

# CORPORATE PRESENTATION

## Sugar Business



## Water Business



**Triveni  
Engineering  
&  
Industries  
Ltd.**

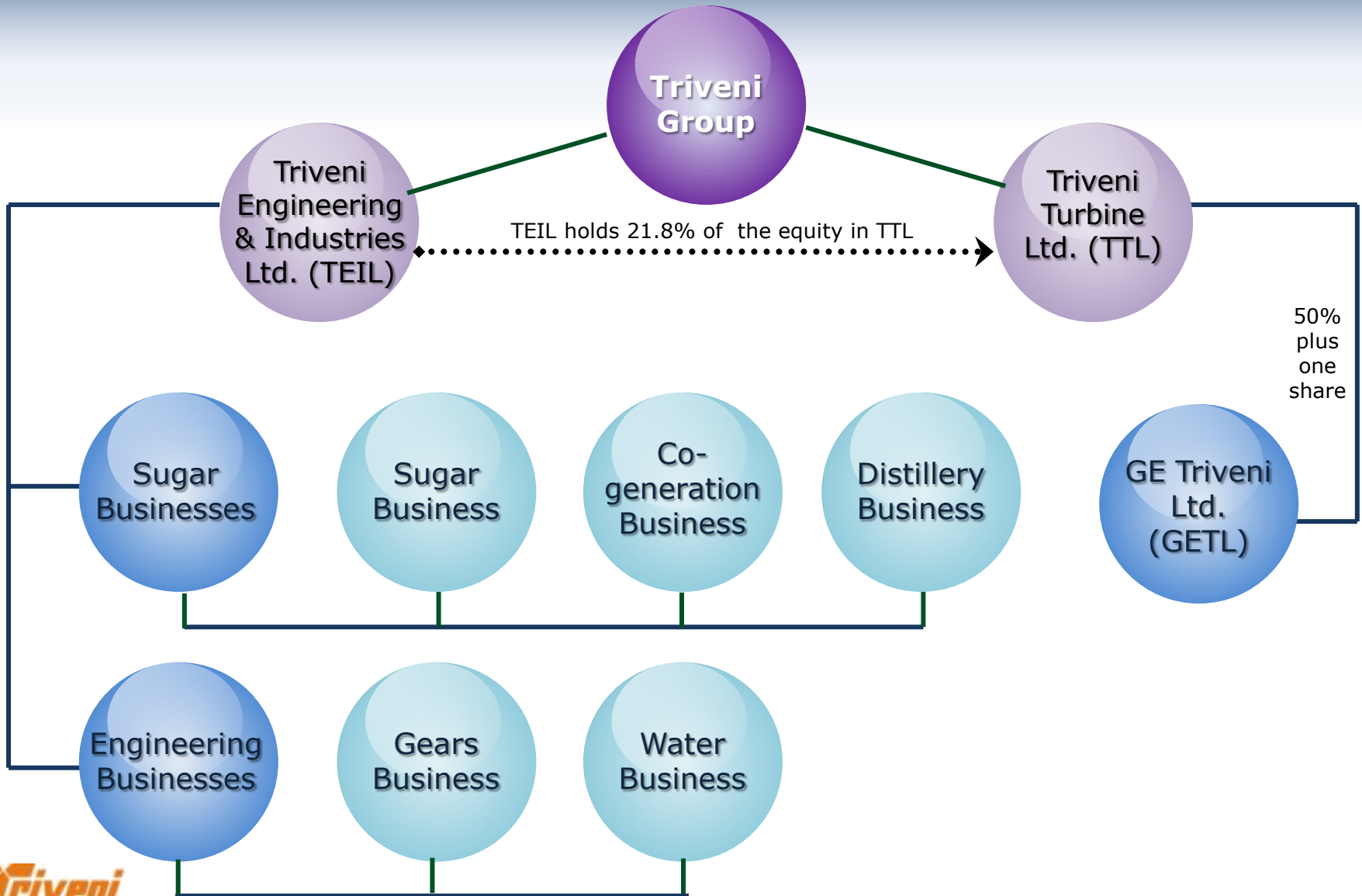
## Co-generation & Distillery Business



## Gears Business



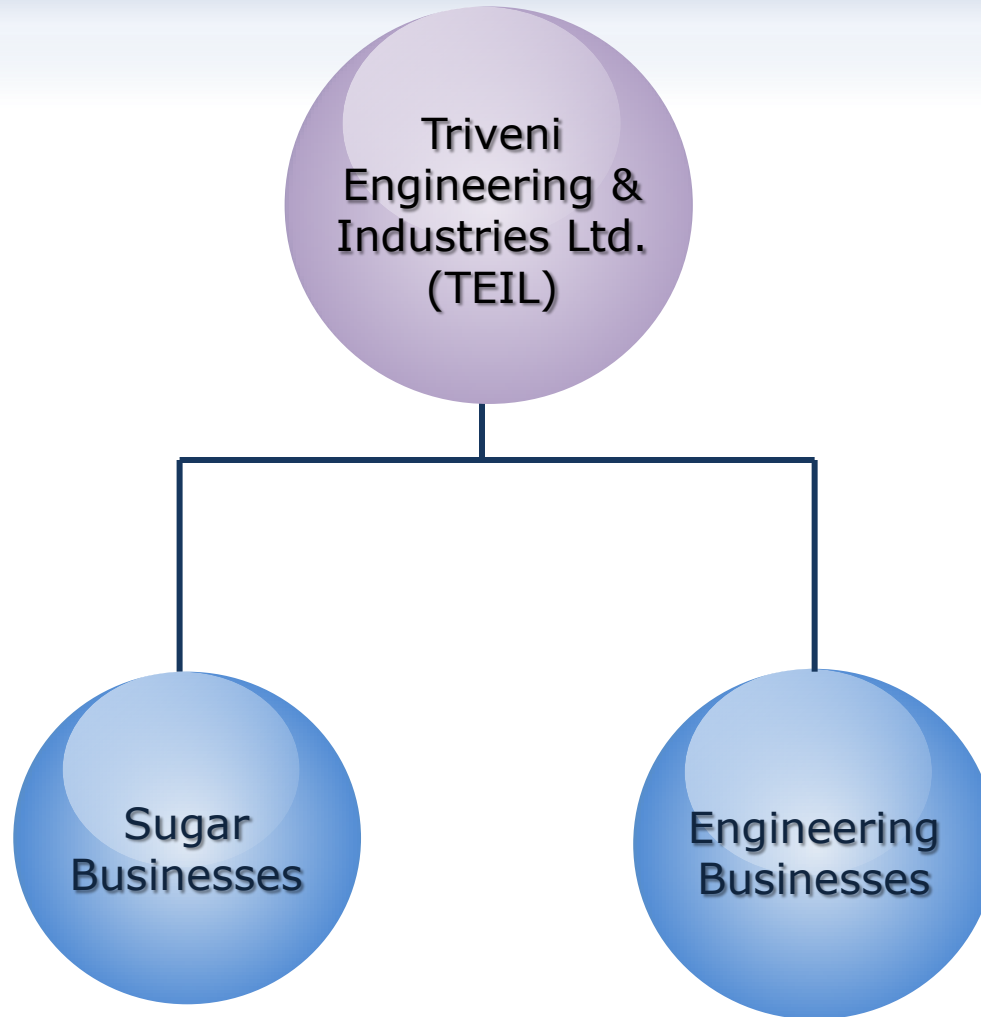
# Triveni Group Organisation Structure



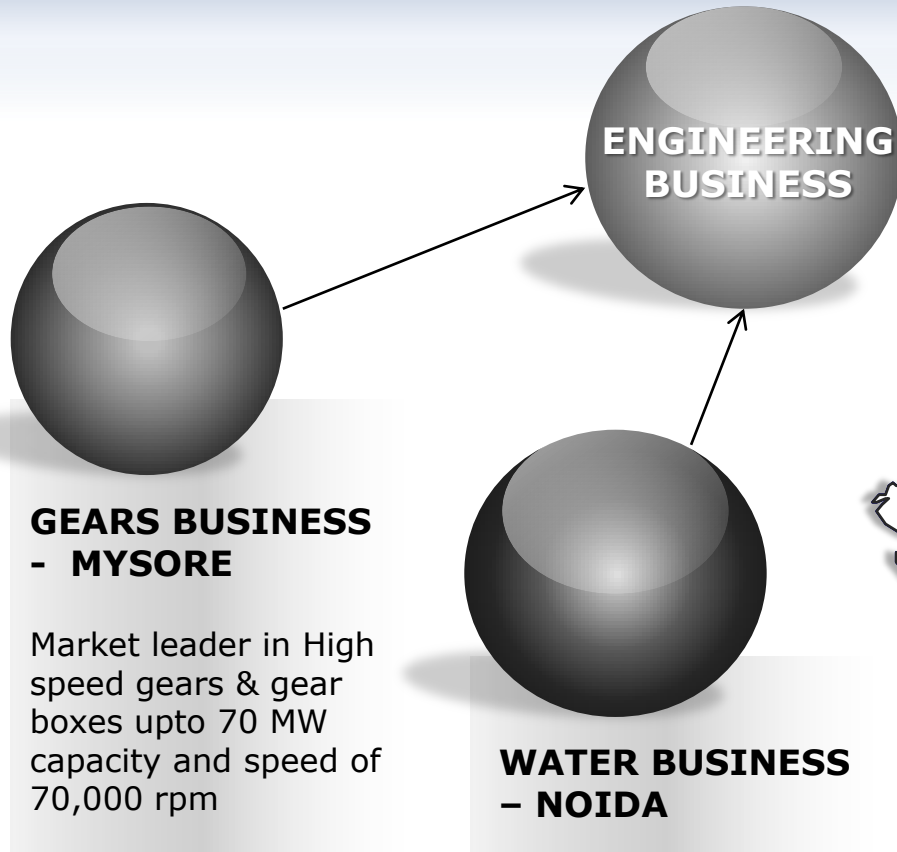
# Triveni Group Fact Sheet

- ❑ 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 46 billion (December 3, 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

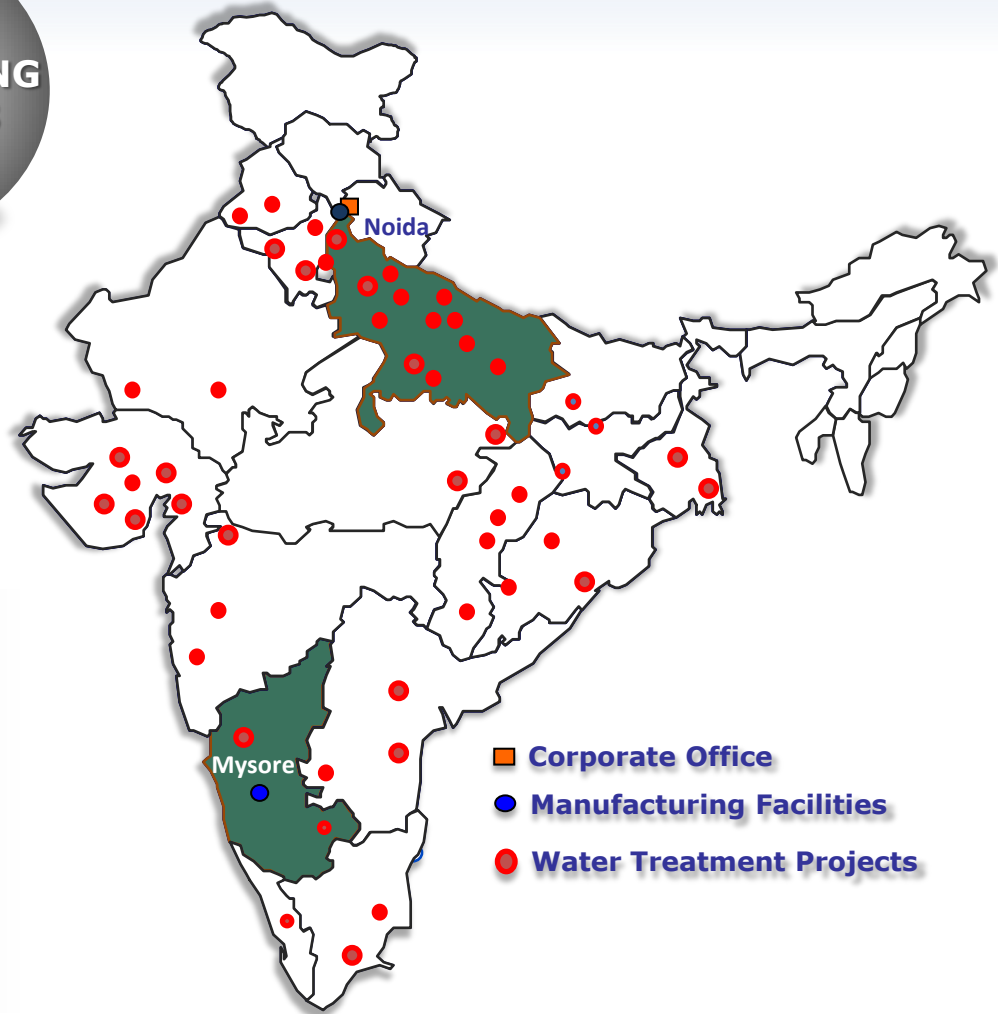


## GEARS BUSINESS - MYSORE

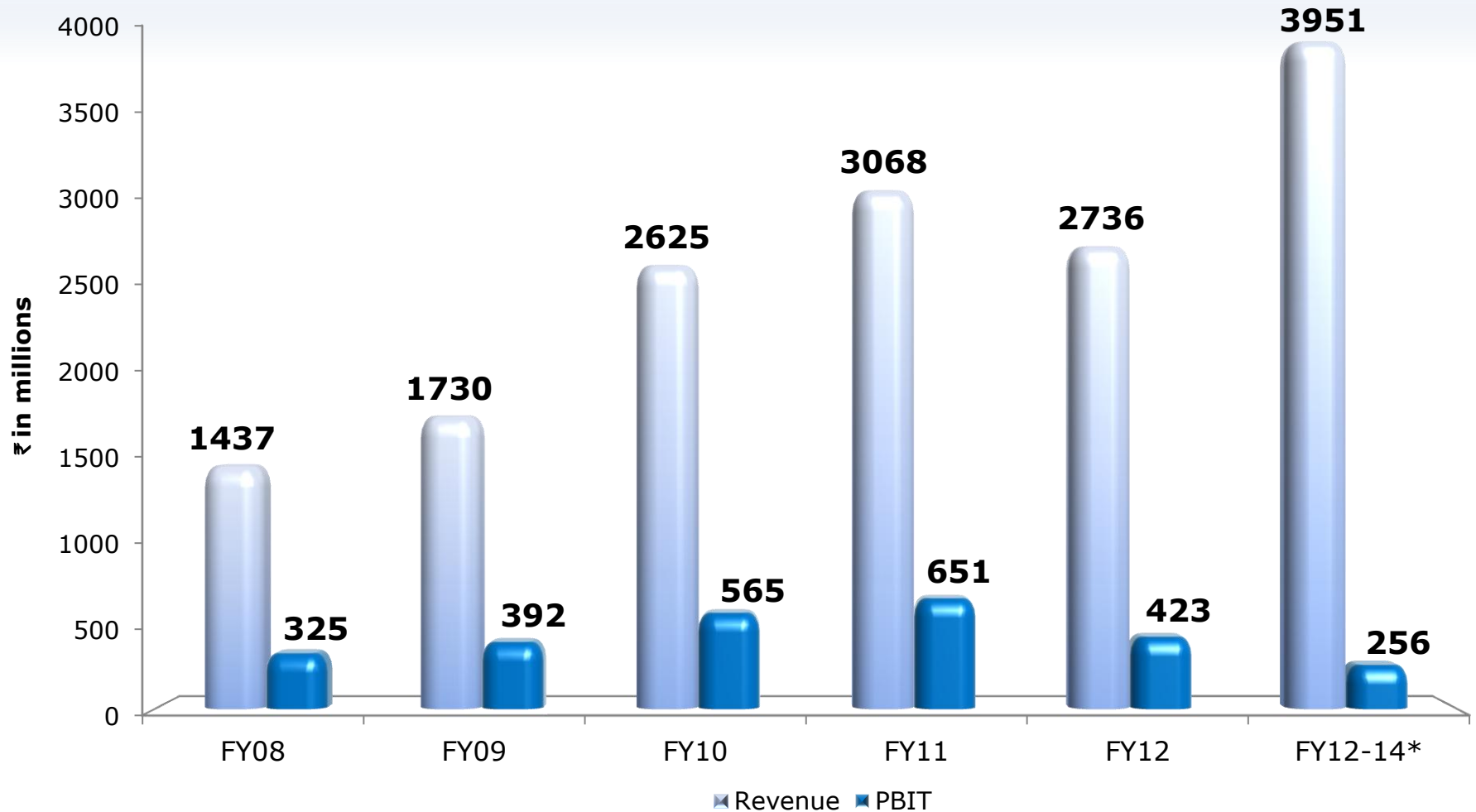
Market leader in High speed gears & gear boxes upto 70 MW capacity and speed of 70,000 rpm

## WATER BUSINESS - NOIDA

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



# Engineering Businesses – Revenue Growth





# Gears Business

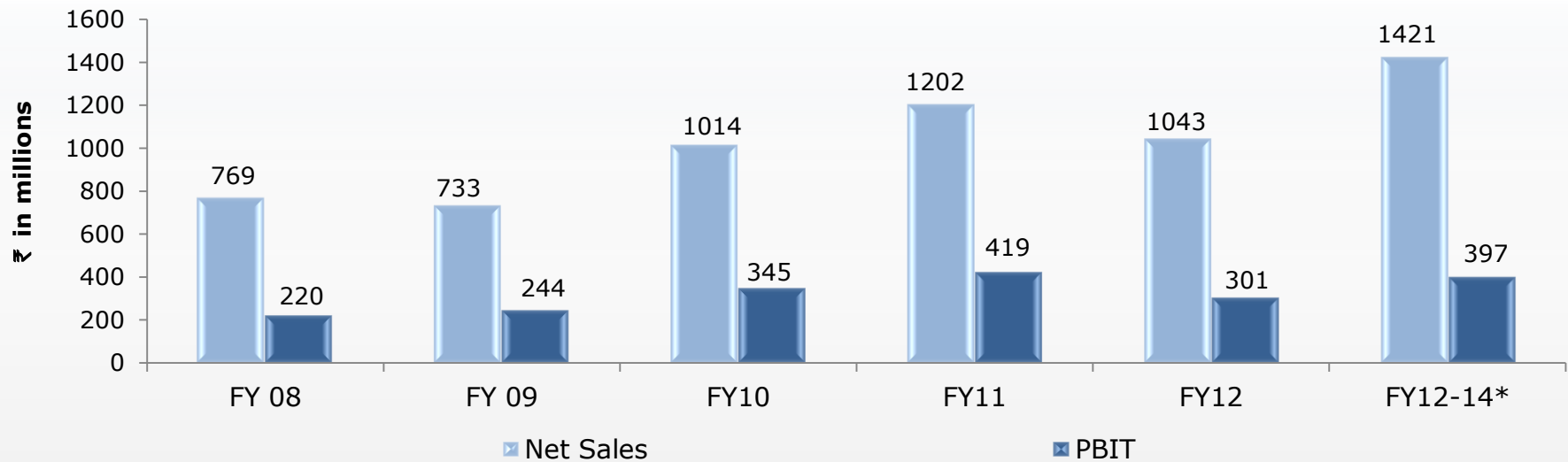
- ❑ Triveni is in the business of design, manufacture and marketing of customised gears and gearboxes (both high speed and niche low speed gears) having a state-of-the-art design and manufacturing facility at Mysore conforming to international standards. About 70% market share in complete high speed 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.
- The retrofitting spares and loose gears share for the quarter & half year has been 34% & 38% respectively.
- The order in-take of ₹ 31.5 crore for the quarter has been lower by 16% when compared with the corresponding quarter.
- 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.

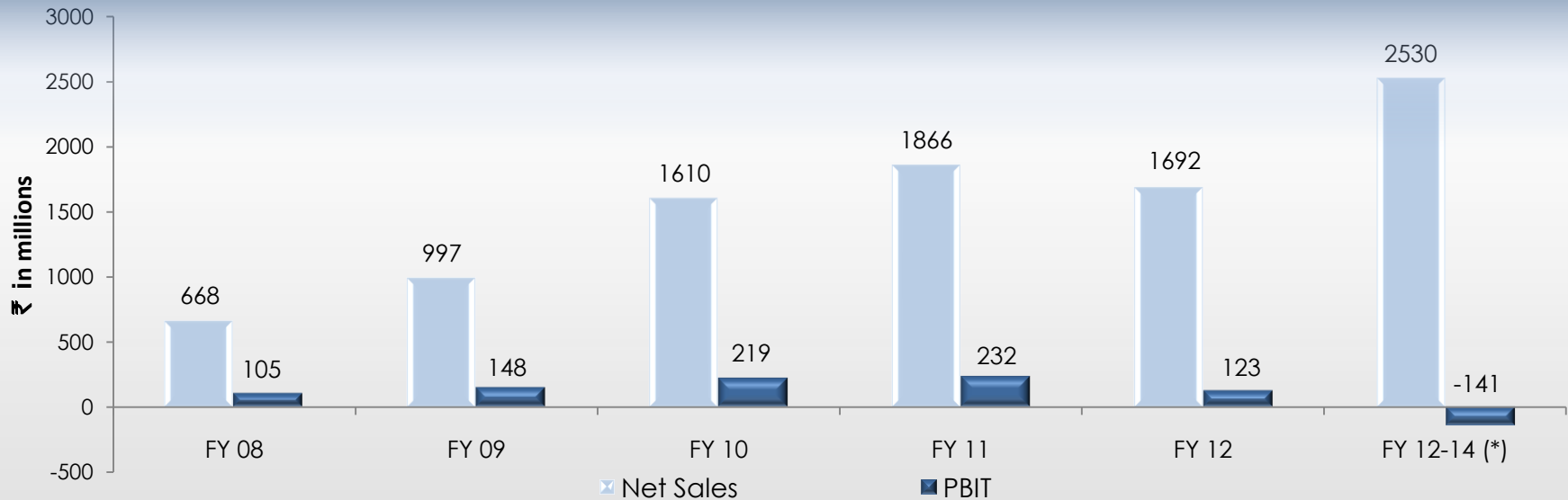


# Water Business

- ❑ 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.



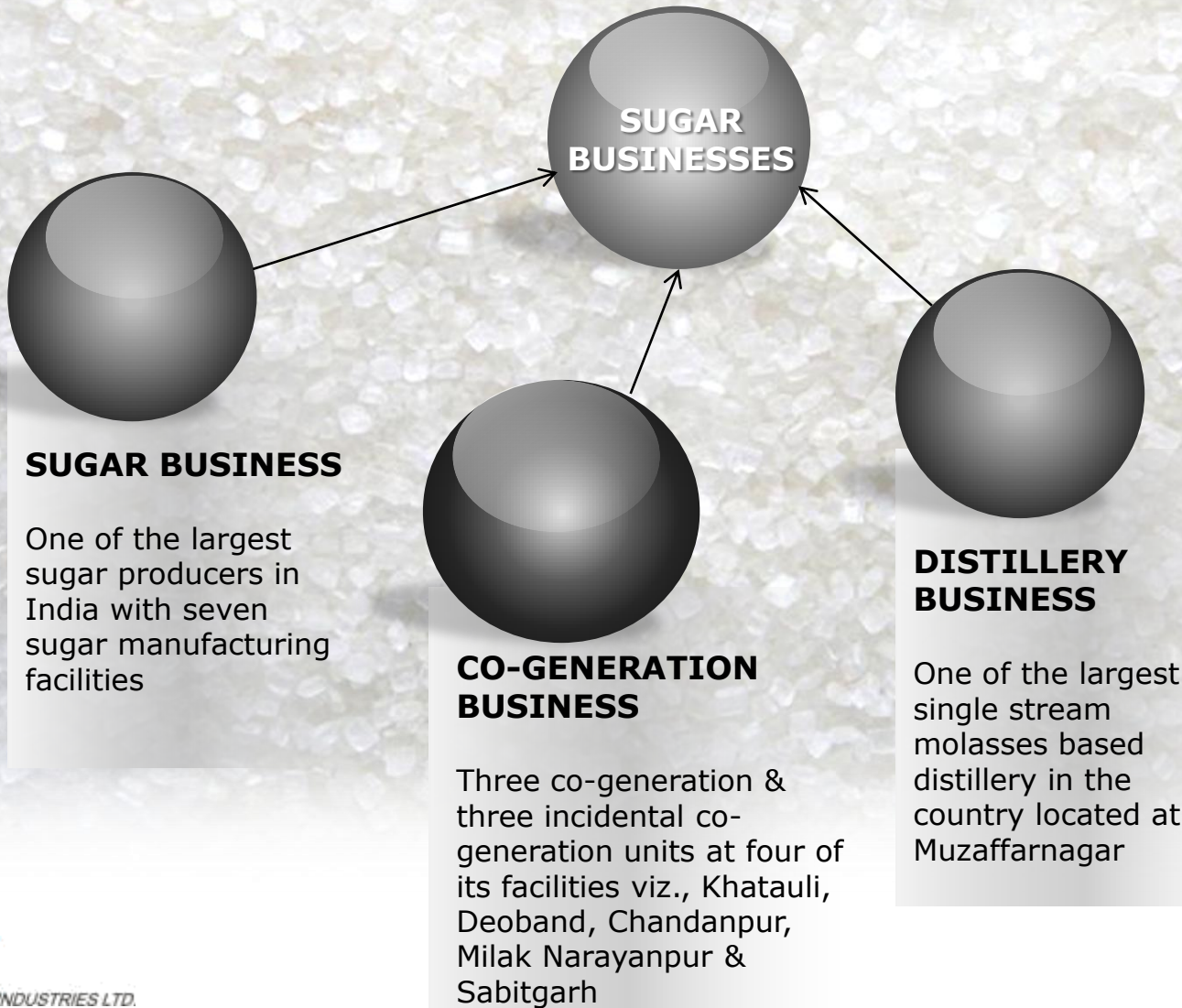
# Water Business



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

- While the turnover is higher than the previous periods, 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 pre-qualification credential to bid for larger projects.
- During the current quarter, the order intake was ₹ 52.5 crore while the business had booked substantially large value contracts during the same period last year. Several large value orders are in the pipeline or under finalization.
- 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:

- On the International front, as per the industry estimate the sugarcane crushed season-to-date i.e. April to September in the Brazil Centre-South region is 1% higher year on year at 412.7 mln tonnes, while sugar production is 2% higher at 23.5 mln tonnes.
- As per industry sources, the forecast for world sugar surplus in 2014-15 has been revised to 1.31 million tonnes in August 2014.

## India:

- As per recent estimates, the total sugarcane acreage of the country in Sugar Season (SS) 2014-15 would be around 52.94 lakh ha, which is about 1% 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.
- As per the Press Release, The Uttar Pradesh government has decided to keep the State Advised Price (SAP) for sugarcane unchanged at the same level as last year, i.e., the price for general variety will be ₹ 280/quintal, that for early variety will be ₹ 290/quintal and that for rejected variety will be ₹ 275/quintal.
- The sugarcane payment has to be made to the farmers in two installments. The first installment would be paid by the mills within 14 days at the rate of ₹ 40 per quintal less than the SAP and if the payment of the first installment is not made in 14 days of the cane purchase, it will attract statutory interest. The second installment has to be made within three months from the close of crushing operation.
- The state government has also announced to give reimbursement and subsidy of ₹ 20/quintal to help the sugar mills to pay the second installment of ₹ 40/quintal based on conditions.

# Sugar Business – Industry Overview

## India:

- ❑ The support of ₹ 20 per quintal would only become payable if the price of sugar, molasses, bagasse & press mud on an average remain lower than ₹ 3,100/qtl, ₹ 390/qtl, ₹ 167/qtl and ₹ 26/qtl respectively, during the period from 1st Oct 2014 to 31st May 2015.
- ❑ The break-up of the reimbursements would in the form of society commission of ₹ 6.60/quintal and an additional support of ₹ 8.60/quintal. The rebate are in the form of cane purchase tax of ₹ 2/quintal and entry tax on sugar of ₹ 2.80/quintal.
- ❑ The export subsidy is now valid up to 30.09.2014 and the subsidy amount has been increased from ₹ 3300/MT to 3371/MT.
- ❑ As per industry estimates, sugar production in Maharashtra is expected to be at 9.3 million tonnes, UP is seen at 6.5 million tonnes and Karnataka at 4.45 million tonnes.
- ❑ As per the Central Government's estimates, the sugar stock at the beginning of October 2014 is estimated at 6.92 million tonnes, which is lower than 7.5 million tonnes estimates of ISMA. India had exported 2.2 million tonnes sugar in the 2013-14 marketing year on account of incentives provided on raw sugar exports by the Central government.
- ❑ For the SS 2014-15, the Centre has fixed an FRP of ₹ 2,200 per tonne on a recovery rate of 9.5%.
- ❑ The States of Maharashtra and Karnataka has formed Sugar cane control Boards to fix the sugar cane price based on the Rangarajan Committee (to link the input price with output price) and is expected to be announced based on that formula.
- ❑ 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	24.4
<b>Imports</b>	4.0	0	0	0.7	0.1
<b>Total Availability</b>	27.3	29.3	32.1	32.4	33.8
<b>Off-take</b>					
<b>I) Internal Consumption</b>	21.3	20.7	22.6	22.7	24.2
<b>ii) Exports</b>	0.2	2.6	2.9	0.3	2.1
<b>Total off-take</b>	21.5	23.3	25.5	23.1	26.3
<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%

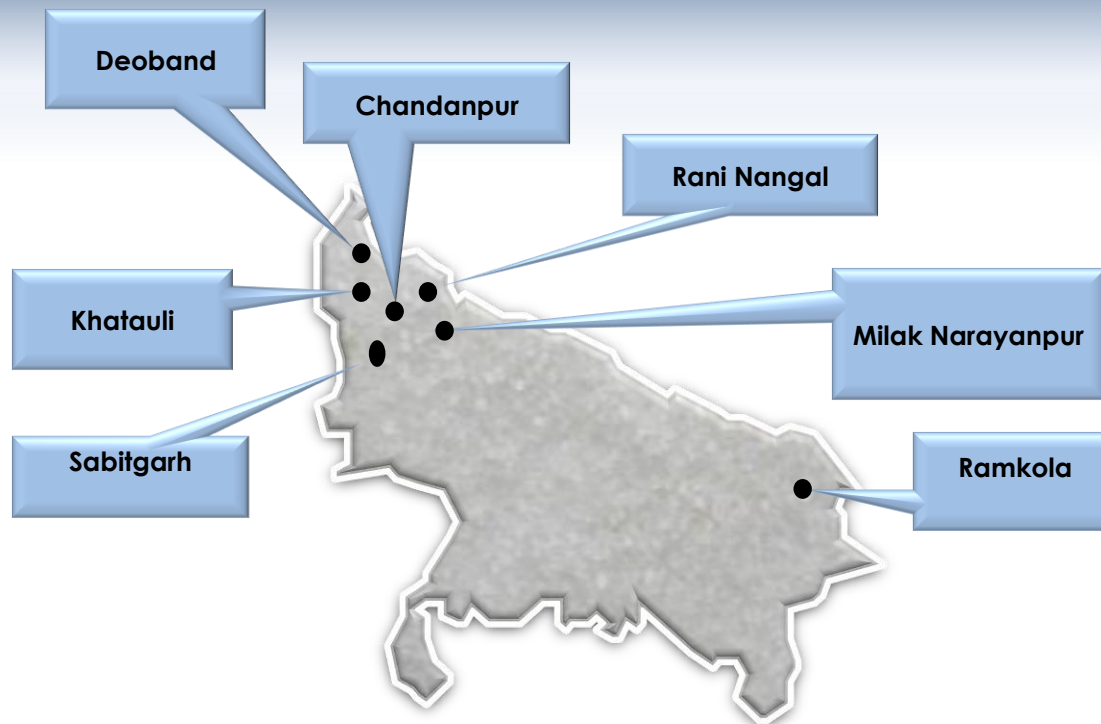
\* Figures taken as per Directorate of Sugar, Department of food

\*\* 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.
- There was no sugar cane crush during the quarter.
- The average sugar realisation for the current quarter stood at ₹ 32150/MT with net sales at ₹ 353.4 crore during the quarter.
- On account of the fall in sugar prices, the inventory were written down amounting to ₹ 21 crore during the current first half.

	<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

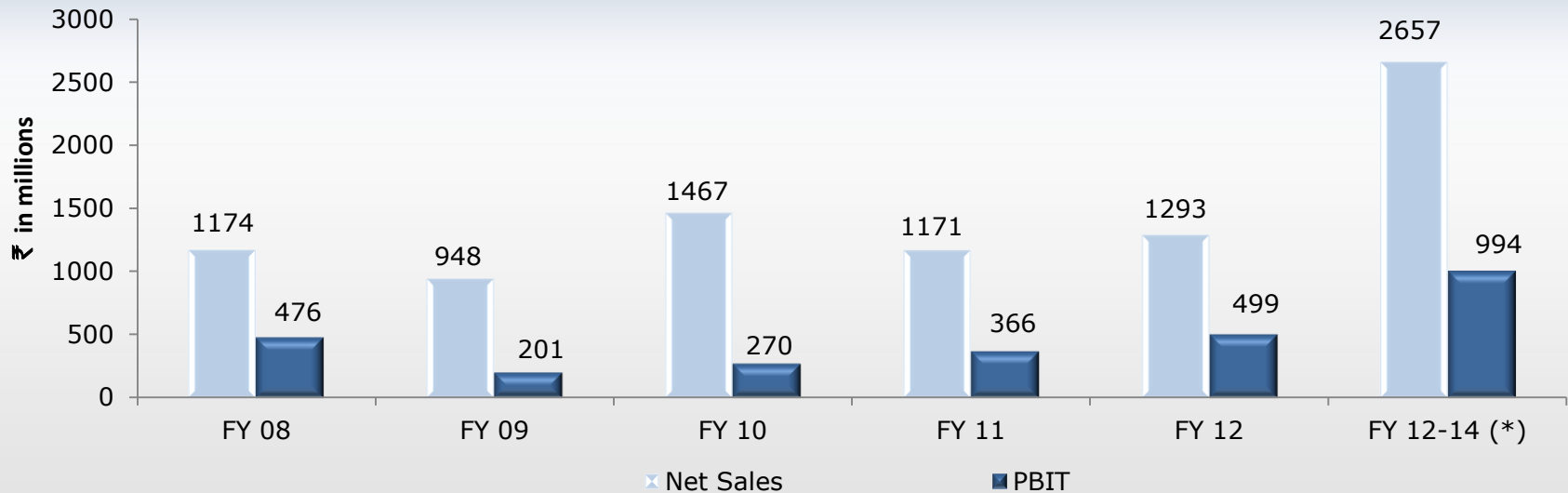
*FY 12-14\* - 18 months period from Oct 12 – Mar 14*

# Co-generation Business



- ❑ Triveni presently operates three co-generation power plants, one at Deoband and two at Khatauli and three incidental co-generation plants at Chandanpur, Milak Narayanpur & Sabitgarh 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

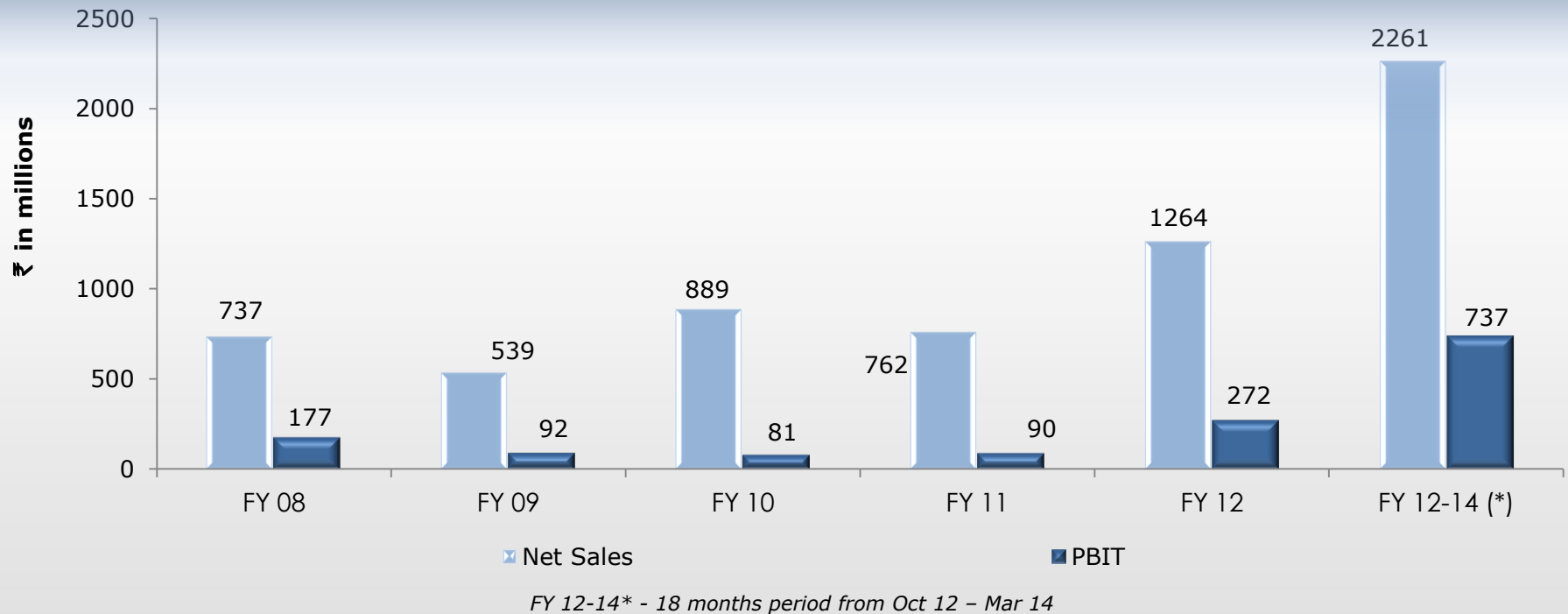
- This quarter being off-season, there were no operations. However, during the corresponding period last year, the co-generation units at Khatauli and Deoband operated for 22 days & 9 days respectively.
- From the sale of Renewable Energy Certificates (RECs) in respect of Khatauli and Deoband units, income of ₹ 23 lacs has been realised during the current quarter and ₹ 58 lakhs for the six months period

# 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

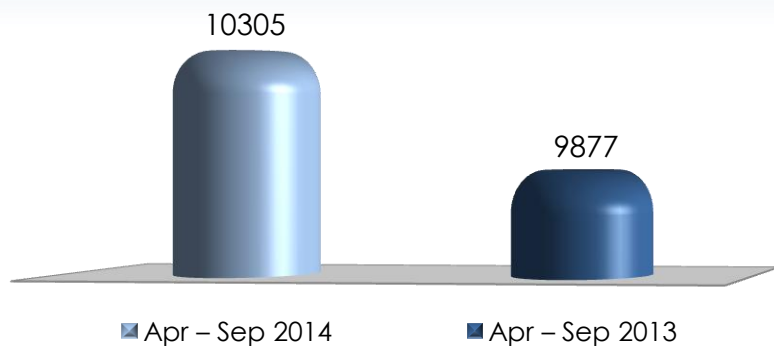


- The distillery operated only for a period of 22 days during the quarter and therefore, the production is lower in comparison to the corresponding quarter of the previous year.
- The despatches were impacted due to protests by farmers on account of cane price arrears, thereby impacting net sales in Q2 FY15 in comparison to corresponding quarter of FY14.

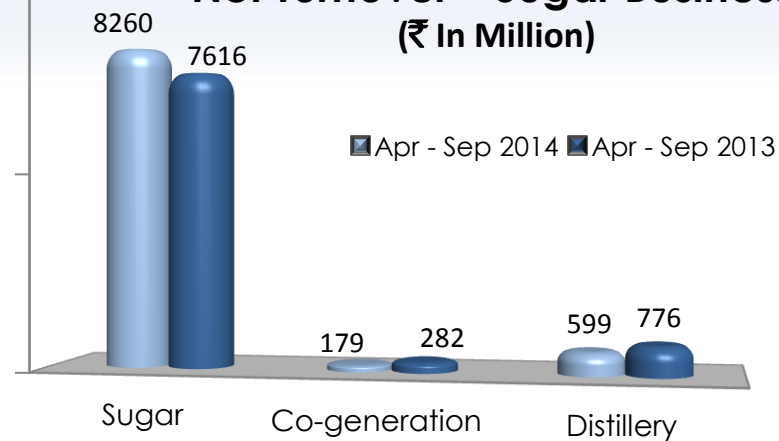


# Financial Performance

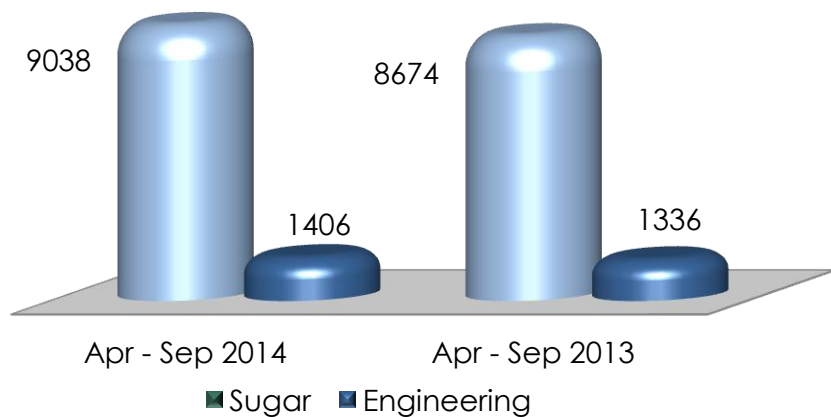
**Net Sales (₹ In Million)**  
(Overall)



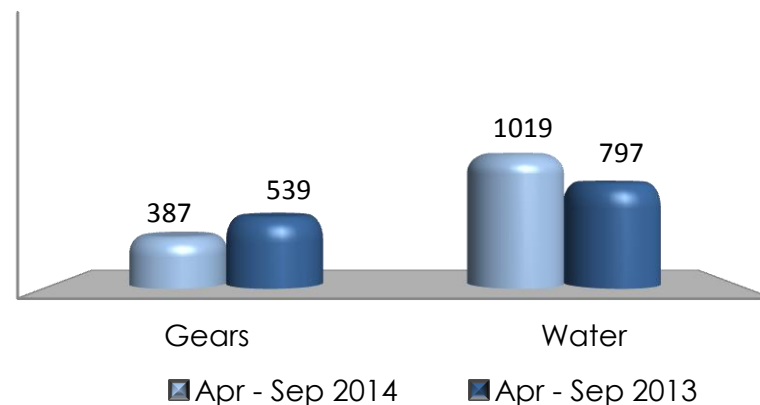
**Net Turnover – Sugar Business (₹ In Million)**



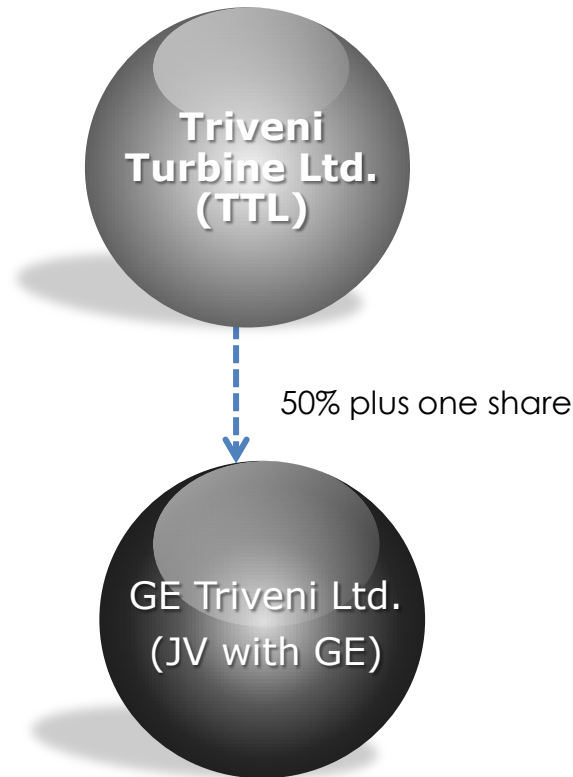
**Revenue Composition (₹ In Million)**



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

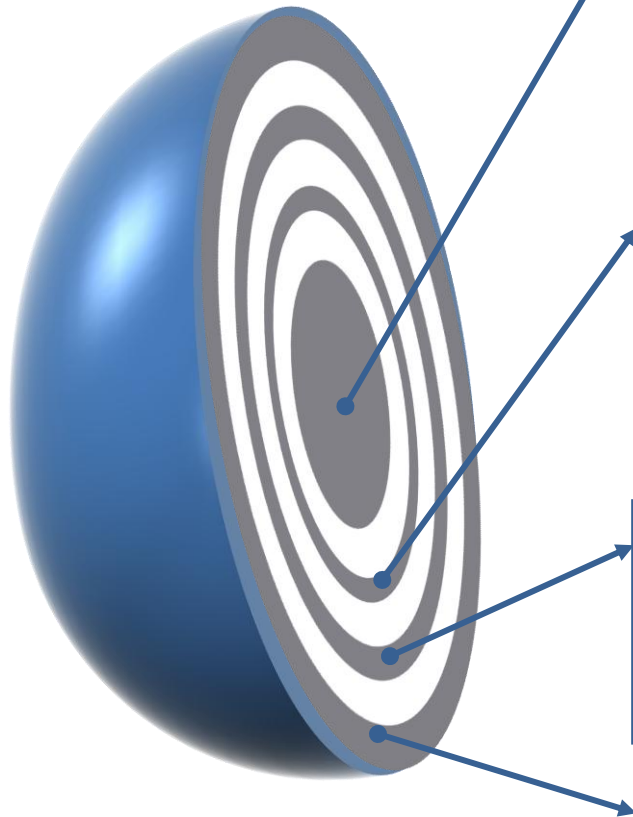


# Triveni Turbine Ltd. (TTL)



- 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).

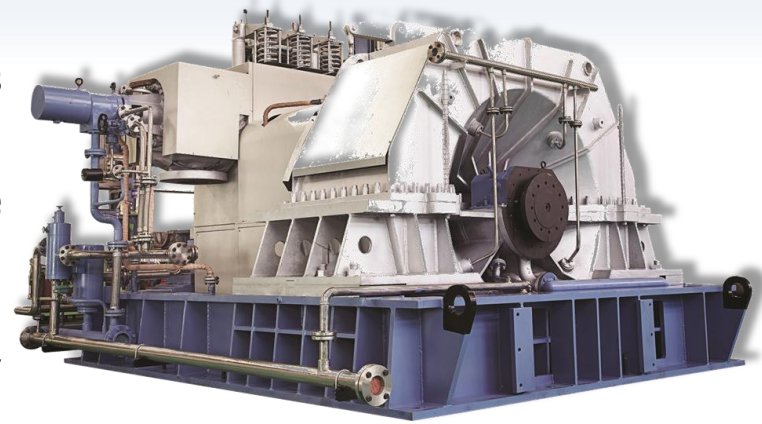
## Global Presence

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Significant presence in South East Asia, Europe, South America, Middle East & Africa, with installations in over 50 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

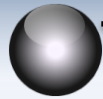
## Condensing Steam Turbines

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

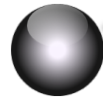
Power Generation Capacity	Up to 30 MW
Steam Inlet Temperature	Up to 545°C
Steam Inlet Pressure	Up to 120 Bar (a)
For GETL range	Above 30 MW to 100 MW



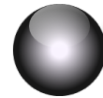
# TTL – Research & Development



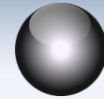
Strong design team supported by consultants and domain experts



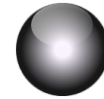
Association with globally acclaimed turbo-machinery design houses



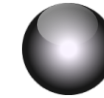
Developed and commercialised 40 basic new models of high pressure and cost effective steam turbines in a decade. Introduced 11 new product variants of turbines in 2013-14



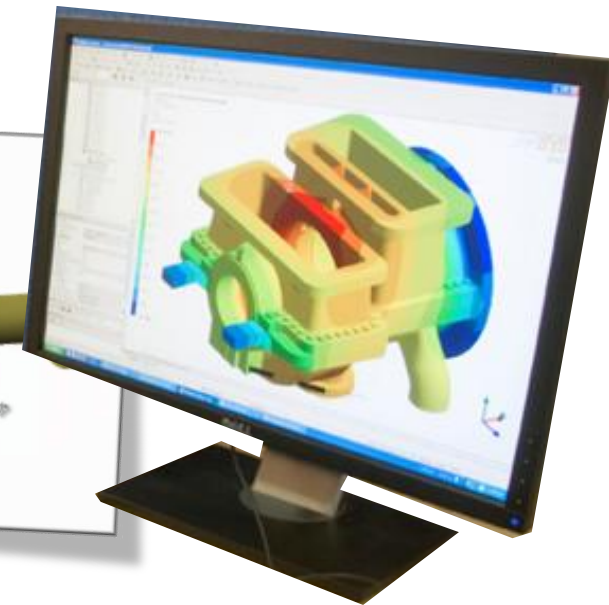
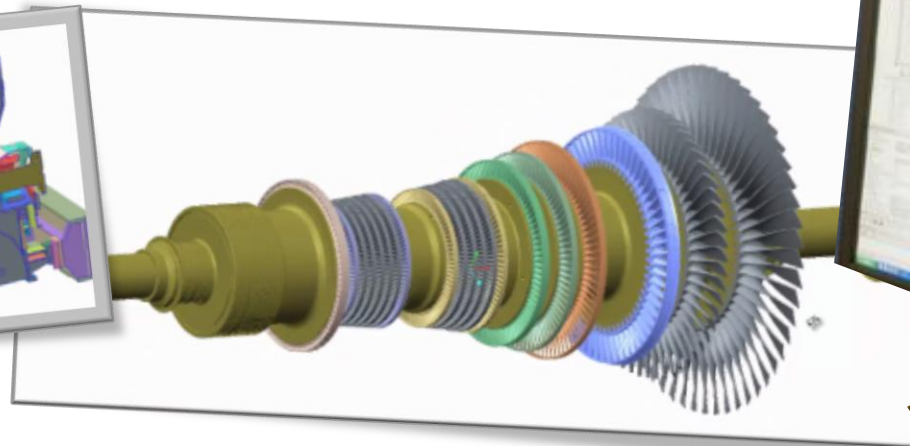
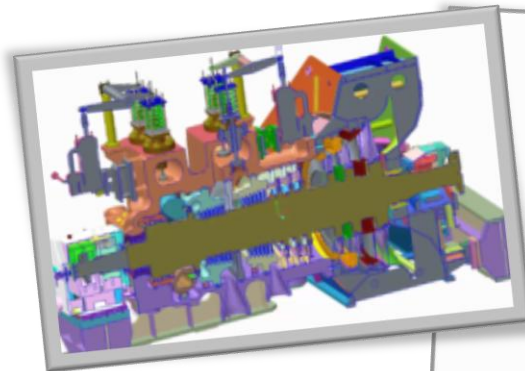
Innovative designs delivering maximum performance and higher efficiency



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

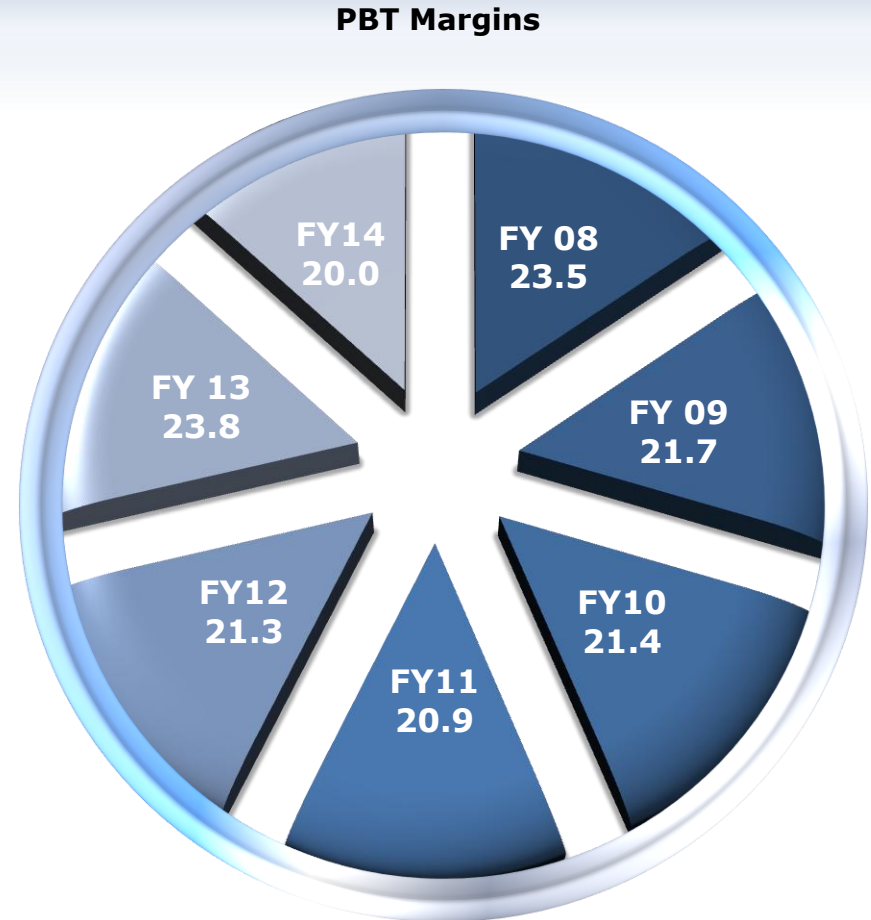
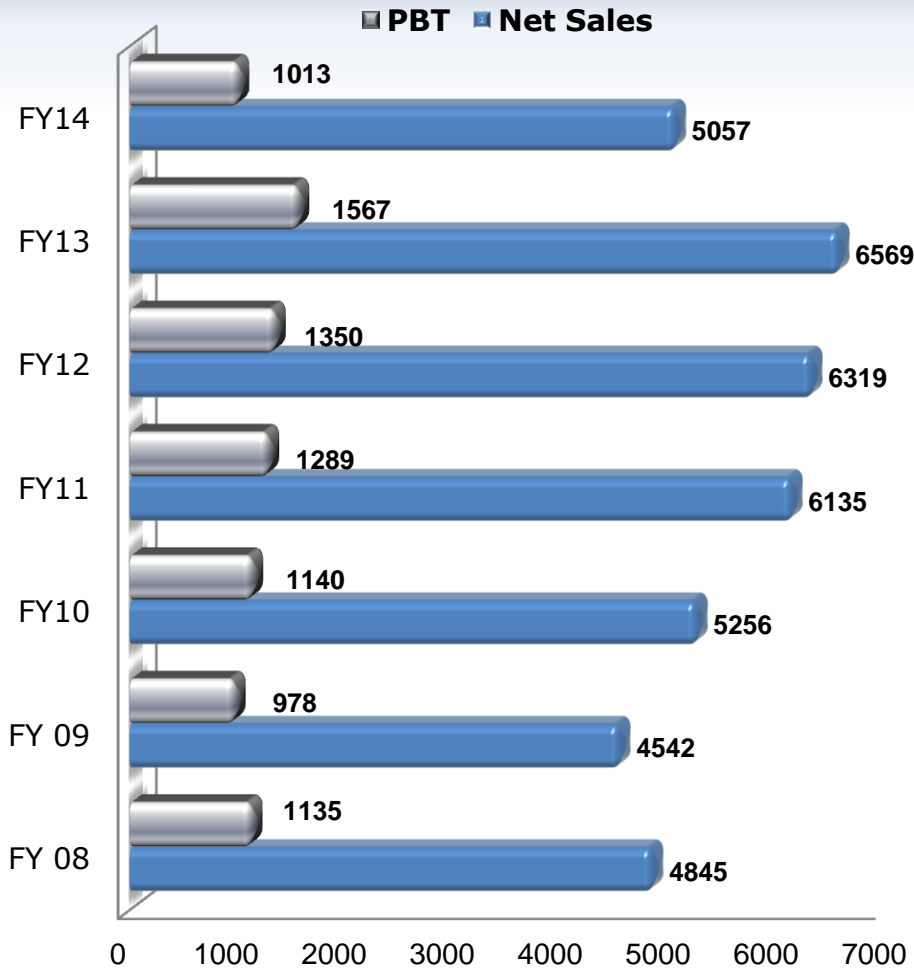
**Aftermarket Services are integrated under Customer Care Cell (CCC) which provides a comprehensive range of customized service solutions and complete life cycle support for industrial steam turbines**

- 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)

	Q2 FY 15 July - Sept 2014	Q2 FY 14 July - Sept 2013	% change	H1 FY 15 Apr - Sept 2014	H1 FY 14 Apr - Sept 2013	% change
<b>Net Revenue</b>	1558	1229	27%	2769	2335	19%
<b>EBITDA</b>	394	259	52%	648	488	33%
<b>EBITDA Margin</b>	25.3%	21.1%		23.4%	20.9%	
<b>Depreciation &amp; Amortisation</b>	40	32	24%	81	64	27%
<b>PBIT</b>	354	227	56%	567	424	34%
<b>PBIT Margin</b>	22.7%	18.5%		20.5%	18.2%	
<b>Finance cost</b>	0.2	1.2	(80%)	1.5	3.7	(61%)
<b>PBT</b>	354	226	57%	566	421	34%
<b>PBT Margin</b>	22.7%	18.4%		20.4%	18.0%	
<b>PAT</b>	239	153	56%	381	284	34%
<b>PAT Margin</b>	15.3%	12.4%		13.8%	12.2%	

# TTL – Financials

- The net sales for the quarter and half year under review have been higher by 27% and 19% respectively.
- The after-market business grew by 35% during H1 FY 15 and the proportion of the after-market sales to total sales has improved from 23% in H1 FY 14 to 26% in H1 FY 15.
- The export turnover has gone up by 22% in H1 FY 15 to ₹ 893 million and the proportion to the total sales has also gone up from 31% in H1 FY14 to 32% in H1 FY 15.
- During the H1 FY 15, the product order intake has been ₹ 2.3 billion, which is a growth of 64% in comparison to the corresponding period of last year.
- The overall order booking at ₹ 2.9 billion, including aftermarket order booking of ₹ 610 million, has grown by 47% in comparison to the corresponding period of last year.
- The outstanding order book on a standalone basis, as on 30th Sep 2014 has been ₹ 6.0 billion including refurbishment orders, while on a consolidated basis, the order book is ₹ 7.7 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 has received one order from the international market worth ₹ 190 million.
- With a strong order backlog and enquiry book, the business is expected to gain momentum in the coming year with much higher turnover.
- After establishing presence through installation of steam turbines in the domestic market and with good order in-flow from international market, the company expects to achieve a significantly higher turnover in the current financial year.



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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.

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