

# CORPORATE PRESENTATION

## Sugar Business



## Water Business



**Triveni  
Engineering  
&  
Industries  
Ltd.**

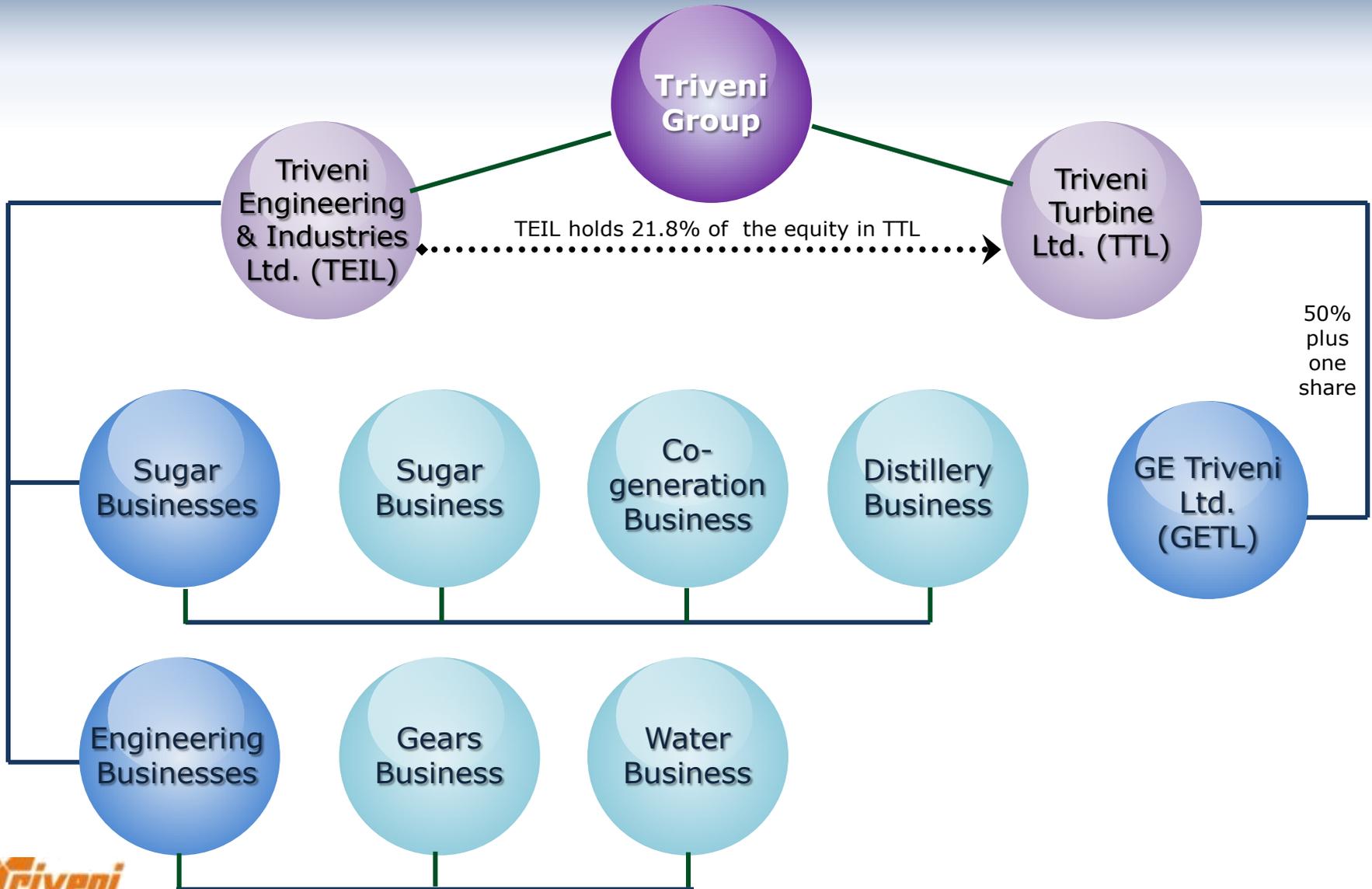
## Co-generation & Distillery Business



## Gears Business



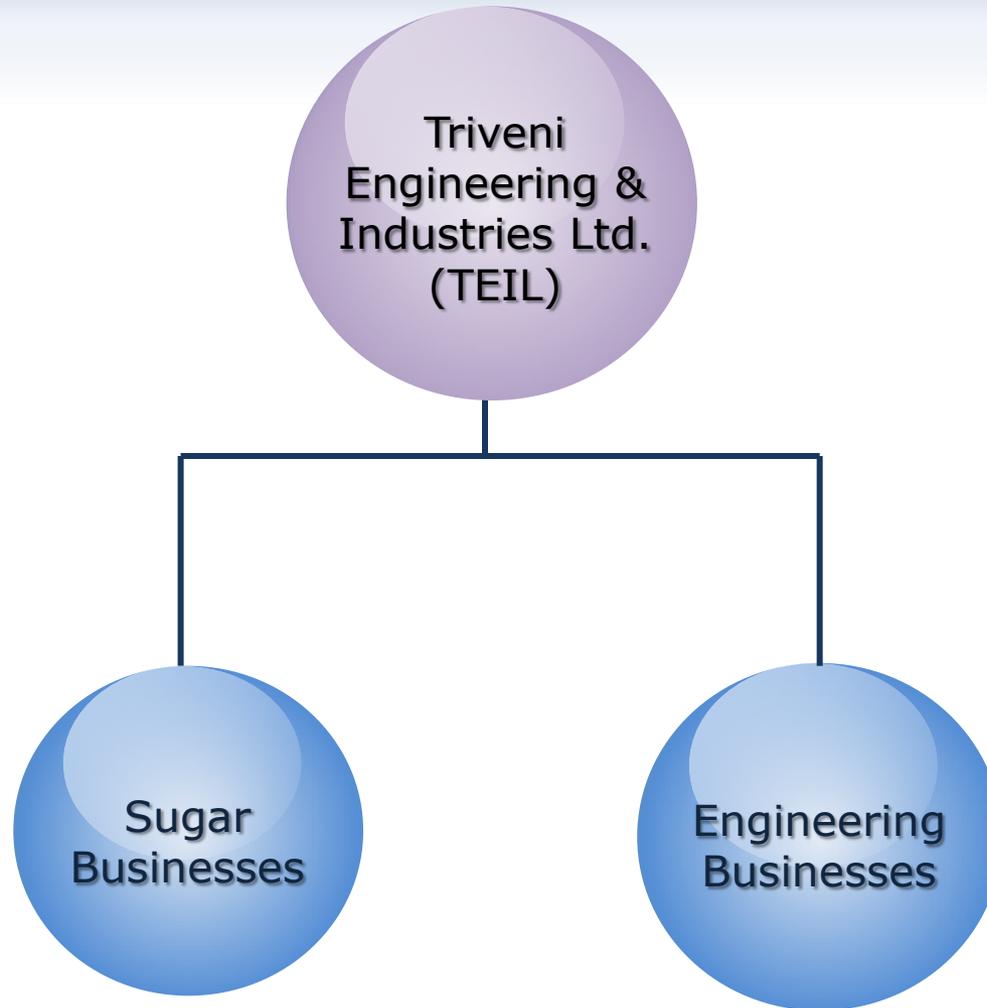
# Triveni Group Organisation Structure



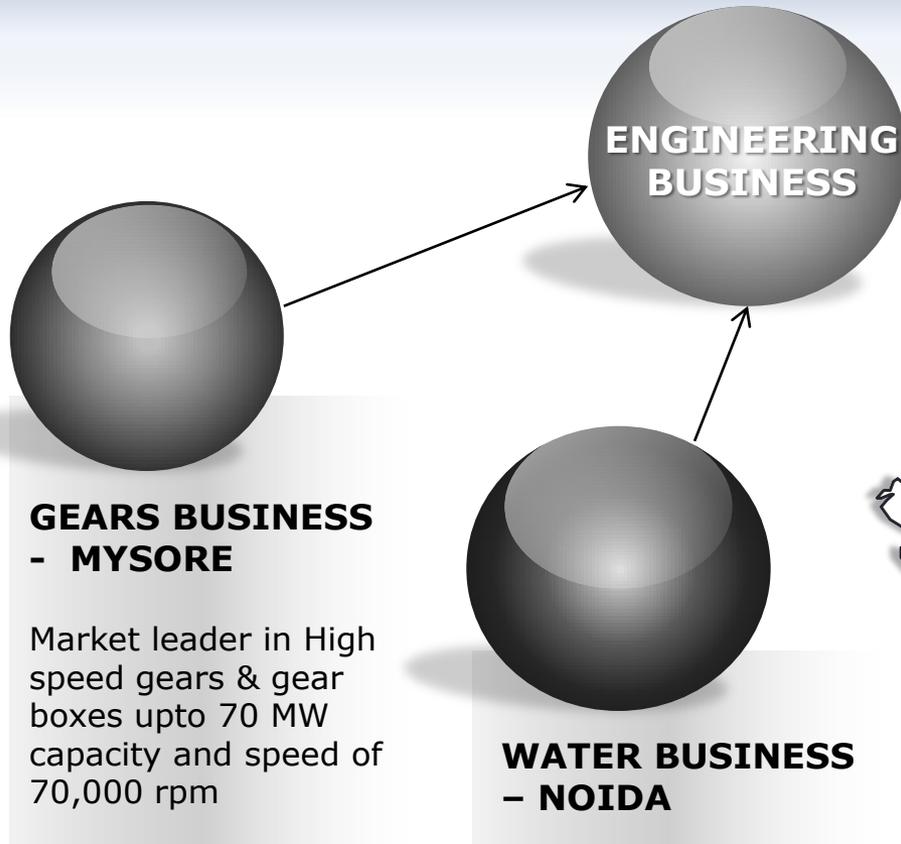
# Triveni Group Fact Sheet

- ❑ Two Independent Listed Companies – Triveni Engineering & Industries Ltd. and Triveni Turbine Ltd.
- ❑ Listed in both National Stock Exchange & Bombay Stock Exchange – Market Cap of ~ INR 34 billion (August 28, 2014)
- ❑ Promoter driven, professionally managed companies with eminent and independent Board of Directors
- ❑ Triveni Engineering is one of the largest integrated sugar manufacturers in India and market leader in its engineering businesses comprising high speed gears, gearboxes, and water & waste 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.



# Engineering Business – Pan India Presence

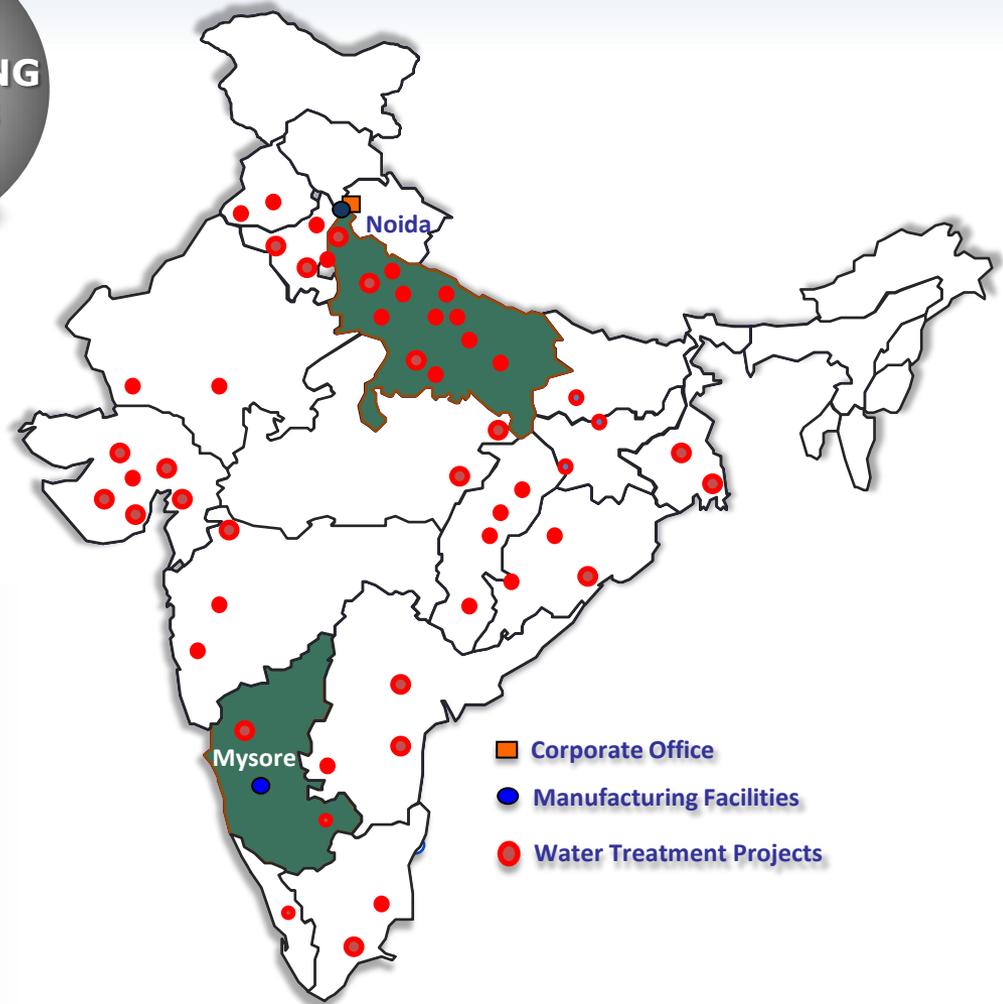


## GEARS BUSINESS - MYSORE

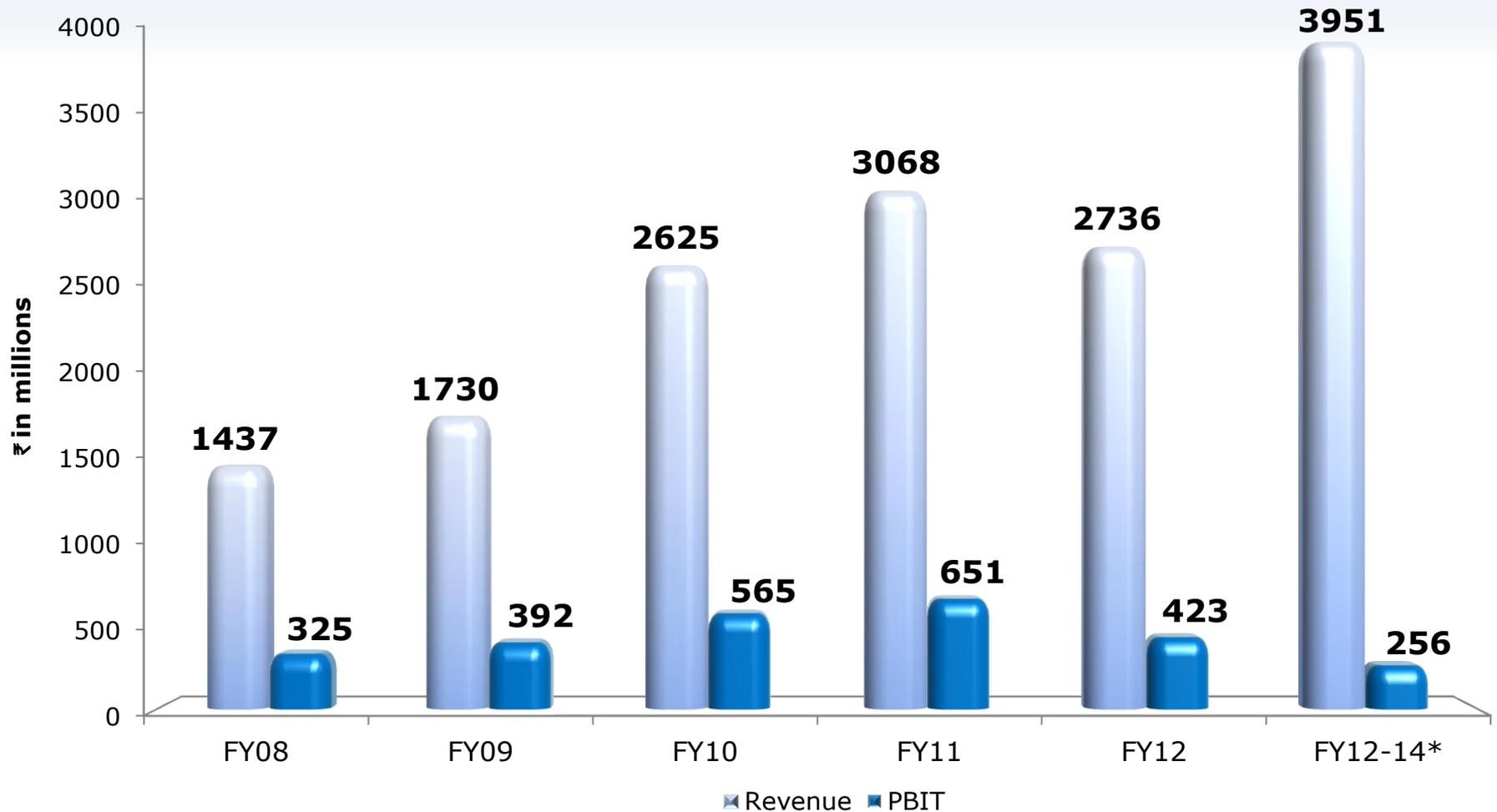
Market leader in High speed gears & gear boxes upto 70 MW capacity and speed of 70,000 rpm

## WATER BUSINESS - NOIDA

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



# Engineering Businesses – Revenue Growth



# Gears Business

- ❑ 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. 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 – Financial Performance



*FY 12-14\* - 18 months period from Oct 12 – Mar 14*

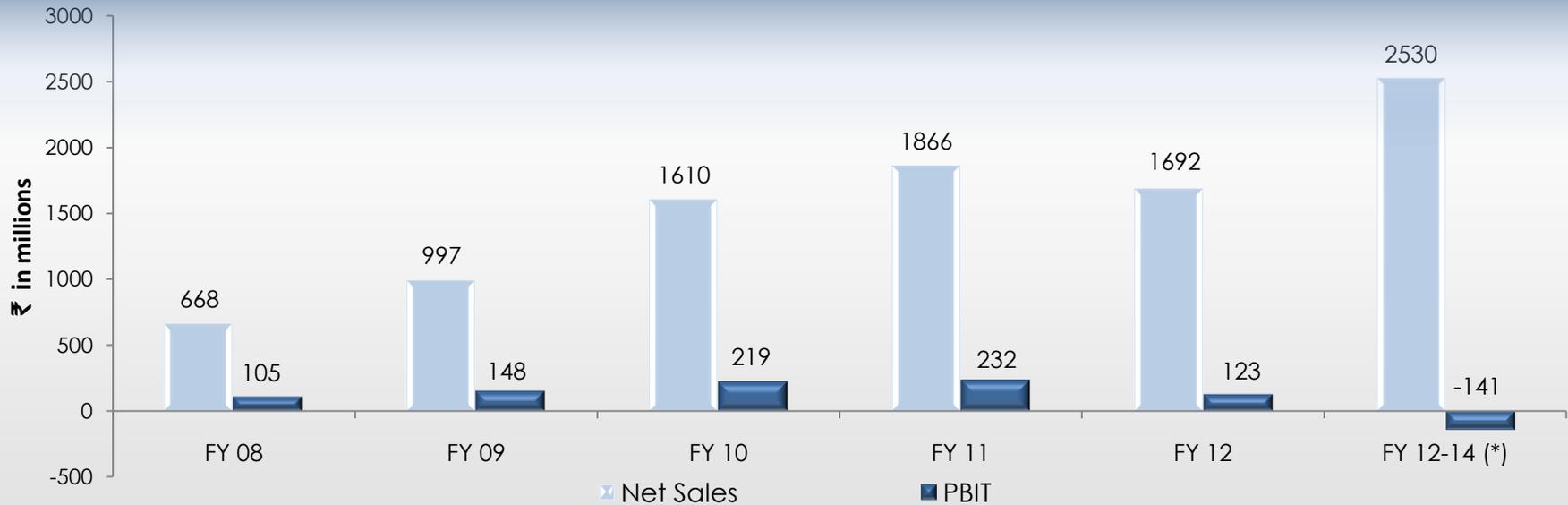
- The performance of this unit was impacted by the overall slowdown in the capital goods segment.
- Lower turnover during the quarter was on account of deferment of deliveries of large value gear boxes by some large OEMs, which is now expected to take place in Q2.
- The retrofitting spares and loose gears share for the quarter has been 47%, which is significantly higher in comparison to same period of last year.
- The company's focus on development of new products and exports is continuing and the business is confident of registering growth.
- Few OEMs from Japan and Europe have already approved GBG which would result in incremental orders based on their requirements.

# 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.



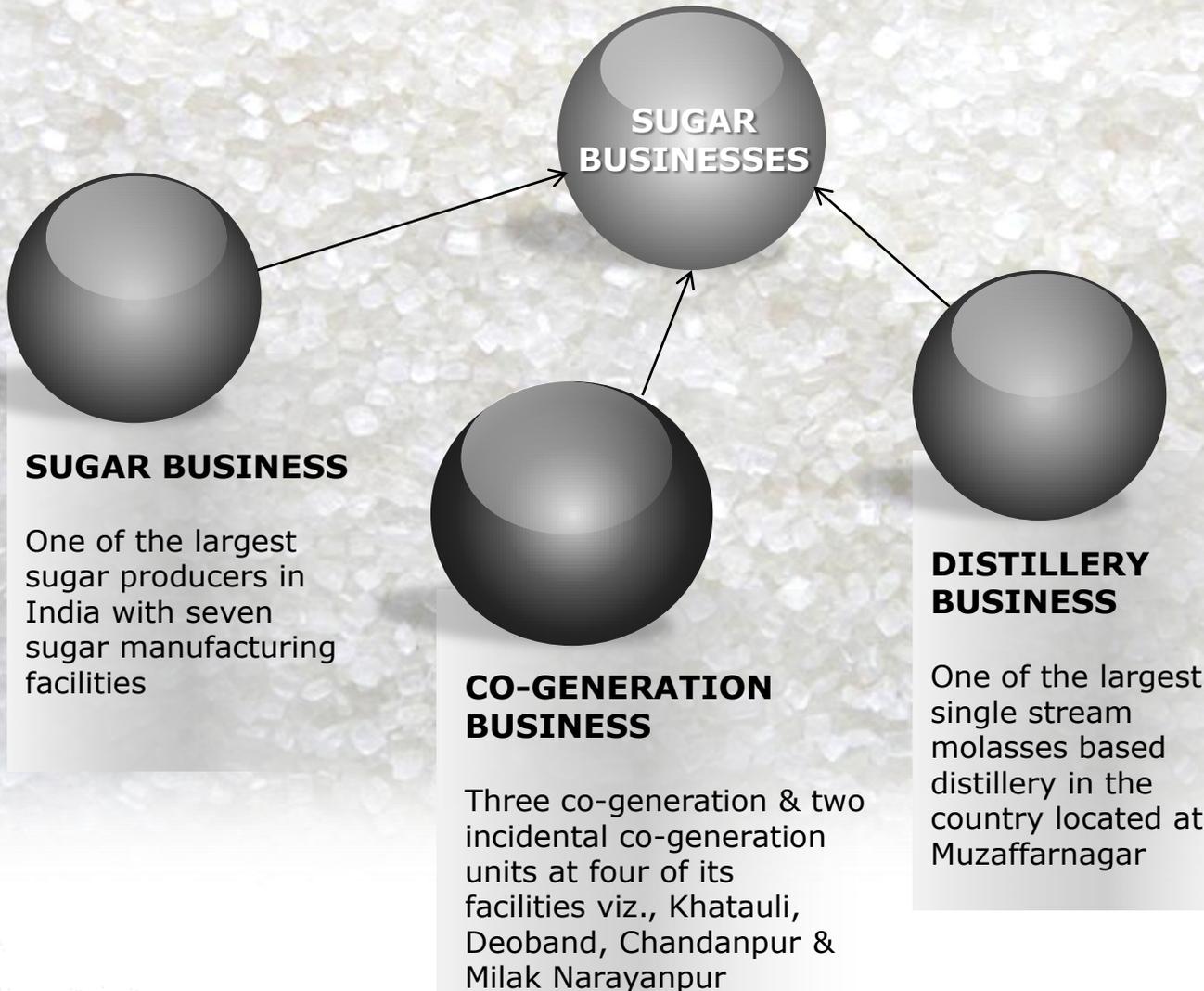
# Water Business



FY 12-14\* - 18 months period from Oct 12 – Mar 14

- The turnover for the quarter has been higher by 34% and the loss at PBIT level for the current quarter has been lower than the corresponding period of last year. It was constrained to achieve an optimal turnover in view of delay in projects.
- The Water Business will be completing and handing over several projects in FY 15, which not only will bring down the capital deployed in the business but also provide with prequalification credential to bid for larger projects.
- The business has a comfortable order book which should result in reasonable growth in the subsequent quarters subject to customers proceeding with the project as scheduled.

# Sugar Businesses



# Sugar Business – Industry Overview

## Global:

- As per the industry estimate, the forecast for Brazil Centre South region sugar output is cut by 900,000 tonnes to 32.3 million tonnes. A drop in sugarcane supply to the mills has already been noticed in the region and a possible bringing forward of the end of the crush in several producing regions is expected.
- As per recent estimates, sugar production in Thailand is expected to rise by 6.3% to 12 million tonnes in 2014/15 (Nov/Oct) as higher returns spur farmers to boost plantings and exports may increase to an all-time high of 9 million tonnes in 2015.
- International raw sugar monthly average prices increased from 17.61 US ¢/lb in April 2014 to 18.27 US ¢/lb in May 2014 and then moved lower to 16.24 US ¢/lb currently.
- As per industry sources, the forecast for world sugar deficit in 2014-15 has been revised from the 1.6 million tonnes in March to 2.46 million tonnes in June 2014.

## India:

- As per recent estimates, the total sugarcane acreage of the country in Sugar Season (SS) 2014-15 would be around 52.30 lakh ha, which is about 2% less than last year.
- As against country's production of 24.3 million tonnes in SS 2013-14, the production is expected to increase to over 25 million tonnes in SS 2014-15.
- It is estimated that the sugarcane acreage in U.P in SS 2014-15, would be around 9% less than SS 2013-14, in Maharashtra it is estimated to be about 13% higher over last year and in Karnataka it is about 5% for SS 2014-15. The acreage in Tamil Nadu is seen to be lower by 7% over last year and with lower rainfall in the last several months, the recovery might be adversely impacted.

# Sugar Business – Industry Overview

## India:

- With an estimated opening balance of sugar of around 7.5 million tonnes for the next sugar season and estimated 25.3 million tonnes of sugar production, there will be more than sufficient sugar to take care of domestic consumption, of around 24.5 million tonnes.
- For the SS 2014-15, the Centre has fixed an FRP of ₹ 2,200 per tonne on a recovery rate of 9.5%.
- The export subsidy is now valid up to 30.09.2014 and the subsidy amount has been increased from ₹ 3300/MT to 3371/MT.
- The Government has also announced to provide additional interest-free loans of about ₹ 4,400 crore to the sugar mills to clear cane payment arrears, which is yet to be implemented.
- UP sugar industry is also expecting ₹ 9/quintal subsidy towards cane price from the state government amounting to ₹ 5.50 billion as promised at the beginning of the crushing season in October 2013.
- This sugar season onwards, the Maharashtra government has decided to link cane prices to income of sugar factories and give cane payments to farmers in consonance with the recommendations of the newly formed Sugarcane Control Board in the state. Similarly, the Government of Karnataka also set a Board for linking the sugar cane price with output prices.
- The government has proposed a 10% mandatory blending of ethanol with petrol against 5% at present. As per industry estimates, blending of 10% ethanol with petrol can help the country in saving foreign exchange anywhere up to ₹ 18,000 crore a year.

# Sugar Business – Industry Overview

(Figures in million tonnes)

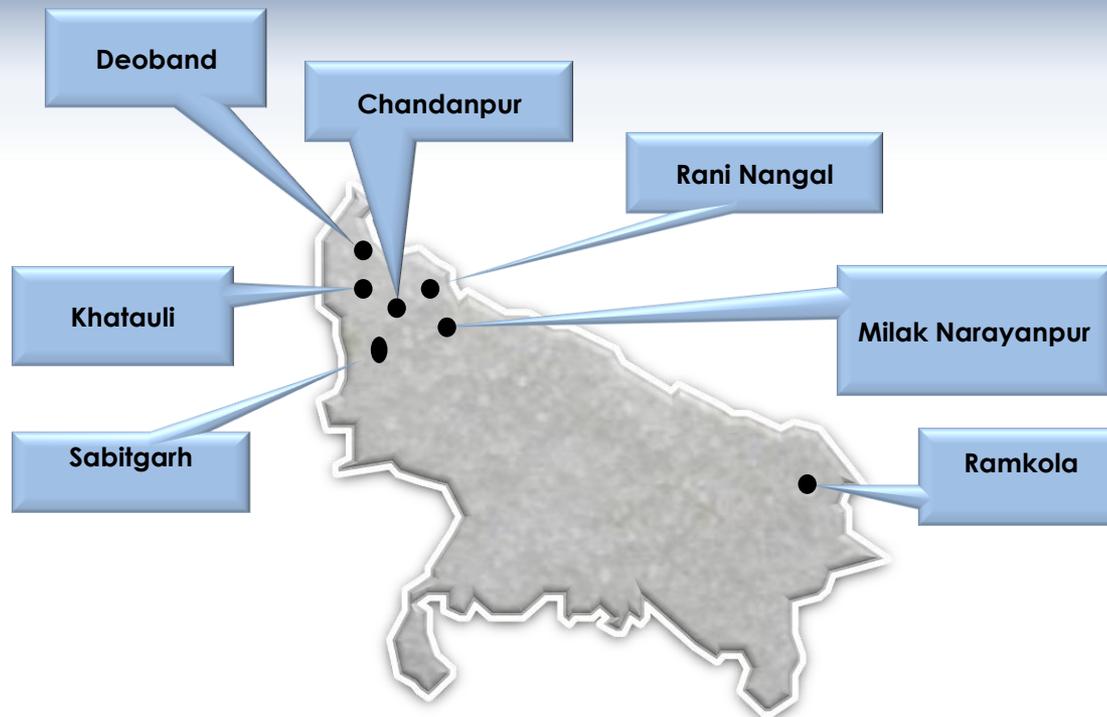
	2009-10	2010-11	2011-12*	2012-13*	2013-14 (E)
<b>Opening Stock as on 1<sup>st</sup> Oct.</b>	4.3	4.9	5.8	6.6	9.3
<b>Production during the Season**</b>	18.9	24.3	26.3	25.1	24.3
<b>Imports</b>	4.0	0	0	0.7	0.1
<b>Total Availability</b>	27.3	29.3	32.1	32.4	33.7
<b>Off-take</b>					
<b>I) Internal Consumption</b>	21.3	20.7	22.6	22.7	24.0
<b>ii) Exports</b>	0.2	2.6	2.9	0.3	2.2
<b>Total off-take</b>	21.5	23.3	25.5	23.1	26.2
<b>Closing Stock as on 30<sup>th</sup> Sept.</b>	5.7	6.0	6.6	9.2	7.5
<b>Stock as % of Off-take</b>	27.2%	28.9%	29.2%	40.5%	31.2%

\* Figures taken as per Directorate of Sugar, Department of food

\*\* Production/Imports/Exports figures include both White & Raw sugar

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

- Cane crushed during SS 2013-14 has been 4.65 million tonnes with a recovery of 9.32% against 5.63 million tonnes at 9.28% recovery in SS 2012-13. Sugar production is 433.38 (000 tonnes) in SS 2013-14 as against 522.46 (000 tonnes) in SS 2012-13.
- The season-on-season sugar cane crush and sugar production has been lower by 17%. While low cane yields were experienced almost at all our sugar units across the state of Uttar Pradesh, the recovery was adversely impacted in Western UP (where our two largest sugar units are located) due to climatic conditions and supply of stale cane. The recoveries at other sugar units were much improved.
- Volume of sales higher by 43% during the quarter.
- The average sugar realisation for the current quarter was marginally higher in comparison to the corresponding period of last year, while there has been an increase of 3% in comparison to the average realization of the previous quarter.
- The revenue from Incidental co-generation units at Chandanpur and Milak Narayanpur put together was at ₹ 2.3 in Q1 FY15

	<b>FY 08</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>	<b>FY 12</b>	<b>FY 12-14 (*)</b>
Net Sales (₹ in millions)	8863	12529	14055	13434	14821	24930
PBIT (₹ in millions)	359	2023	(573)	74	29	(1919)
Sugar Manufactured (000 t)	580	336	506	420	465	937

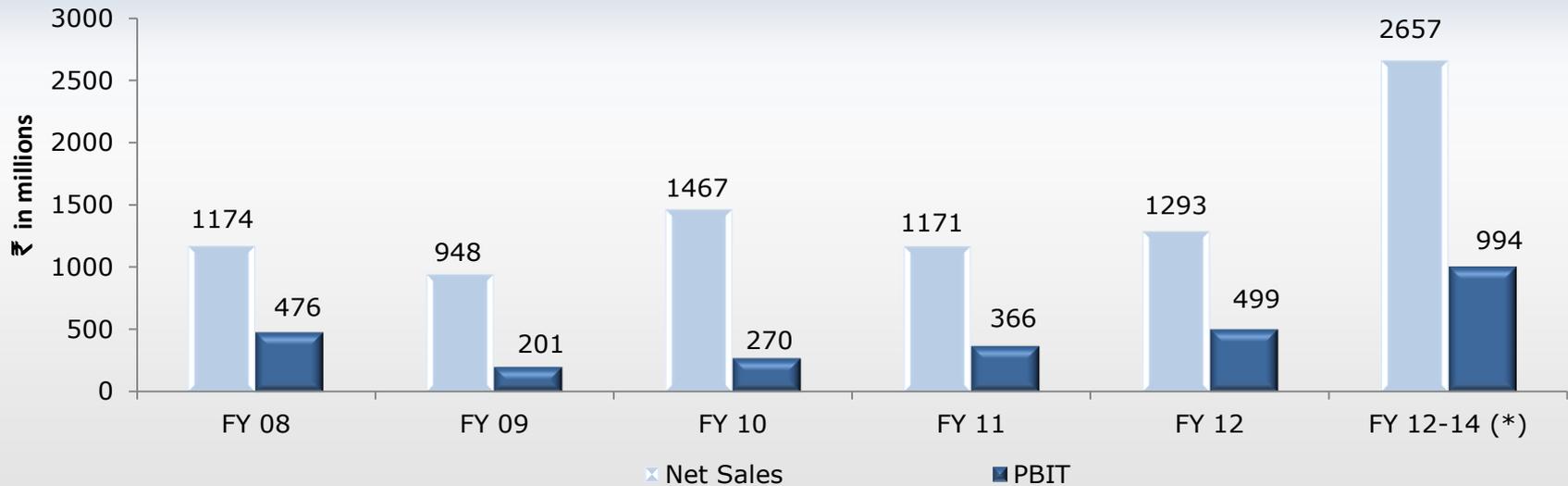
FY 12-14\* - 18 months period from Oct 12 – Mar 14

# Co-generation Business



- ❑ Triveni presently operates three co-generation power plants, one at Deoband and two at Khatauli and two incidental co-generation plants at Chandanpur and Milak Narayanpur sugar units which facilitate export of surplus power to Uttar Pradesh Power Corporation Limited (UPPCL).
- ❑ Deoband and Khatauli co-generation plants of the Company are registered as Clean Development Mechanism (CDM) projects with United Nations Framework Convention on Climate Change (UNFCCC) and have been registered with National Load Dispatch Centre (NLDC) as REC projects.

# Co-generation Business



FY 12-14\* - 18 months period from Oct 12 - Mar 14

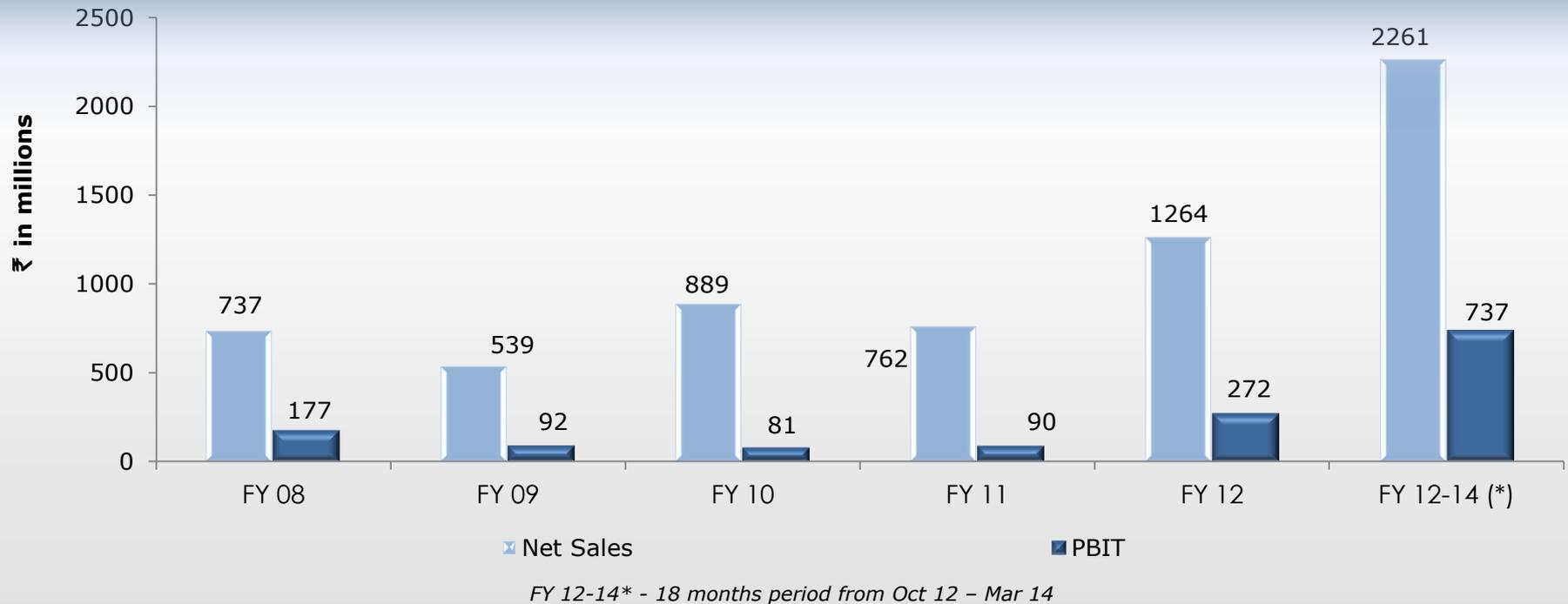
- During the quarter under review, the co-generation units operated only for few days and accordingly, the sales were lower in comparison to same quarter of the previous year.
- Issuance of Renewable Energy Certificates (RECs) in UP has commenced and in respect of Khatauli and Deoband units, income of ₹ 3.5 million has been realised during the current quarter.
- The profit from operations during the quarter was higher due to better operational efficiencies, change in accounting policies of depreciation and change off of deferred expenses.

# Distillery Business



- ❑ One of the largest single stream molasses based distillery in the country located at Muzaffarnagar.
- ❑ Strategically located in close proximity to two of its largest sugar units viz. Khatauli and Deoband, the distillery procures consistent supply of captive raw material.
- ❑ The distillery has a flexible manufacturing process allowing it to produce Extra Neutral Alcohol (ENA), Rectified Spirit (RS), Special Denatured Spirit (SDS) & Ethanol which are renowned for their high quality.

# Distillery Business

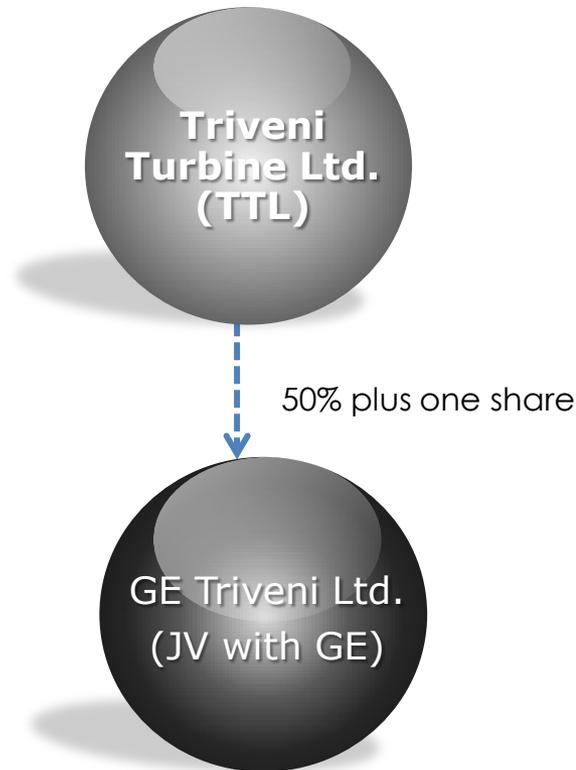


- ❑ The distillery operated for the whole quarter.
- ❑ The average realization has gone up by 15%. Average realization during the

quarter stood at ₹ 36.98 per ltr.

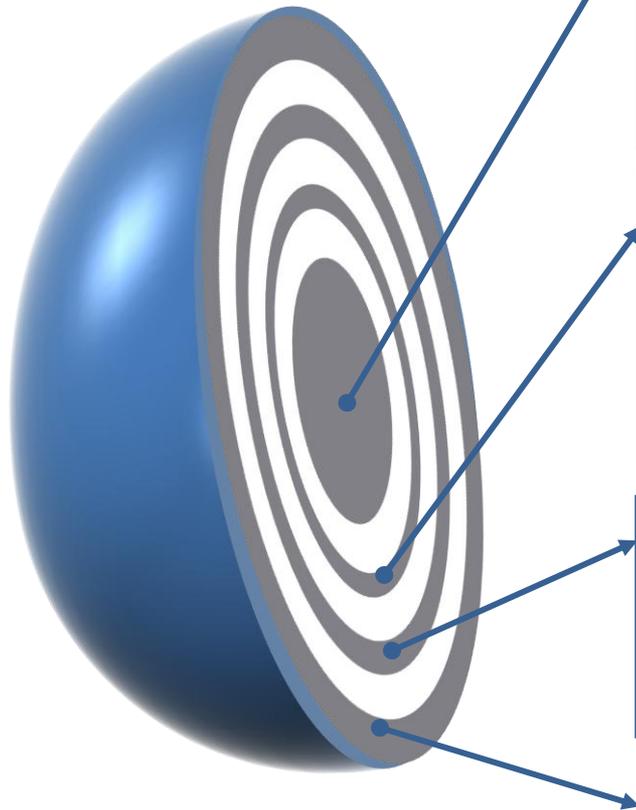
- ❑ During the quarter, the company supplied 32% of its sales as ethanol.

# Triveni Turbine Ltd. (TTL)



- Triveni Turbine Limited (TTL) is one of the leading industrial steam turbine manufacturers of India in the up to 30 MW segment with a dominant market share.
- TTL listed in NSE & BSE, two major stock exchanges in India.
- Strong Aftermarket services are supported by pan India presence.

# TTL – Fact Sheet



## Delivering STG Packages

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Delivering STG packages up to 30 MW. Installations base of over 2500 turbines globally.

## Market Share

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Key global player in steam turbine market with market leadership position in India, having approx. 63% market share.

## Annual Revenues

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Annual Revenues for FY 14 at ₹ 5.06 billion (~ USD 85 million).

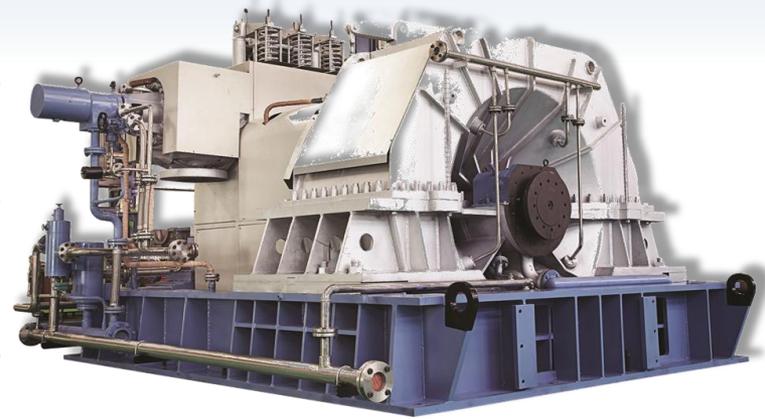
## Global Presence

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Significant presence in South East Asia, Europe, South America, Middle East & Africa, with installations in over 40 countries.

# TTL – Business Perspective

- ❑ The current range of product up to 30MW. Commands market leadership for range up to 30 MW.
- ❑ Manufacturing since 1968; over 2,500 turbines manufactured and sold since inception.
- ❑ Cater to wide range of customers across segments like sugar, paper, co-gen, textiles, pharma, steel, IPP.
- ❑ Consistently upgrading the product range and efficiency. Highly efficient turbines with indigenously developed tapered twisted blades.
- ❑ Strong in-house R&D team and tie-ups with leading international design and R&D establishments. Facility equipped with state of the art equipments and machine tools best in the industry.
- ❑ Provide a wide range of aftermarket services to our customers as well as turbine users of other makes. Unparallel service through 24X7 customer care support and a network of 13 service centres.
- ❑ In-house learning centre – to create pool of technical team for design, engineering and servicing.



# Efficient Products

Engineered-  
to-order

Cost  
Efficient

Triveni  
Turbines

Increase  
Efficiency

Robust &  
Reliable

## Back Pressure Steam Turbines

- Straight Back Pressure Type

## Condensing Steam Turbines

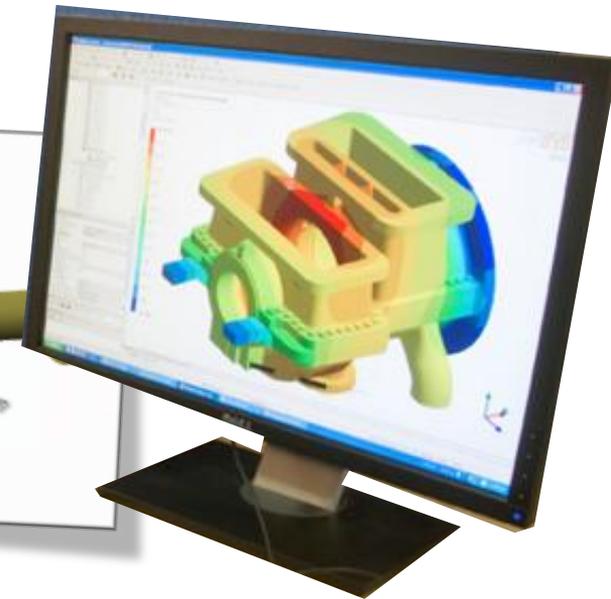
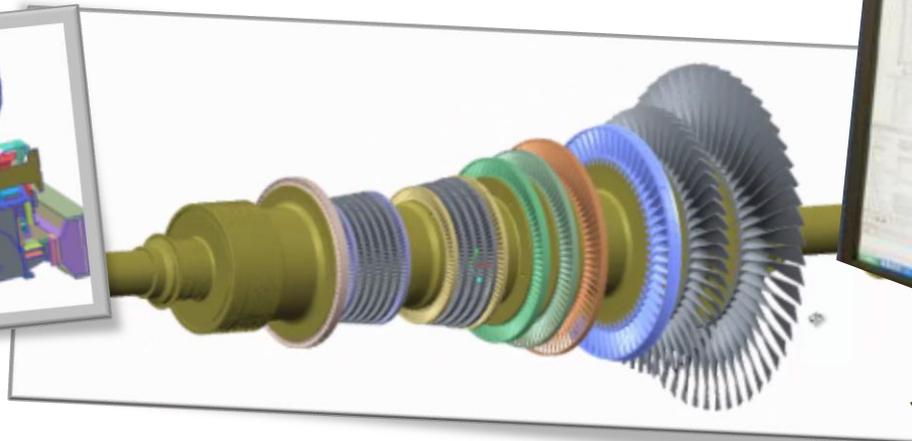
- Straight Condensing Type
- Condensing Type with Controlled Extraction
- Condensing Type with Un-Controlled Extraction
- Condensing Type with Injection

Power Generation Capacity	Up to 30 MW
Steam Inlet Temperature	Up to 545°C
Steam Inlet Pressure	Up to 120 Bar (a)
For GETL range	Above 30 MW to 100 MW

# TTL – Research & Development

- Strong design team supported by consultants and domain experts
- Association with globally acclaimed turbo-machinery design houses
- Developed and commercialised 40 basic new models of high pressure and cost effective steam turbines in a decade. Introduced 11 new product variants of turbines in 2013-14

- Innovative designs delivering maximum performance and higher efficiency
- Innovative product development concepts such as design to cost, QFD, FMEA techniques, DOE
- Deploy Latest computer aided design and engineering software for continuous product development



# TTL – Aftermarket Services

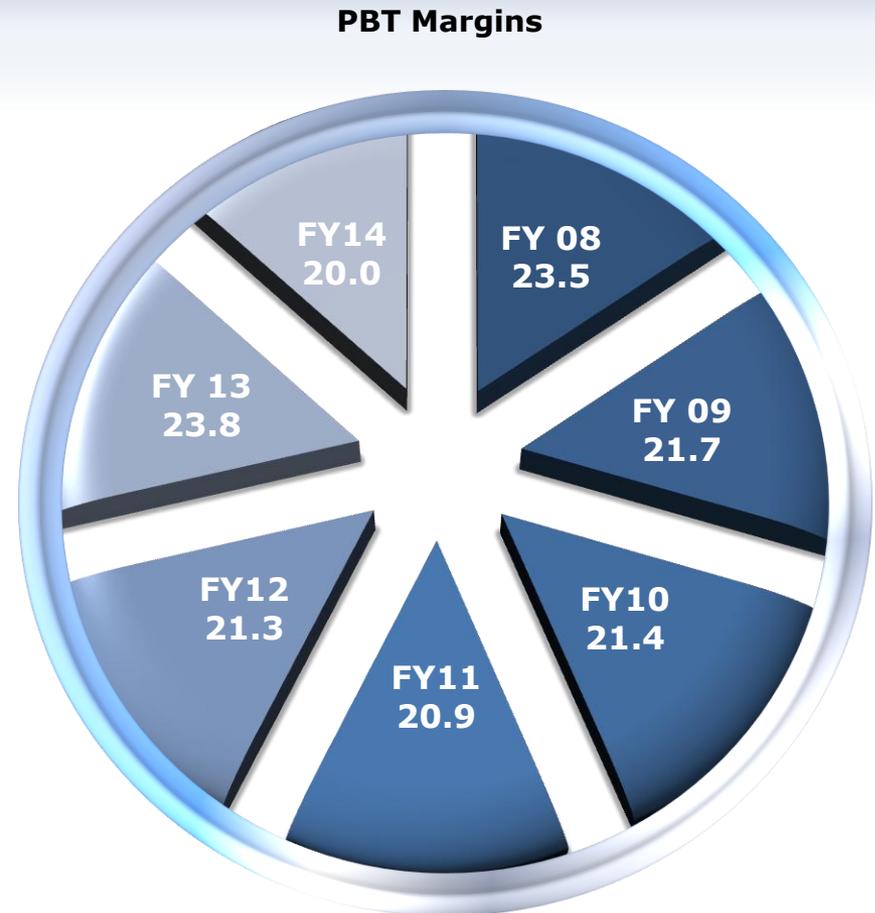
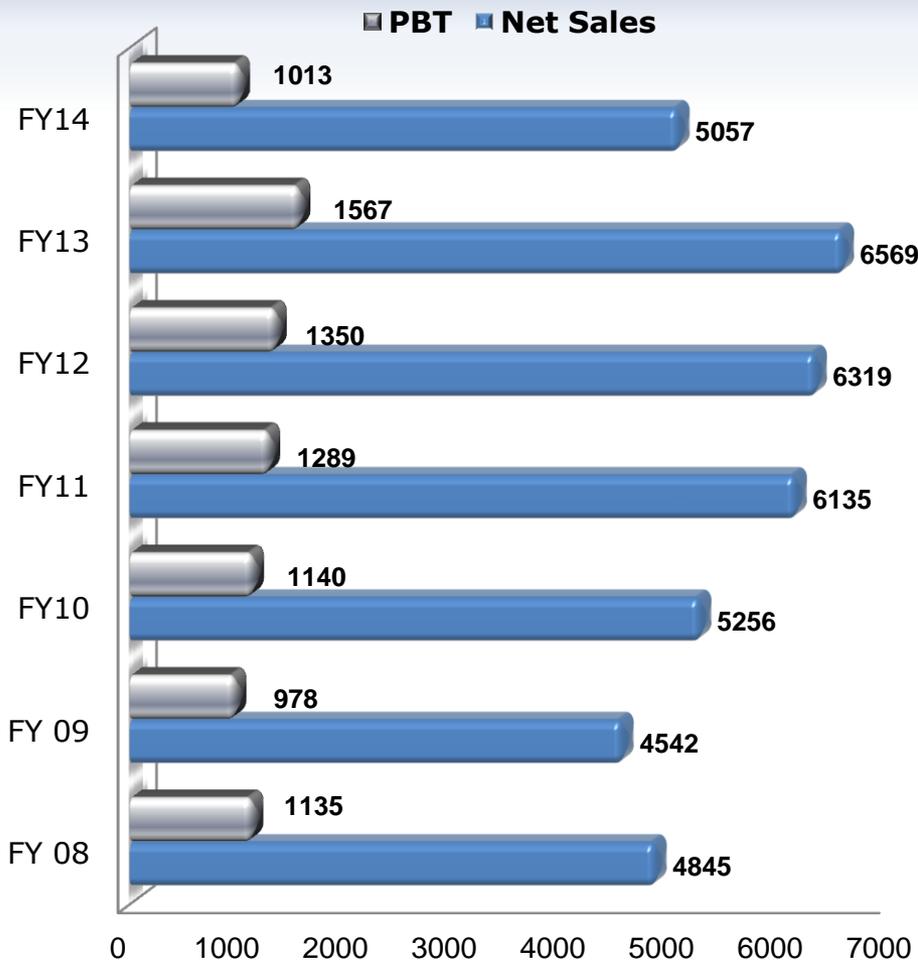
**Aftermarket Services are integrated under Customer Care Cell (CCC) which provides a comprehensive range of customized service solutions and complete life cycle support for industrial steam turbines**

- Full speed vacuum balancing tunnel for balancing turbines, compressors/alternators – can undertake balancing for turbo machines up to 300 MW depending on specifications.
- Offers all after-sales requirements from erection and commissioning (E&C) to maintenance and spare parts to efficiency improvement.
- 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 global markets.
- Currently offering refurbishment solutions for higher MW turbines for all makes.

360°  
After -  
Sales  
Service



# TTL – Financials



# TTL – Financials

(Figures in ₹ million)

	Q1 FY 15	Q1 FY 14	Variation(%)
<b>Income from Operations</b>	1210.9	1106.3	9%
<b>EBITDA</b>	253.7	228.8	11%
<b>EBITDA Margin</b>	21.0%	20.7%	
<b>Depreciation &amp; Amortisation</b>	40.6	31.4	29%
<b>PBIT</b>	213.1	197.4	8%
<b>PBIT Margin</b>	17.6%	17.8%	
<b>Interest</b>	1.2	2.5	-52%
<b>PBT</b>	211.9	194.9	9%
<b>PBT Margin</b>	17.5%	17.6%	
<b>PAT</b>	142.2	131.6	8%
<b>PAT Margin</b>	11.7%	11.9%	

# TTL – Financials

- The Q1 FY 15 turnover was higher by 9% in comparison to the corresponding period of last year. However, lower order booking in the H1 of FY 14 impacted the turnover of the current quarter, which is expected to be ramped up in the coming quarters.
- The proportion of the after-market sales to total sales has improved from 22% in Q1 FY 14 to 25% in Q1 FY 15.
- The export turnover during the quarter in comparison to the previous period was lower on account of very poor order intake from the export market in H1 FY 14, which is bound to be reversed in the coming quarters as the export order booking in the second half of the last year, has been much better.
- During the Q1 FY 15, the total order intake has been ₹ 1.41 billion including aftermarket order booking of ₹ 230 million, which is a growth of 21% in comparison to corresponding period of last year.
- The outstanding order book on a standalone basis, as on 30<sup>th</sup> June 2014 has been ₹ 6.0 billion including refurbishment orders, while on a consolidated basis, the order book is ₹ 7.6 billion.



# GE Triveni Ltd.

- 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, supply, sell and service advanced technology steam turbines in India in the range above 30-100 MW 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.
- During the quarter, GETL has received one more international order worth ₹ 500 million.
- With a strong order backlog and enquiry book, the business is expected to gain momentum in the coming year.
- The company has a strong enquiry book both in the domestic market and international markets which are being pursued by the marketing teams of the respective JV partners in their territories.



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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.