



TD Power Systems Ltd

Company Presentation
March 2013



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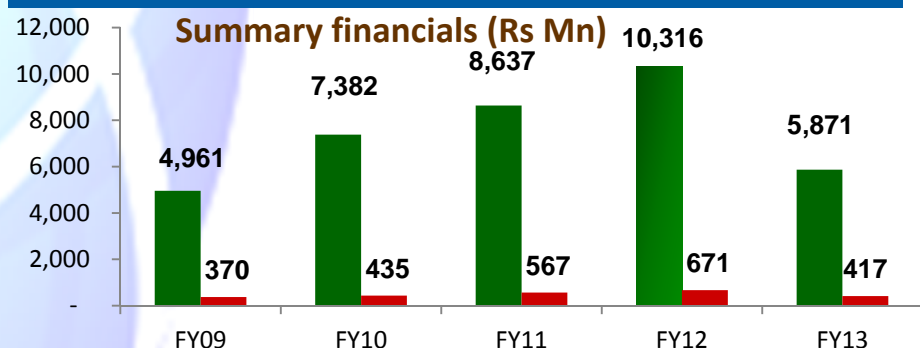
COMPANY OVERVIEW



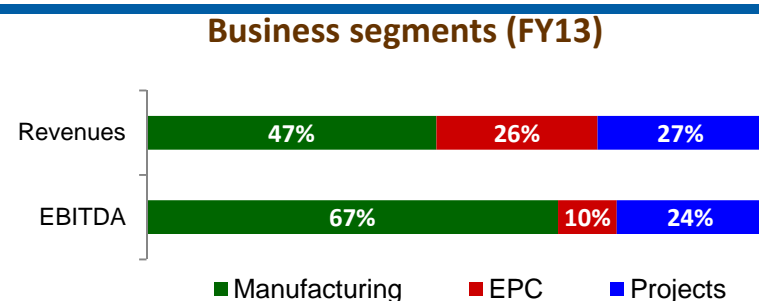
POWERING ahead ...

TD Power Systems Ltd

- Incorporated in 1999, TD Power Systems is one of the leading manufacturers of AC Generators for a diverse range of prime movers with output capacity in the range of 1 MW to 52 MW and as of March 31, 2013 has supplied 2,032 generators with an aggregate output capacity of over 16,739 MW and has signed a license agreement for manufacturing generators upto 200 MW.
- Also undertakes execution of Power Projects and has till date, executed 110 projects aggregating 2,939 MW
 - Turbine Generator ('TG') island projects for steam turbine power plants upto 52 MW, and;
 - Engineering, Procurement & construction ("EPC") of steam turbine power plants with output capacity upto 150 MW through its subsidiary, **DF Power Systems Pvt Ltd**
- Has in-house technology for manufacturing generators up to 40 MW
 - Supplemented by Technology tie-ups with international power equipment manufacturers such as Siemens AG and Sicme Motori Srl for diverse applications and higher capacities
- Granted license to GE, USA to manufacture generators for the Brazilian market, and on co-manufacturing basis for other countries in Central & South America
- As on March 31, 2013 the total outstanding order book stood at ~Rs. 6,763 million
- Promoted by Mr. Nikhil Kumar, Mr. Hitoshi Matsuo and Mr. Mohib N. Khericha, Mr. Nikhil and Mr. Hitoshi have extensive experience in the manufacturing and project businesses in the power sector in India and overseas



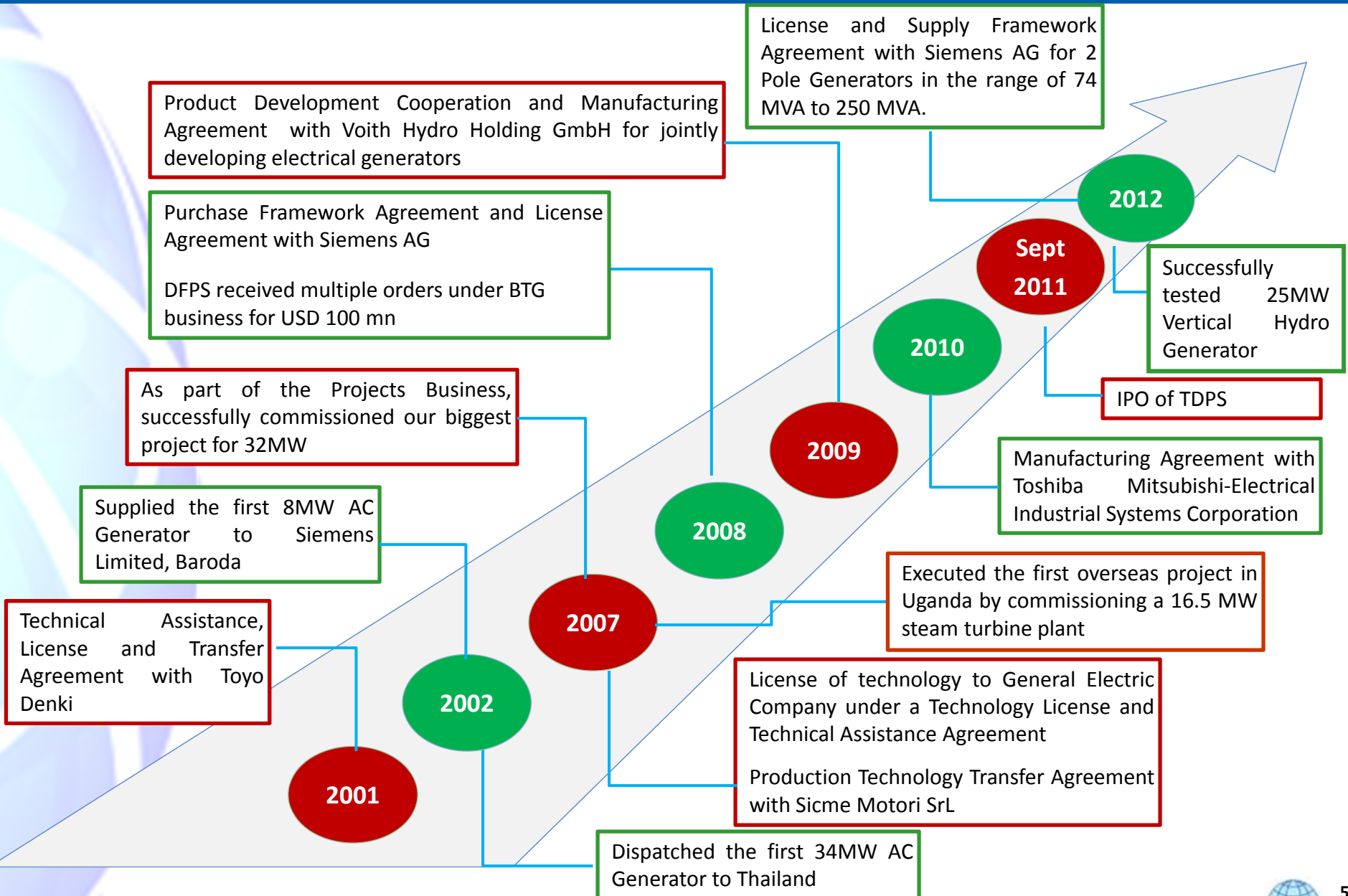
1. Restated Financials - after intersegment & intercompany eliminations.
2. Adj. PAT - Restated PAT after minority interest



Segmental revenues without inter-segment elimination

EBITDA - Earnings Before Interest, Taxes, Depreciation, Amortization, including Other Income

Milestones



BUSINESS SEGMENTS



POWERING ahead ...

Business Structure

**TD Power Systems Ltd
(TDPS)**



Wholly owned subsidiary

**DF Power Systems Pvt
Ltd
(DFPS)**

*AC Generator
manufacturing up to
200 MW*

- For prime movers such as steam turbines, gas turbines, hydro turbines, wind turbines and diesel and gas engines
- Technology tie ups with international power equipment manufacturers

*TG island projects up to
52 MW
(Projects)*

- **Turbine-Generator ('TG') Projects** – using Japanese turbine with TDPS Generators

*EPC of Steam Turbine
Power Plant Projects
(Upto – 150 MW)*

- **Engineering, Procurement & construction ('EPC')** of steam turbine power plants

Manufacturing *

Power Projects

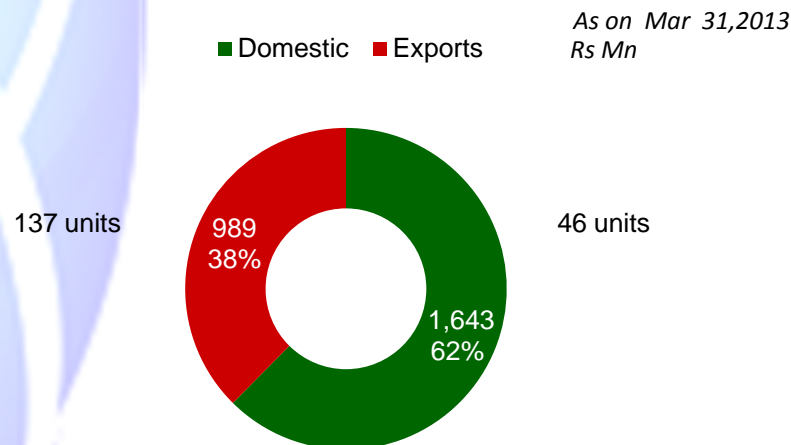
* - Excludes sale of generators manufactured in India and sold to branch office in Japan which are included as a part of the Power Projects business

Business Segments – Manufacturing

Business highlights

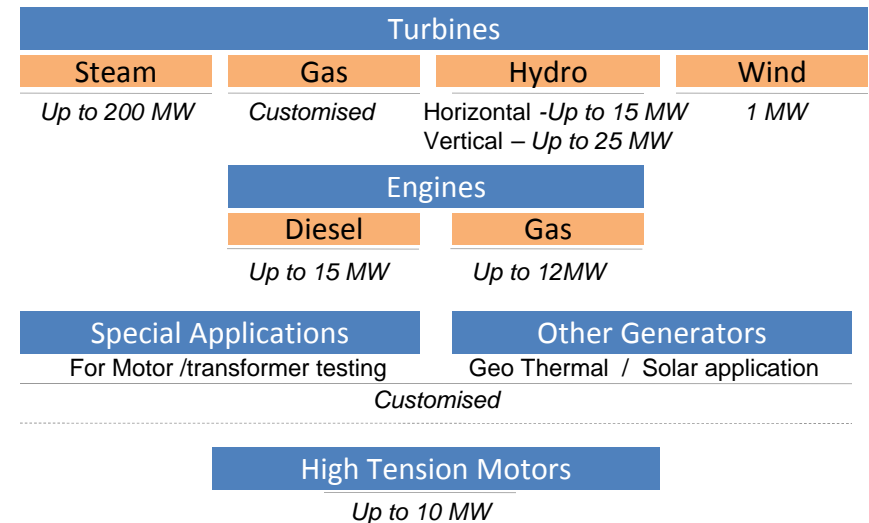
- One of the leading manufacturers of AC Generators in the range of 1 MW up to 200 MW for prime movers such as steam & gas, and upto 52 MW for hydro, wind turbines, diesel and gas engines
- 2,032 generators supplied as of March 31, 2013 with an aggregate output capacity of over 16,739 MW in 45 Countries
- Two manufacturing facilities in Bangalore equipped with the latest technology
- In the past our generators have been approved by leading engineering consultants

Order book (Rs 2,632 Mn)

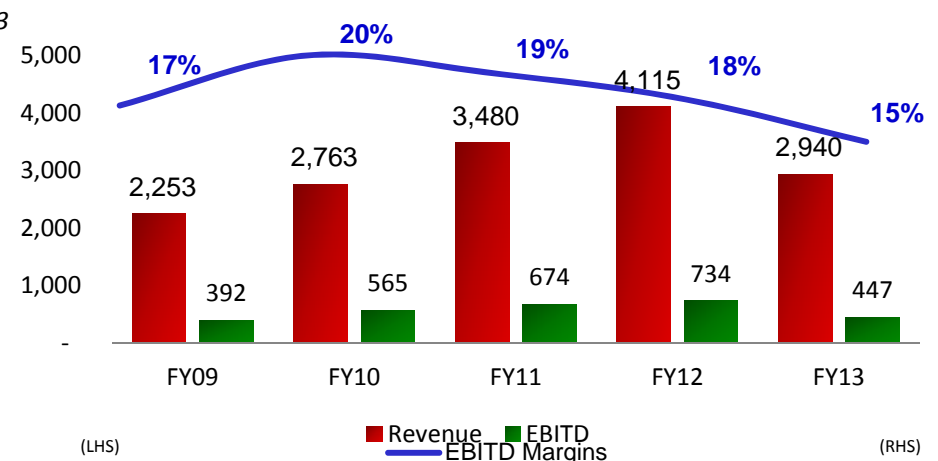


Exports order book includes orders for motors amounting to Rs 11.00 Mn

AC Generators for various applications



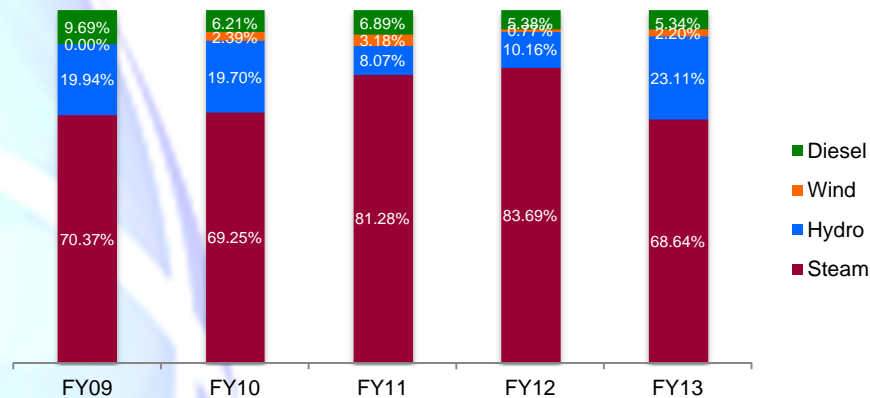
Key Segment Financials (Rs Mn)



Segmental revenues without inter-segment & inter-company elimination
Restated Financials - FY09 onwards Consolidated
EBITDA – Earnings Before Interest, Taxes, Depreciation, Amortization

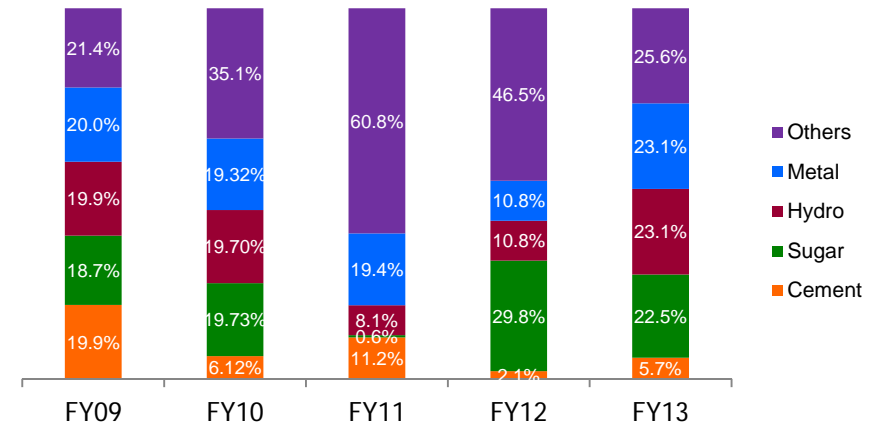
Business Segments – Manufacturing

Product-wise sales (%)



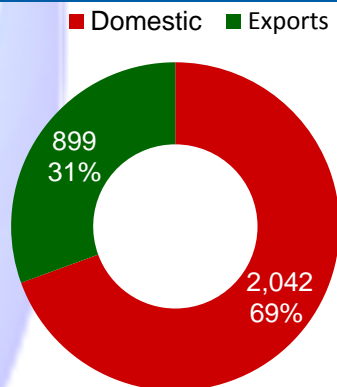
*Other units include generators for transformer motor testing applications not reflected in charts above

Key end user industries (%)



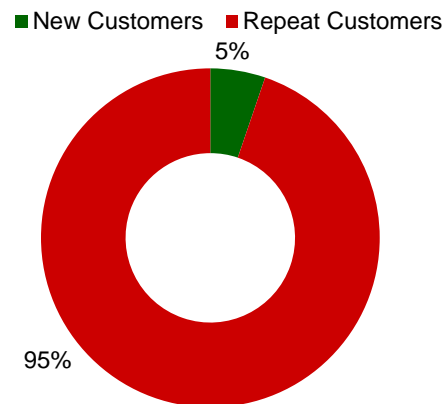
* Others include Chemical, Food, Paper, Textile, Process, Wind, Distillery, Fertilizer etc

Geographical Distribution of Sales FY13 (%)

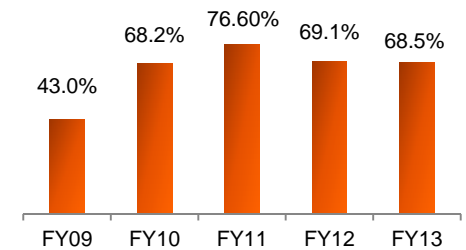


All % based on value of sales **FY13**

Customer Profile FY 13 (%)



Revenue of Top 10 Customers (%)*



* Of Restated Consolidated Net Sales

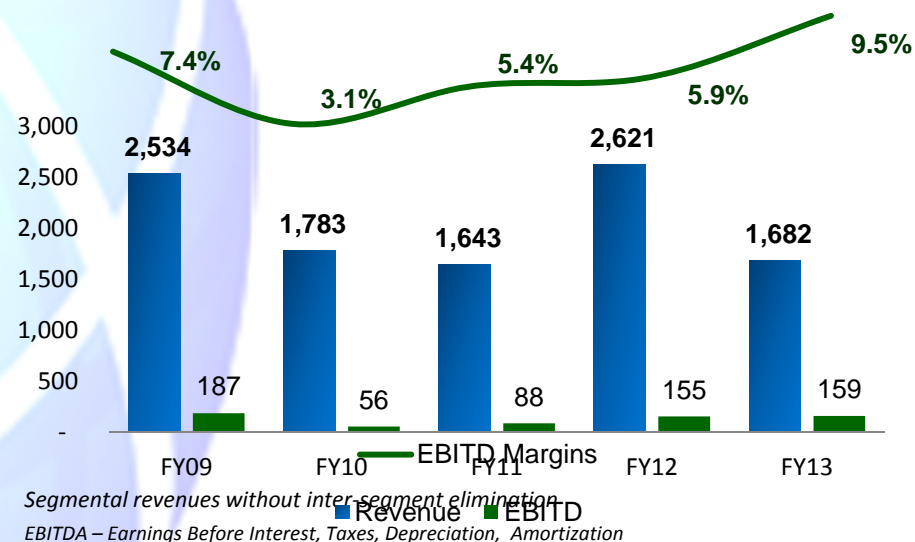
Product portfolio spread across diverse and loyal customer base

Business Segments – Power Projects

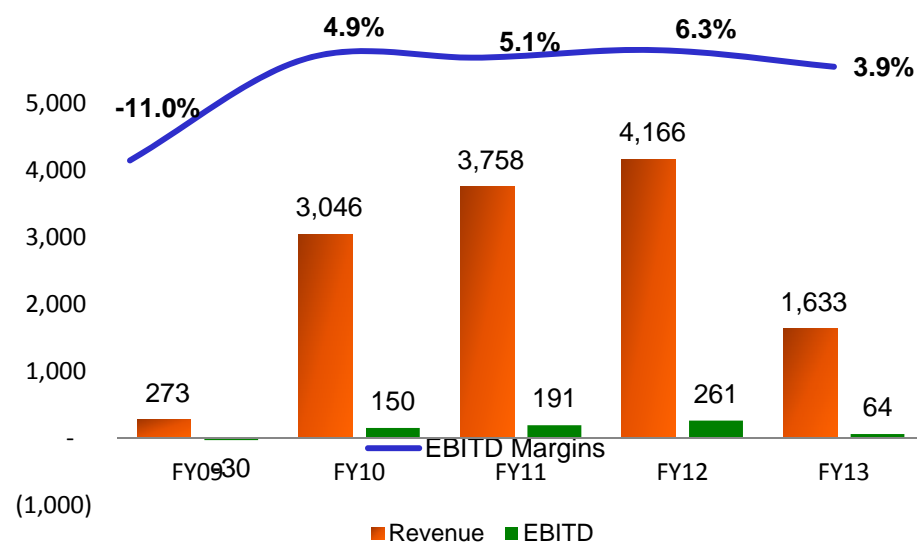
Business highlights

- TG Projects for steam turbine power plants with output capacity of up to 52 MW done under *TD Power Systems Ltd*
- *DF Power Systems Private Ltd*, a wholly owned subsidiary, executes EPC projects for steam turbine power plants with output capacity up to 150 MW
- Executed 110 projects aggregating 2,939 MW in India and abroad (99 TG island projects and 11 BTG island projects)
- Experienced teams with established track record and reputation for efficient project management
- Power Projects order book as on March 31th, 2013 stands at Rs 4,132 Mn (13% in TDPS, 87% in DFPS)

TG Projects - Key Segment Financials (Rs Mn)

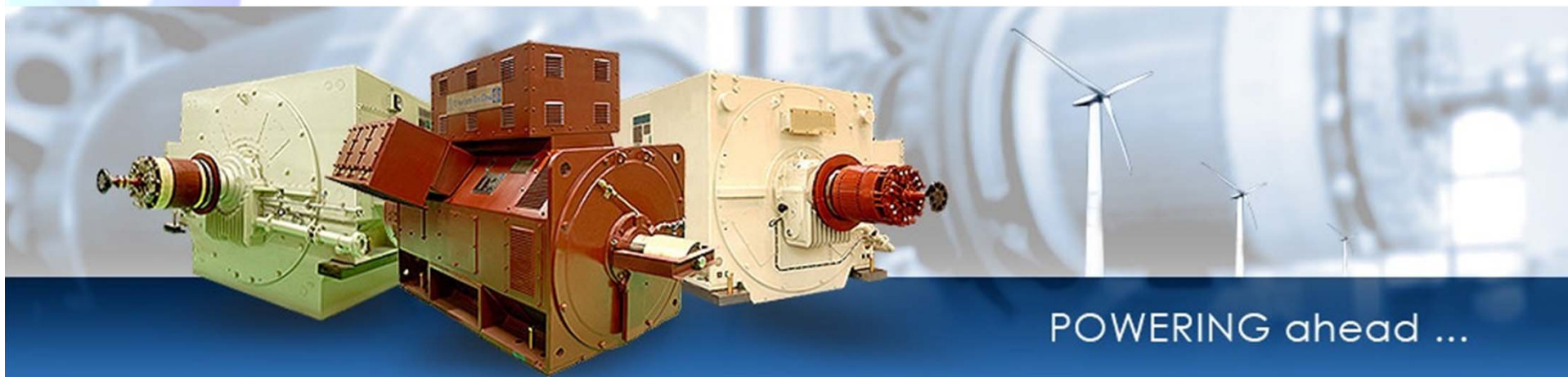


EPC Projects – Key segment Financials (Rs Mn)



Established track record of executing power projects

STRENGTHS & STRATEGY



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Key Strengths

Leading manufacturer of AC Generators with a diversified product portfolio

Skilled senior management and technical team

Technology ownership, relationships and in-house design expertise

State of the art manufacturing facilities and cost efficient production

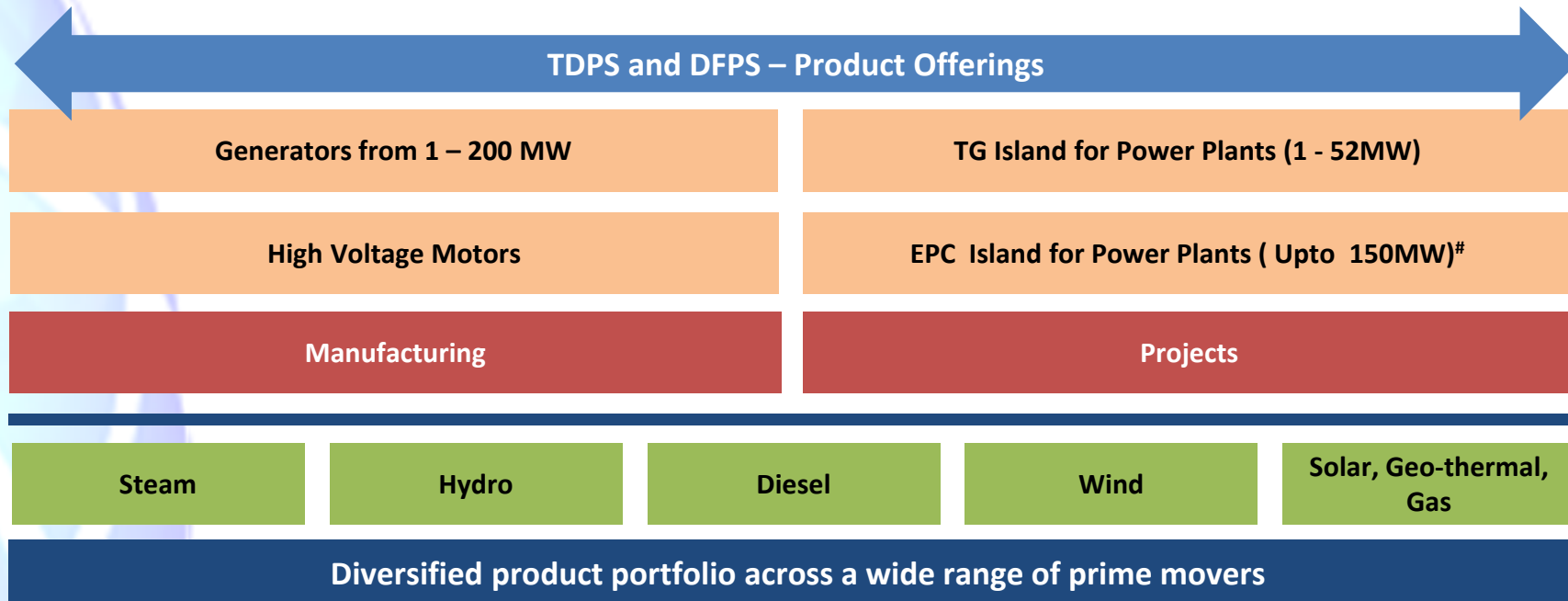
Project Execution Capabilities for Power Project Business

Customer centric approach with the ability to customize



Leading Manufacturer of AC Generators With a Diversified Product Portfolio

We believe, we are among the very few Indian manufacturers with the capability to manufacture generators with output capacities ranging from 1MW - 200MW



*References to Company as well as TDPS or TD Power Systems includes reference to DF Power Systems Limited
Business conducted by DF Power Systems Limited (DFPS)*



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Technology Ownership, Collaborations and In-house Design Expertise

Ability to absorb and improvise on external technology and expand product range

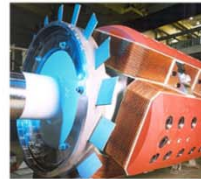
- Well established track record of successfully absorbing new technologies for manufacturing generators
 - In 2001, licensed technology from Toyo Denki for manufacturing of AC generators of up to 30 MW; currently owns the technology, and has further developed in-house capability to manufacture and supply generators of up to 40 MW
- In-house product development team comprising 47 technical personnel as of March 31, 2013

General Electric Company, USA

Granted a limited license to General Electric Company, USA, to manufacture generators using its design for the Brazilian market, and if on a co-manufacturing basis, to other countries in Central and South America
(2007)

Voith Hydro Holding GmbH & Co.KG

Product Development Cooperation and Manufacturing Agreement for electrical generators
(2009)



Technology/license arrangements

Siemens AG

Steam/Gas turbine based generators 20 MW- 200 MW
(2007 & 2012)

Sicme Motori Srl

Wind turbine based generators 1 MW
(2008)

Toshiba Mitsubishi-Electrical Industrial Systems Corporation

High Voltage Motors <10 MW
(2010)

Project Execution Capabilities for Power Project Business

Established track record and reputation for efficient project management, execution and timely completion of projects in the power generation sector

- **Significant experience and established track record and reputation for efficient project management, execution and timely completion of projects in the power generation sector**
 - Experience and capability in the execution of different types of projects has given ability to adapt to and operate in different work conditions on complex power plant projects
 - Successful and timely implementation of projects provides significant competitive advantages and enables meeting pre-qualification criteria for bidding for similar and more complex projects
- **Experienced teams for Power Project Business which consists of over 182 employees as of March 31, 2013, of which 119 are engineers having expertise in the fields of planning and procurement, design and development, and execution**

Projects executed until March 31, 2013

110 projects

→
Aggregating to

2939 MW

→
Includes projects executed in

**India
Uganda
Kenya
Zambia
Philippines**



Customer Centric Approach With the Ability to Customize

Satisfied customer base is a result of the high quality products that TDPS manufactures and customer centric approach

- **Customer centric approach enables the Company to understand and respond to the requirements of customers**
 - Also enables to expand and innovate product and project portfolio in line with current and future requirements of customers
- **Works closely with customers from the pre-order phase through manufacturing, installation & commissioning up to monitoring the performance of the machines supplied to ensure customer satisfaction**
 - Strong emphasis on post-delivery customer service to ensure it is quick and responsive
 - Also provide after sales service through a dedicated customer support and a technically qualified team
- **Branch office in Japan that markets and sells products and services to international customers in the Asia Pacific region**

Long-term client relationships leading to repeat business

Select Clients

**Nava Bharat
Ventures Limited**

**Vasavadatta
Cements**

**Chettinad Cement
Corporation
Limited**

**Balrampur Chini
Mills Limited**

**Shree Cements
Limited**



State of the Art Manufacturing Facilities and Cost Efficient Production

Manufacturing units with advanced machines help in delivering competitively priced products with the highest quality standards

- IT infrastructure to ensure seamless interaction between various teams and processes
- Long term relations with several dedicated vendors
- Quality management procedures which focus on
 - Improvement in customer satisfaction
 - Supplier performance improvement
 - On-time delivery
 - Reduction of wastage



ISO 9001:2008 compliant manufacturing units in Bangalore

Unit I - 157,623.66 sq ft

Core building
Coil making
Winding
Impregnation and curing
Balancing
Final assembly and testing
Material handling & general facilities
Power House
Quality lab and instruments

Unit II – 219,756 sq ft

Core building
Machining
Material Handling & General Facilities
Testing
Power House



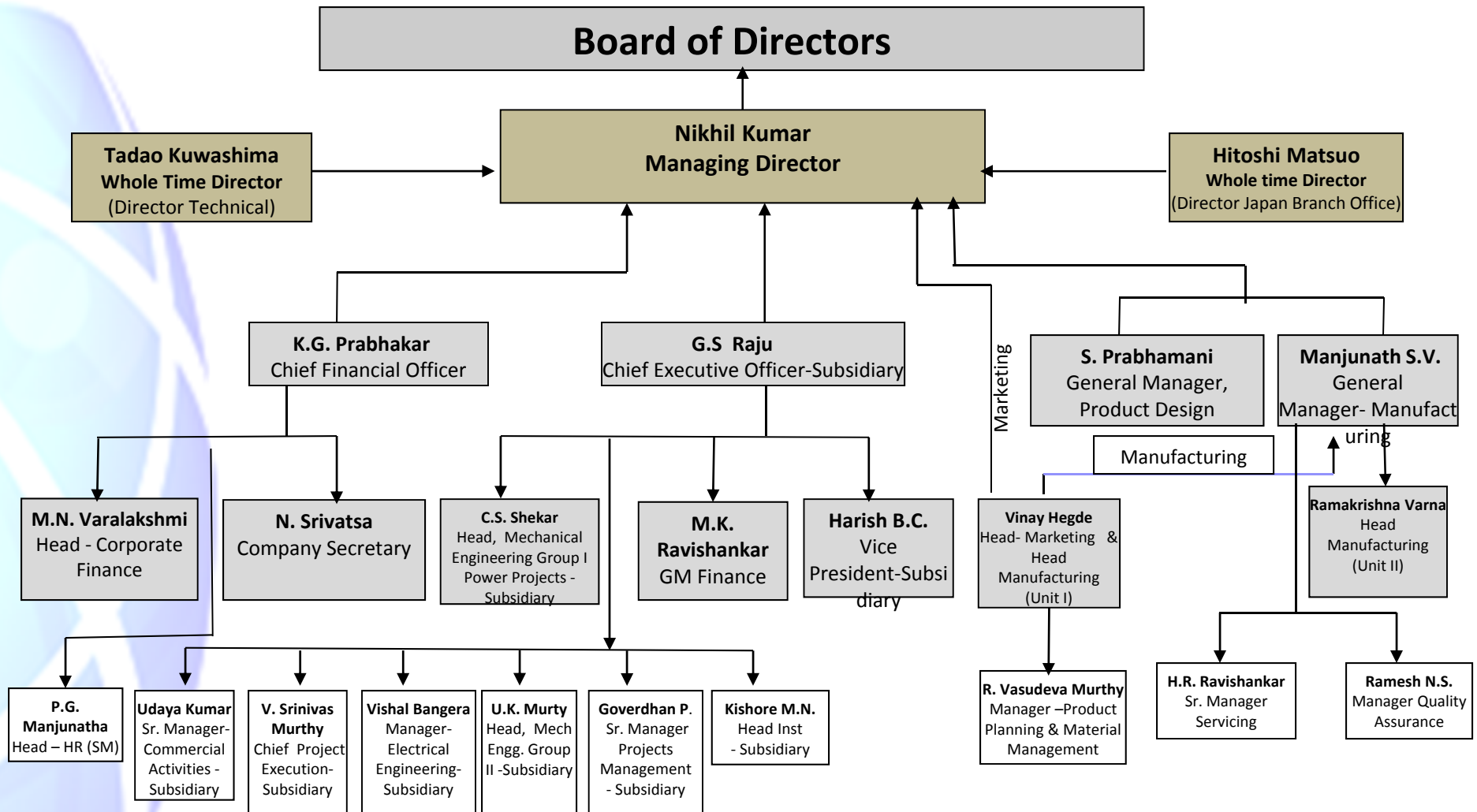
Skilled Senior Management and Technical Team

Experienced promoters and strong management framework

- Promoters of TDPS, Nikhil Kumar and Hitoshi Matsuo have significant experience in the manufacturing and project businesses in the power sector in India and overseas
- Management and technical teams have contributed to growth of operations and the development of in-house processes and competencies
- **Management team** consists of technically qualified and highly experienced professionals who operate business and work in an independent manner under the guidance of senior management
- **Technical teams** bring with them extensive experience in marketing, engineering, procurement, manufacturing, quality assurance, finance, project execution and after sales services



Managerial Organisation Structure



Growth Strategy

1

Enhance Product Portfolio

2

Strengthen presence in developed & emerging markets and explore new geographies

3

Constant focus on technology, operational efficiency and cost competitiveness

4

Expansion of power projects business

Growth Strategy

1

Enhance product portfolio

- ❑ Enhance **AC generators product portfolio** by upgrading and introducing new products for new geographies
- ❑ **Develop innovative designs** which will help lower manufacturing costs and expand customer base
- ❑ Explore opportunities to **expand manufacturing capabilities** to produce generators **up to 200MW**
- ❑ This will help TDPS to
 - Address emerging demand
 - Leverage economies of scale
 - Widen geographic presence
 - Provide unique and value-added products

3

Constant focus on technology, operational efficiency and cost competitiveness

- ❑ Continue to **devote significant resources to upgrade** technological capabilities
- ❑ **Establish technical tie-ups** to explore strategic opportunities
- ❑ **Focus on reducing operational costs and improving efficiency** by continuous improvement of operations and processes through
 - Kaizen techniques
 - Management information systems
 - Quality control tools

2

Strengthen presence in developed & emerging markets and explore new geographies

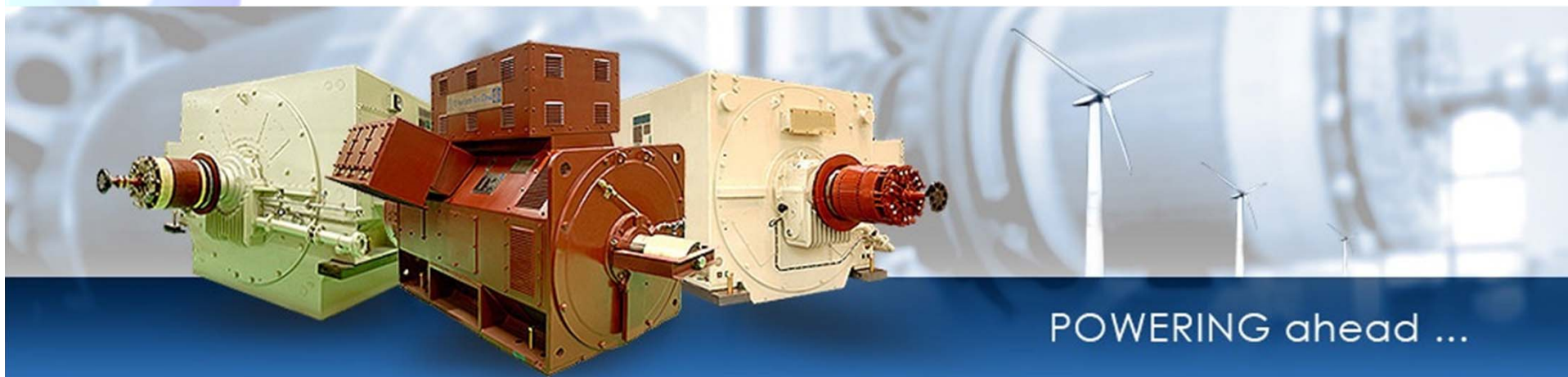
- ❑ **Continue focus on existing markets** in emerging economies of Middle East, Africa and South East Asia
- ❑ **Expand geographical coverage** by selling products to global OEMs manufacturing prime movers
 - Located in developed countries such as Japan, Austria, Germany, and USA.
- ❑ **Leverage market presence**, brand name and execution capabilities to attract new clients and obtain new projects in different geographies
- ❑ **Enter into partnerships/ alliances** with local partners to understand and penetrate newer markets

4

Expansion of power projects business

- ❑ **Continue to grow Power Project Business** in India and in other emerging markets
- ❑ Plan to **bid for projects up to 200 MW as full EPC**
- ❑ Concentrate on **executing large and complex projects** that leverage experience and expertise of TDPS

MANAGEMENT TEAM



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Board of Directors

Nikhil Kumar

MD India Business Ops.
B.E - REC Karnataka, General Management
Harvard Business School

- Over 21 years of work experience in manufacturing business of electrical rotating machines
- Responsible for overall management of operations, strategic planning, technology alliances and sales and marketing. Prior to this he has worked in Kirloskar Electric Company

Hitoshi Matsuo

MD Japan Business Ops.
M.E (Electrical) – Kanazawa University

- Over 46 years of work experience in high voltage vacuum contactor design, power plant engineering and power plant sales. Prior to this, he was with Toyo Denki as General Manager

Mohib N. Khericha

Non-Executive Chairman

B.Com, Chartered Accountant - ICAI

- Over 41 years of work experience in capital structuring, restructuring, financial management and loan syndication before venturing into merchant banking in the year 1994
- Currently, also the MD of Chartered Capital And Investment Ltd

Tadao Kuwashima

Director Technical

Engineering from Tokyo University

- Over 46 years of work experience in power equipment, manufacturing and quality industry
- Responsible for product design and quality functions

Salil Baldev Taneja

Independent Director

B.Sc in Mech. Engineering, Masters in
Public & Private Mgmt, Yale University

- Over 19 years of work experience in business, industry and corporate management
- Chairman of Taneja Airspace and Aviation Ltd and CEO of ISMT Ltd

Nandita Lakshmanan

Independent Director

M. Arts in English Literature – Delhi
University

- Over 11 yrs of work experience in PR consultancy
- Currently heads the knowledge forum at Public Relations Consultants Association of India

Nithin Bagmane

Independent Director

B. Arts – St Josephs College, Bangalore

- Over 21 yrs of work experience in business and industry
- Currently manages a SEZ for IT activity in Bangalore

Dr. Arjun Kalyanpur

Independent Director

MBBS – AIIMS

- Over 11 years of work experience in diagnostic radiology and internal medicine
- He is also an assistant clinical professor at Department of Diagnostic Radiology at Yale University School of Medicine

Senior Management Team at TDPS

K G Prabhakar

Chief Financial Officer

B.Com, Chartered Accountant - ICAI

- Over 29 years of work experience in accounting, corporate finance, and tax management.
- Responsible for Accounting, Financial and tax management of the Company and Group.

N. Srivatsa

Company Secretary

B.Com, Company Secretary - ICSI

- Over 21 years of work experience in corporate legal, banking and secretarial practice areas.
- Responsible for all the secretarial, legal and compliance matters of the Group.

M N Varalakshmi

Head – Corporate Finance

B.Com - Pune University ,
Cost Accountant -ICWAI

- Over 18 years of work experience in cost and financial accounting.
- Responsible for Accounts of Unit, Financial Management, Taxation of the company and Group and investors Relations.

Manjunath S. V

Head – Manufacturing

B.E Bangalore University, MBA, Central
College, Bangalore

- Over 29 years of work experience in the manufacturing industry.
- Responsible for manufacturing operations.

S. Prabhamani

Head – Product Design

M.Tech- IIT Delhi

- Over 28 years of work experience in product design.
- Responsible for product design and engineering.

Vinay Hegde

Head – Marketing

B.E – NMAIT, Mangalore

- Over 18 years of work experience in marketing of generators and power plants.
- Responsible for business development and sale of generators, power plants and operations of Manufacturing Unit I.

Ramakrishna Varna

Head-Manufacturing (Unit II)

BE - Bangalore University , MBA
- Central College, Bangalore

- Over 18 years of work experience in the manufacturing industry.
- Responsible for Manufacturing Operations of Unit II.

Senior Management Team at DFPS

G S Raju

CEO – DF Power Systems
B.E, Andhra University, General
Management- IIM-Bangalore

- Over 21 years of work experience in various corporate including EID Parry India Limited and GMR Industries Limited.
- Responsible for running the business of subsidiary, DF Power Systems Pvt. Ltd.

B C Harish

Vice President-Subsidiary
Mechanical Engineering -
Walchand College of Engineering

- Over 21 years of work experience in spectrum of energy sector including diesel, gas and coal power generation.
- Responsible for marketing activities of our Subsidiary.

M K Ravishankar

GM Finance -Subsidiary
M.Com - Mysore University

- Over 30 years of work experience in finance and accounts.
- Responsible for accounts and administration of DFPS and investors relations of TDPS.

Udaya Kumar

Head – STG Projects and
Commercial activities -Subsidiary
B.E – BMS College, MBA, Bangalore
University

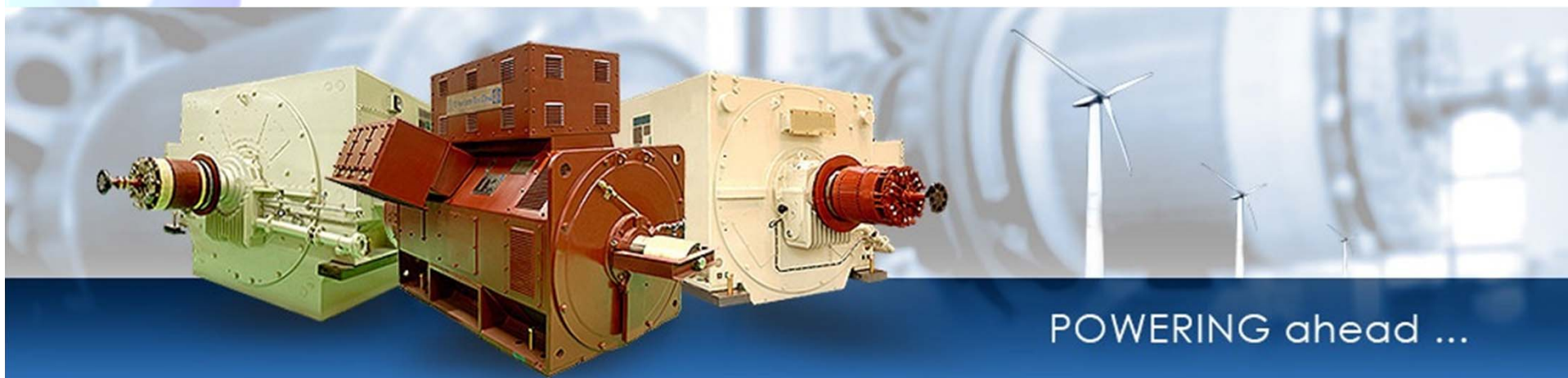
- Over 21 years of work experience in purchase and commercial activities.
- Responsible for purchase, contract execution and commercial activities in our subsidiary.

C S Shekar

Head Mechanical Engineering
Group I Power Projects-Subsidiary
BE - Gulbarga University

- Over 17 years of work experience in system and mechanical engineering.
- Responsible for the functioning of the mechanical engineering Group I for the Power Projects Business related to STG and BTG scope of activities of a capacity from 20 MW to 150 MW.

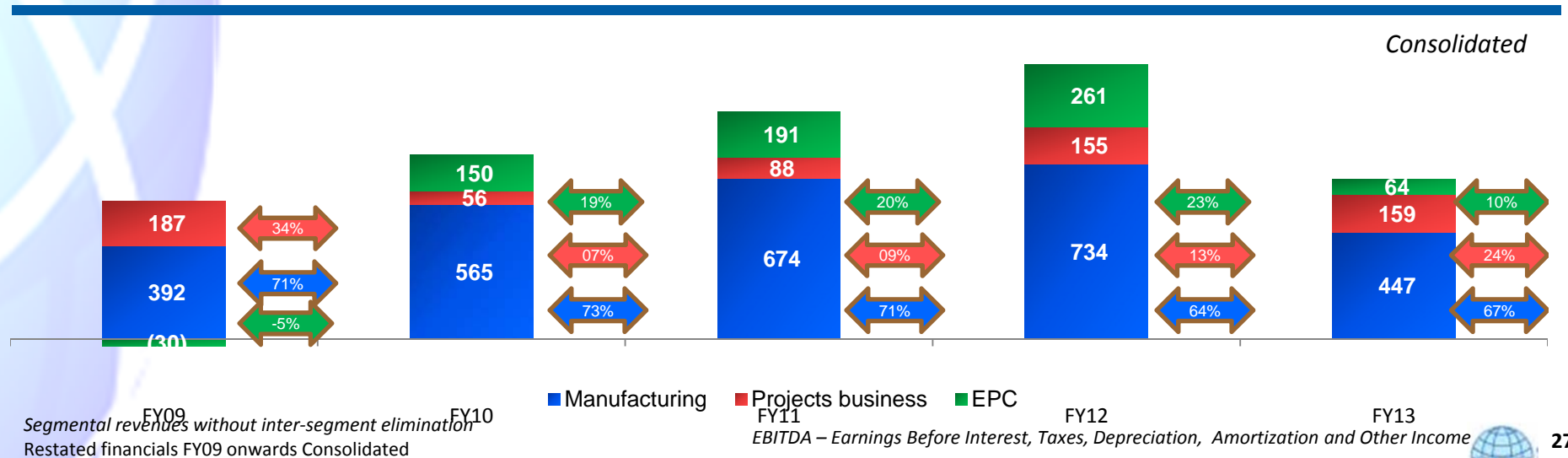
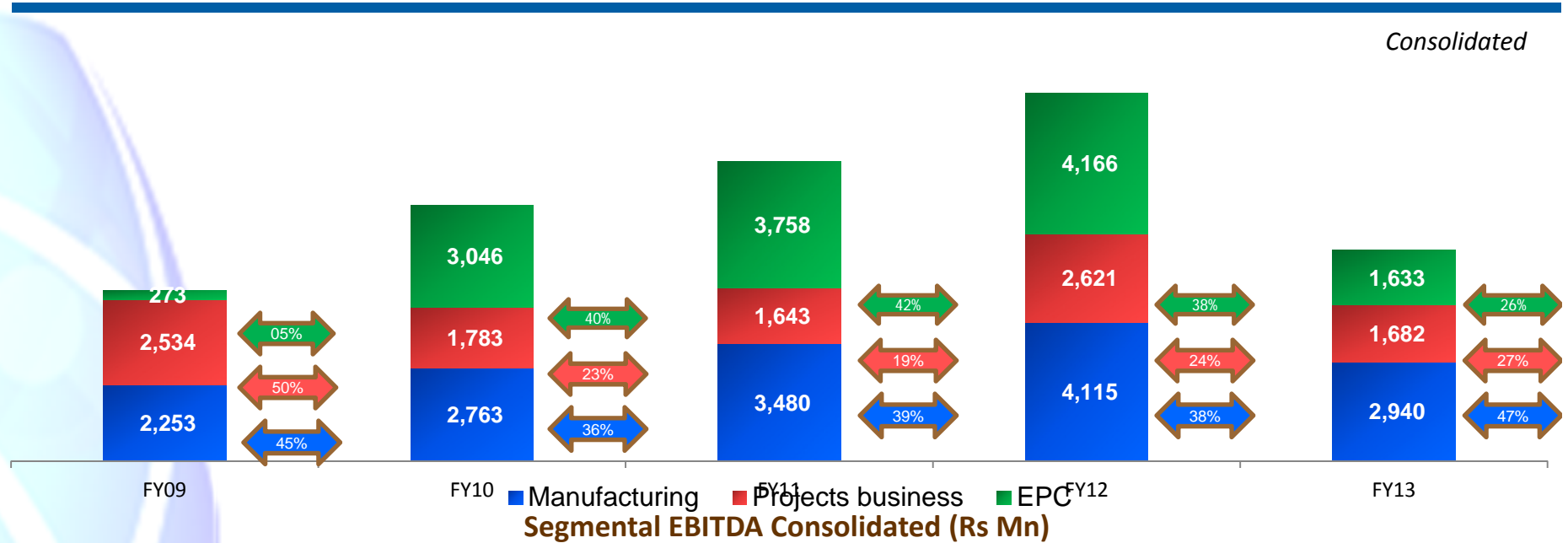
FINANCIAL OVERVIEW



POWERING ahead ...

Financial Track Record

Segmental Revenues Consolidated (Rs Mn)



P&L Snapshot

Rs Mn	Consolidated				
	FY09	FY10	FY11	FY12	FY13
Sales	4,961	7,382	8,637	10,316	5,871
EBITDA	508	718	894	919	495
Depreciation (incl. Amortization)	33	57	80	91	124
EBIT	476	662	814	827	371
Other Income	105	72	109	224	308
Interest and Finance Charges	26	42	67	66	34
PBT	554	691	856	986	644
Tax	187	256	289	326	227
Restated PAT	370	435	567	671	417
Minority Interest	0	31	0	0	0
Restated PAT after minority interest	370	404	567	671	417
<i>EBITDA margin (%)</i>	<i>10.2%</i>	<i>9.7%</i>	<i>10.4%</i>	<i>8.6%</i>	<i>8.4%</i>
<i>PAT margin (%)</i>	<i>7.5%</i>	<i>5.5%</i>	<i>6.6%</i>	<i>6.1%</i>	<i>7.1%</i>

*Restated financials - FY09 onwards Consolidated

EBITDA – Earnings Before Interest, Taxes, Depreciation, Amortization and Other Income

Balance Sheet Snapshot

Rs Mn	Consolidated				
	As on				
	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13
Source of Funds	1,276	2,115	2,800	5,035	5,348
Net Worth	949	1,318	1,873	4,603	4,941
Minority Interest	2	44			
Borrowings	287	682	856	346	270
Deferred Tax Liability	38	70	72	85	137
Uses of Funds	1,276	2,115	2,800	5,035	5,348
Gross Block	622	1,260	1,368	1,641	2,447
Less :- Depreciation	102	156	236	326	449
Net Block	521	1,104	1,132	1,315	1,998
CWIP	9	-	20	126	162
Investments	0	4	0	0	0
Net Working Capital incl. cash	747	1,007	1,648	3,593	3,188
Current Assets	3,093	4,817	5,540	7,413	6,259
Inventories	325	373	777	830	530
Sundry Debtors	881	2,067	2,040	2,402	1,778
Cash and Bank Balances	1,054	1,436	2,078	3,022	2,905
Loans & Advances	833	941	645	1,159	1,046
Current Liabilities	2,271	3,429	3,767	3,676	2,938
Provisions	75	381	126	144	133

*Restated financials - FY09 onwards Consolidated

EBITDA – Earnings Before Interest, Taxes, Depreciation, Amortization and Other Income

Strictly Private & Confidential



Order book

As at March 31 th 2013		
	Value (Rs. Mn)	Quantity
Manufacturing	2,631.52	183
Domestic	1,642.85	137
Export*	988.67	46
Projects Business	518.81	7
Domestic	508.11	7
Export	10.70	
EPC Business	3,613.10	3
Domestic	3,613.10	3
Total	6,763.43	193

•includes orders for AC Generators placed through our branch office in Japan
 The value of our order book may not necessarily indicate what our actual sales will be

THANK YOU



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