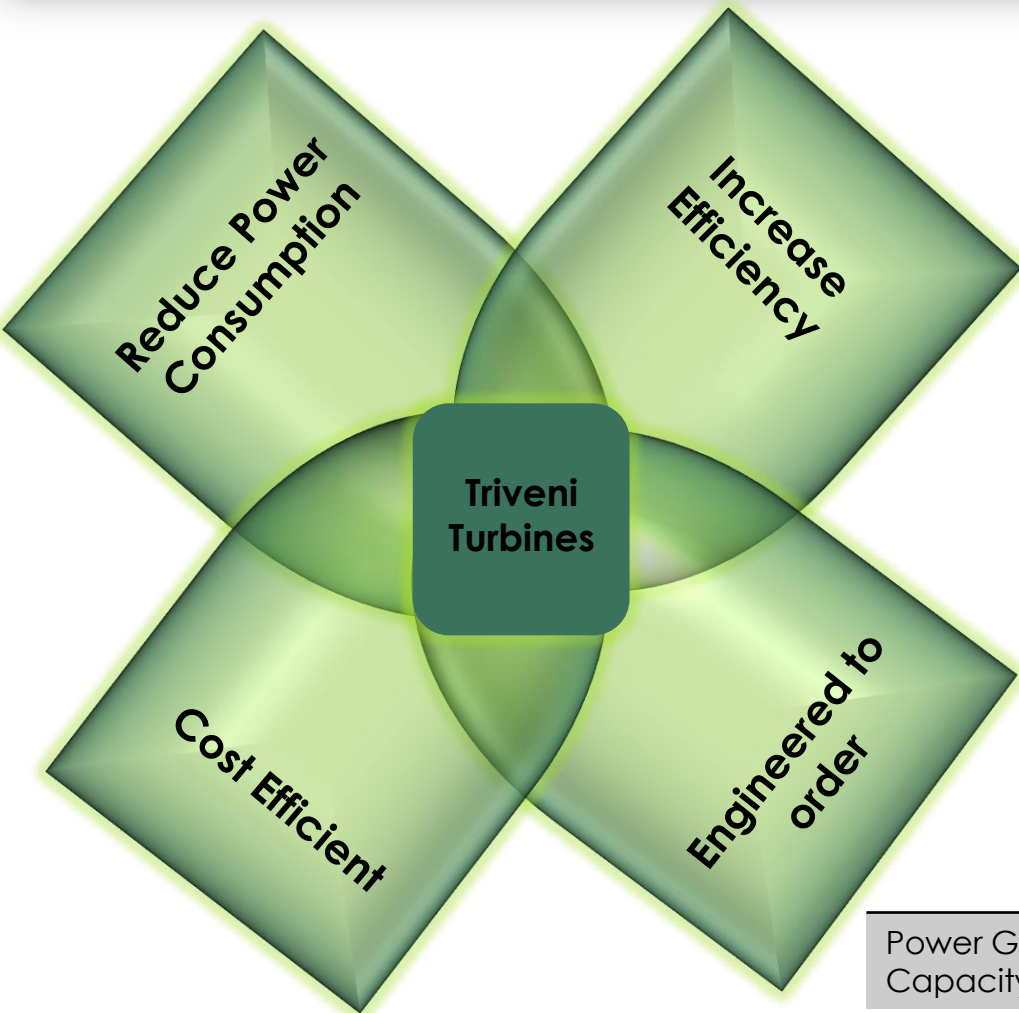
# TTL – Pan India Presence



# TTL – Business Perspective

- ❑ 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 market leadership for range up to 30 MW.

# Efficient Products



- Straight Back Pressure Type



- Straight Condensing Type
- Controlled Extraction
- Condensing Type
- Un-Controlled Extraction
- Condensing Type
- Injection Condensing Type

Power Generation Capacity	Up to 30 MW	Up to 30 MW
---------------------------	-------------	-------------

Steam Inlet Temperature	Up to 535°C	Up to 535°C
-------------------------	-------------	-------------

Steam Inlet Pressure	Up to 110 Bar (a)	Up to 110 Bar (a)
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# Unparallel Service

360°  
After -  
Sales  
Service

*Aftermarket Services are integrated under Customer Care Cell (CCC) which provides solutions for all after-sales requirements from erection and commissioning (E&C) to maintenance and spare parts to efficiency improvement.*

13 service centres

185 service professionals

Over 900 turbines  
Serviced annually

24X7 customer care  
support

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



# Diverse Applications & Industry Segments



## Applications

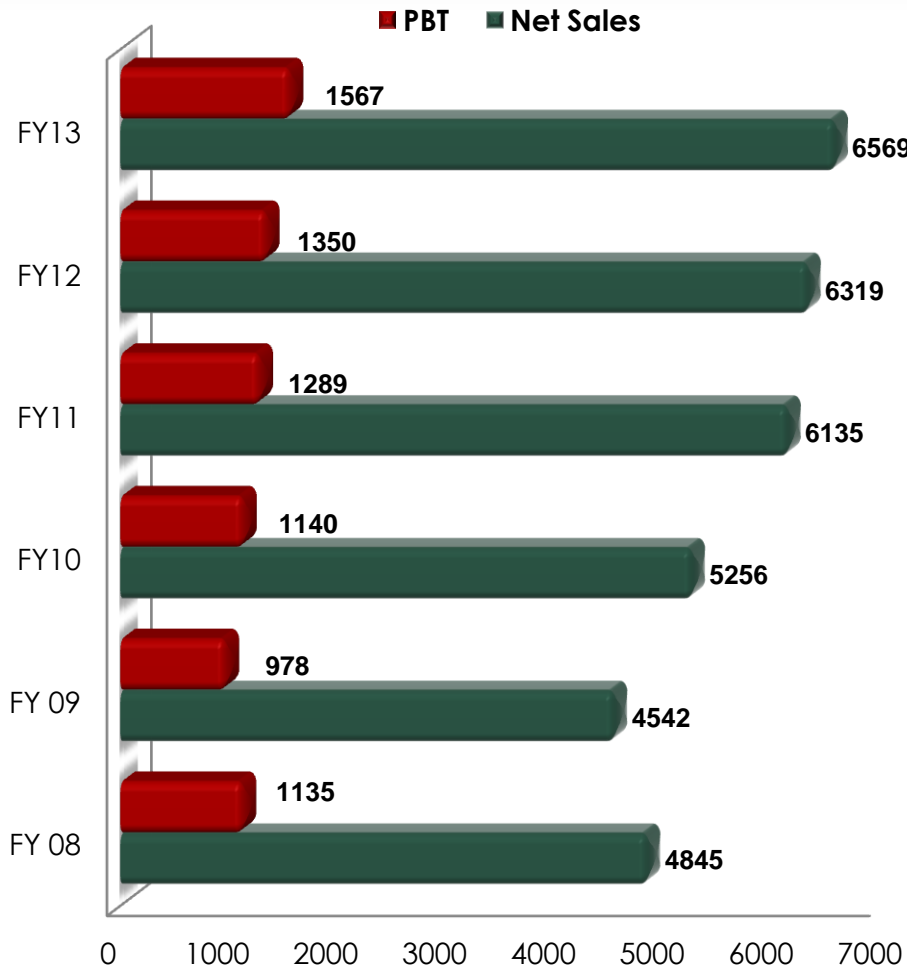
- Co-generation
- Captive Power Plant
- Combined Heat & Power
- CCP / Waste Heat Recovery
- Incineration
- Biomass



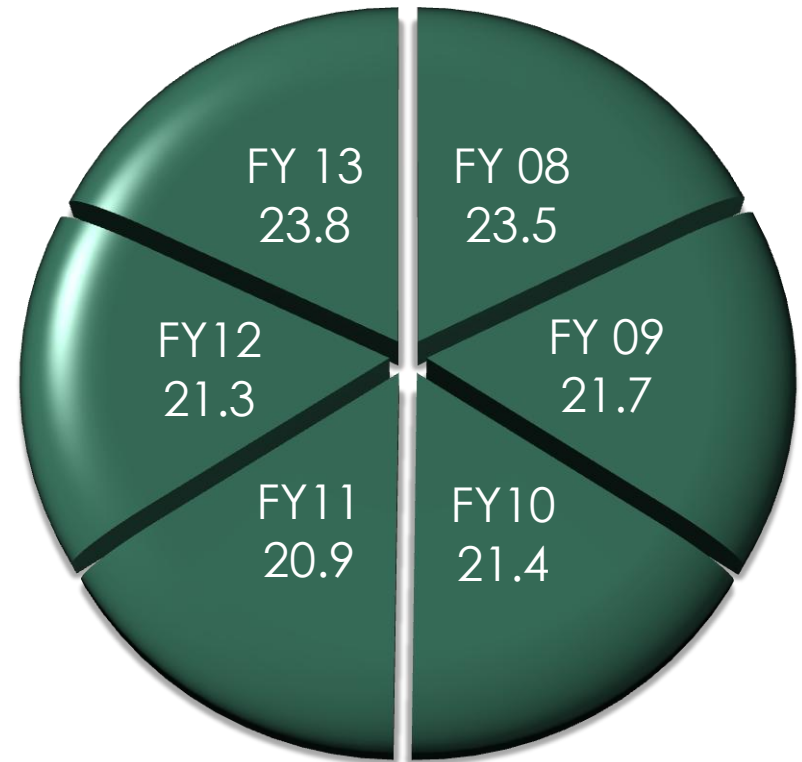
## Industry Segments

- Sugar
- Palm Oil
- Distillery
- Pulp & Paper
- Food Processing
- Textiles
- Steel & Metal
- Carbon Black
- Cement
- Chemicals & Fertilisers
- Oil & Gas and Petrochemical
- District Heating & Cooling
- Municipal Solid waste

# Financial Performance – Steam Turbine Business



## PBT Margins



All financials are for April-March period for respective financial year

# Financial Performance FY13

(Figures in ₹ million)

	FY 13 Apr – March 2013	FY 12 Apr - March 2012	Variation FY 13 over FY12
Net sales	6568.5	6318.8	4%
EBITDA	1716.3	1561.2	10%
EBITDA Margin	26.1%	24.7%	
Depreciation & Amortisation	122.6	115.9	6%
PBIT	1593.7	1445.3	10%
PBIT Margin	24.3%	22.9%	
Interest	27.2	95.9	-72%
PBT	1566.5	1349.4	16%
PBT Margin	23.8%	21.4%	
PAT	1066.3	910.8	17%
PAT Margin	16.2%	14.4%	

	FY 13 As on 31 <sup>st</sup> March 2013	FY 12 31 <sup>st</sup> March 2012
<b>Share Capital</b>		
- Equity	330	330
- Preference	28	28
<b>Net Worth</b>	1442	686
<b>Debt</b>	8	363
<b>Cash &amp; Bank Balance equivalent (including current investments)</b>	335	218
<b>Net Debt</b>	(327)	145

# Financial Performance FY13

- ❑ The sales in Q4 FY 13 was higher by 34% which resulted in a growth of 4% year on year for the full year of FY 13.
- ❑ The increase in turnover was primarily driven by increased export turnover and also the after-market turnover.
- ❑ The export turnover year on year grew by 98% while the growth in after market turnover has been 19%.
- ❑ The share of after-market sales to total sales have shown improvement from 16.8% to 19.2%.
- ❑ The outstanding order book as on 31st March 2013 has been ₹ 4.7 billion without considering the slow moving orders but including refurbishment orders. The lower carry forward order book is due to much higher turnover in Q4.

# Joint Venture with General Electric (GE)

- ❑ Triveni Turbine Ltd. formed a 50:50 Joint Venture with GE on 15<sup>th</sup> April 2010. GE Triveni Ltd. (GETL) headquartered in Bengaluru, a subsidiary of TTL, will design, manufacture, supply, sell and service advanced technology steam turbines in India in the range above 30-100MW 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 operations of the joint venture with GE are in line with our expectation. All key managerial personnel are on board and the technology transfer is progressing as per schedule.
- ❑ The marketing teams of both GE and Triveni are working closely on the opportunities in their respective markets. The JV is currently responding to the enquiries both in the domestic market and to a diverse international market ranging from Canada to Indonesia.
- ❑ GETL dispatched its first turbine of 35 MW which is under commissioning.
- ❑ GETL received another breakthrough order for two turbines of 40 MW each through one of the largest power sector Engineering, Procurement and Construction (EPC) Company, for a new 80MW distributed power plant that will generate power for a leading GoI Enterprise engaged in mining & metal industry at its new 3 million tonne per annum integrated steel plant in Central India.

# 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 Engineering & Industries Ltd. makes no representation as to their accuracy or that the company subscribes to those views / findings.