

# TD POWER SYSTEMS LIMITED



## INVESTOR PRESENTATION 9M FY2012





## Safe Harbor



*Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. TD Power Systems will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*



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# Overview





## Overview



12-year old company founded by technocrats with several decades of experience in power equipment manufacturing and projects businesses

Leading manufacturer of AC generators, custom-designed up to 52 MW, addressing the growing demand from the industrial sector for captive power projects

Multiple technology alliances with leading global generator manufacturers; demonstrated abilities in technology absorption, product development and portfolio diversification

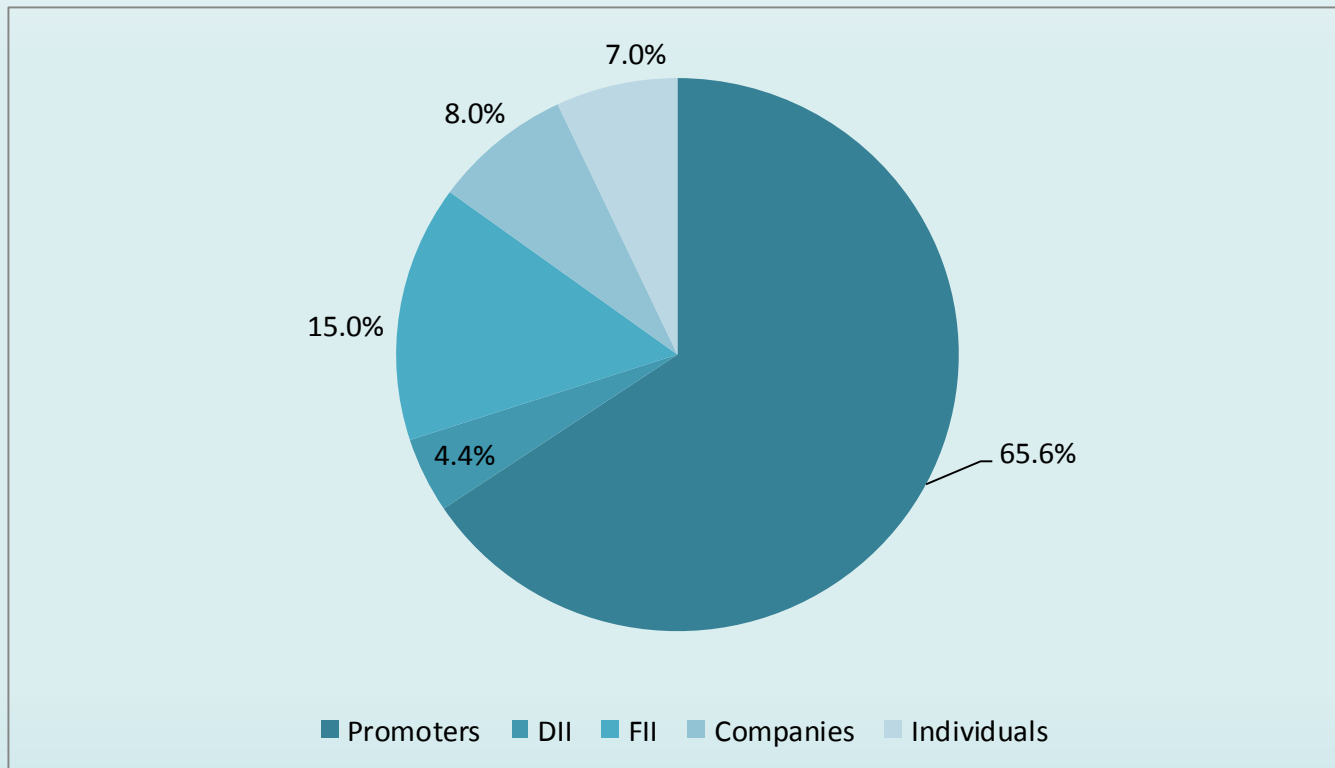
Long-standing relationships with customers in domestic markets, augmented by growing exports traction

Expanded operations into boiler turbine generator (BTG) projects with output capacity of 52 MW to 150 MW, widening the addressable market to a diverse range of industries

Creating strong opportunities in the power generation equipment sector



## Shareholding structure



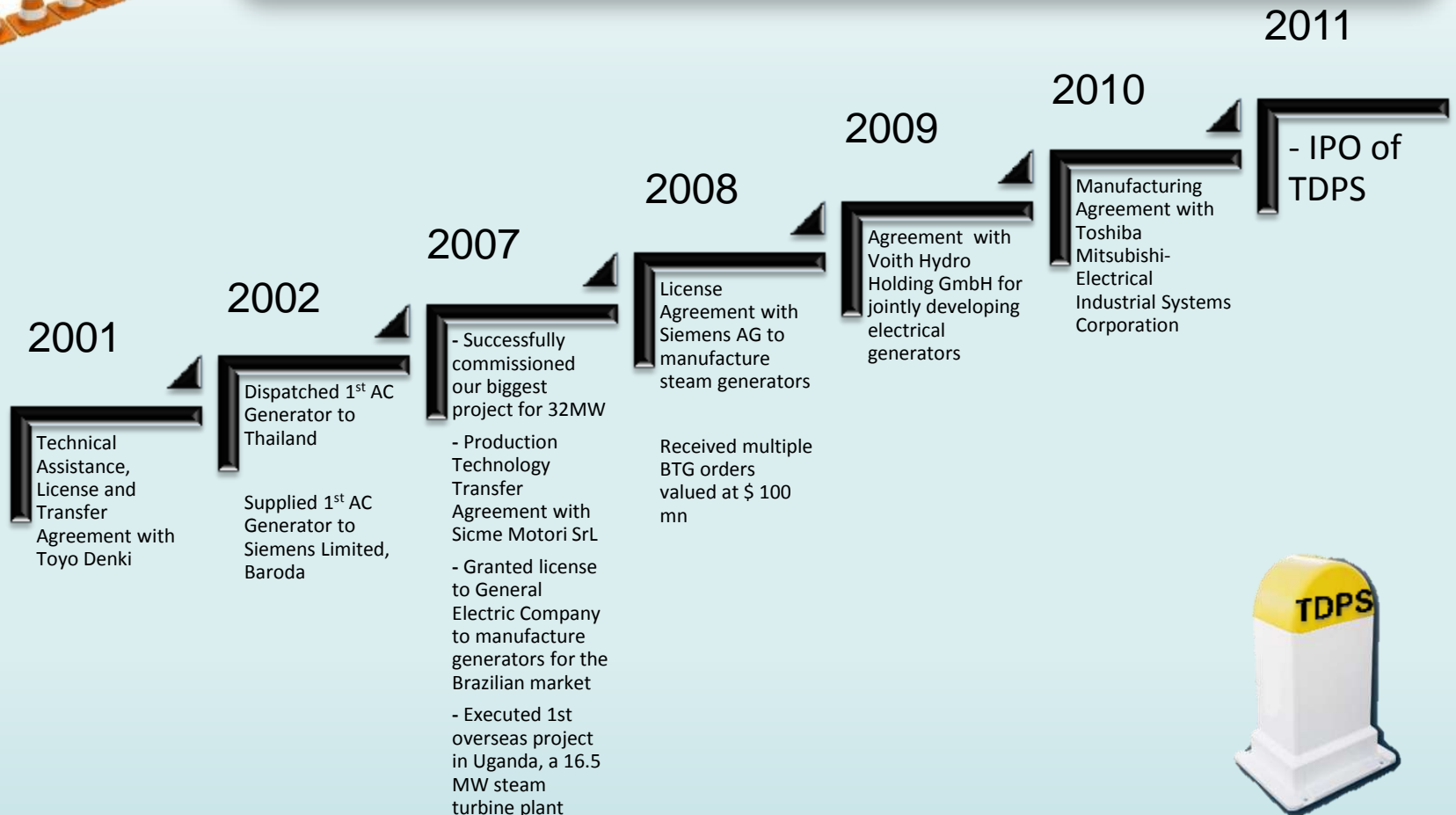
As on December 31, 2011

# Milestones





# Milestones



Extending business profile and building value over more than a decade of operations

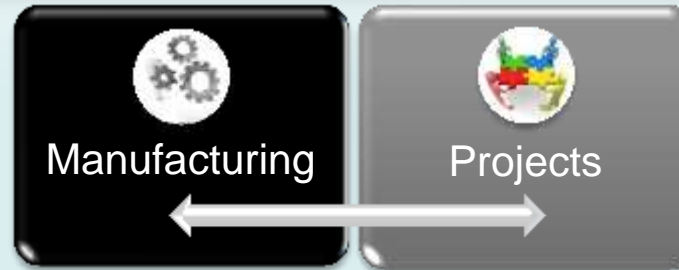


# Business Structure





## Business Structure



### **Manufacturer of AC Generators: output capacity up to 52 MW**

- Customized for a wide range of turbines (steam, gas, hydro and wind) and engines (diesel and gas)
- Since inception, manufactured 1,676 generators, including 251 generators exported to 34 countries, with aggregate output capacity of 13,873 MW
- Two manufacturing facilities in Bangalore, backed by captive power/water supplies and a well-developed ancillary vendor network
- Sales through OEM's, which are turbine and engine manufacturers; strong engineering consultant relationships allow deep involvement in project tendering

### **Projects business (Turbine Generator Island projects of output capacity up to 52 MW)**

- Steam turbine power plant projects combining TDPS' generators with Japanese turbines
- Completed 93 TG island projects with aggregate output capacity of 1,839 MW
- Projects executed in India, Uganda, Kenya, Zambia and the Philippines

### **EPC business (Boiler Turbine Generator Island Projects of output capacity of 52-150 MW)**

- Steam turbine power plant projects, both captive and independent, based on equipment sourced from multiple OEMs worldwide
- Completed 7 BTG island projects with aggregate output capacity of 596 MW

**Integrated operations up to 52 MW, arrangements with OEMs for higher capacities**

# Growth Strategies





# Growth Strategies



## Enhance Product Portfolio

- Maintain pipeline of upgradations and new, value-added products
- Develop new, innovative designs to deliver cost reductions
- Addressing emerging demand, leveraging economies of scale

## Expand Geographical Presence

- Consolidate global coverage in India, Middle East, Africa and S E Asia
- Address developed markets through OEMs
- Direct sales in presence in key developed markets

## Create technology leadership and cost efficiency

- Invest in technology enhancements
- Explore strategic opportunities through technical tie-ups
- Cost reduction from operational/process efficiencies

## Expand power projects business

- Explore end-to-end execution including civil works
- Leverage existing skills to focus on large, complex projects

Leveraging existing competencies to increase focus on large, complex projects

# Relationships





## Technology/Production Agreements



### **Siemens AG, Germany**

License agreement in 2007 to manufacture steam/gas turbine-based generators with output capacity 20-52 MW covering a wide product range with different rotor designs

### **Sicme Motori Srl, Italy**

Production technology transfer agreement in 2008 to manufacture wind turbine-based generators with output capacity up to 1 MW

### **General Electric Corporation, USA**

TDPS granted a limited license to manufacture generators using TDPS' design for the Brazilian market, and on a co-manufacturing basis, to other countries in Central and South America

### **Voith Hydro Holding GmbH , Germany**

Product development cooperation and manufacturing agreement in 2009 for jointly developing electric generators for hydro applications

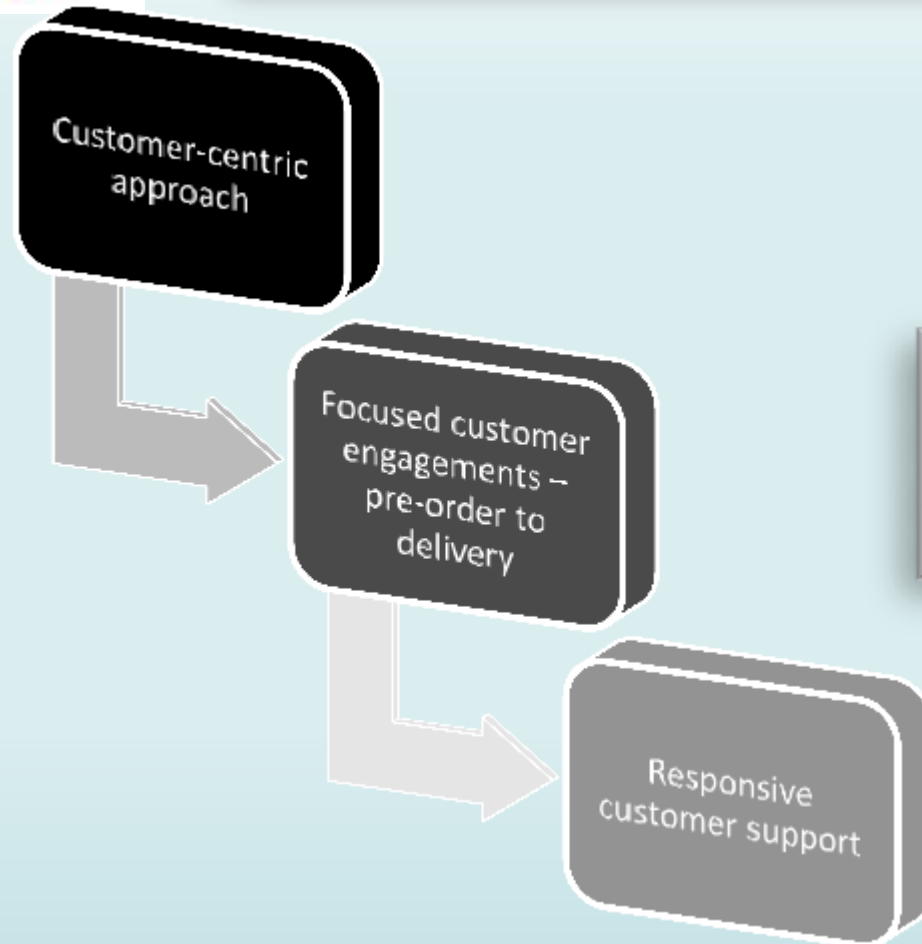
### **Toshiba Mitsubishi Electrical Industrial Systems Corp, Japan**

Manufacturing Agreement in 2010 high voltage and medium/large capacity induction motors

Established track record of absorbing new technologies  
backed by a 50-strong in-house product development team



## Customer Relationships



Significant business from repeat customers in key process industries – cement, steel, sugar, paper

Developing customized solutions and expanding product portfolio by closely mapping a dynamic demand environment



# Manufacturing Facilities







# Manufacturing Facilities



Two Manufacturing Units near Bangalore

## Unit 1 –

- 157,624 sft built-up on 6.25 acres
- Captive power – 4,280 kVA

- Core Building
- Coil making
- Winding
- Impregnation and curing
- Balancing
- Final assembly and testing
- Material handling & General Facilities
- Power
- Quality lab & Instruments

## Unit 2 –

- 61,667 sft built-up on 4.33 acres, additional 10.8 acres available for expansion
- Captive power – 1,510 kVA

- Core Building
- Machining
- Material handling



International Organization for Standardization

Quality Management System  
 Environmental Management System  
 OHSAS Management System  
 Country-specific Manufacturing Approvals

Bangalore-based facilities supported by established local ancillary vendor base



# Manufacturing Facilities



Hydraulic press for stator core pressing



High precision brazing set up for rotor coils



Dynamic balancing machine for rotor balancing



Horizontal vacuum pressure Impregnation plant for stator



Diversified product portfolio across  
a wide range of prime movers

# Management





# Management



Mohib N Khericha (Non-Executive Chairman)

- Over 40 years in capital structuring, financial management and investment banking
- Independent director on board of several companies

Hitoshi Matsuo (Managing Director)

- 45 years in design, engineering and sales of power plants and equipment
- Associated with TDPS since inception, responsible for business operations in Japan



Nikhil Kumar (Joint Managing Director)

- Over 20 years in electrical/power equipment manufacturing
- Responsible for managing operations, strategic planning, technology alliances, sales and marketing

Tadao Kuwashima (Director – Technical)

- Over 45 years in power equipment, manufacturing and quality control
- Responsible for product design and quality functions



## Independent Directors

Salil Baldev Taneja

Chairman of Taneja Aerospace and Aviation Limited and Chief Executive Officer of ISMT Limited

Nandita Lakshmanan

Leading public relations consulting practitioner, currently heads the knowledge forum at Public Relations Consultants Association of India

Dr Arjun Kalyanpur

Assistant Clinical Professor Yale University School of Medicine's Department of Diagnostic Radiology

Nitin Bagamane

Over 20 years in real estate, construction and building products, currently manages 125-acre IT SEZ in Bangalore

Significant domain experience backed by multi-disciplinary functional competencies on the Board

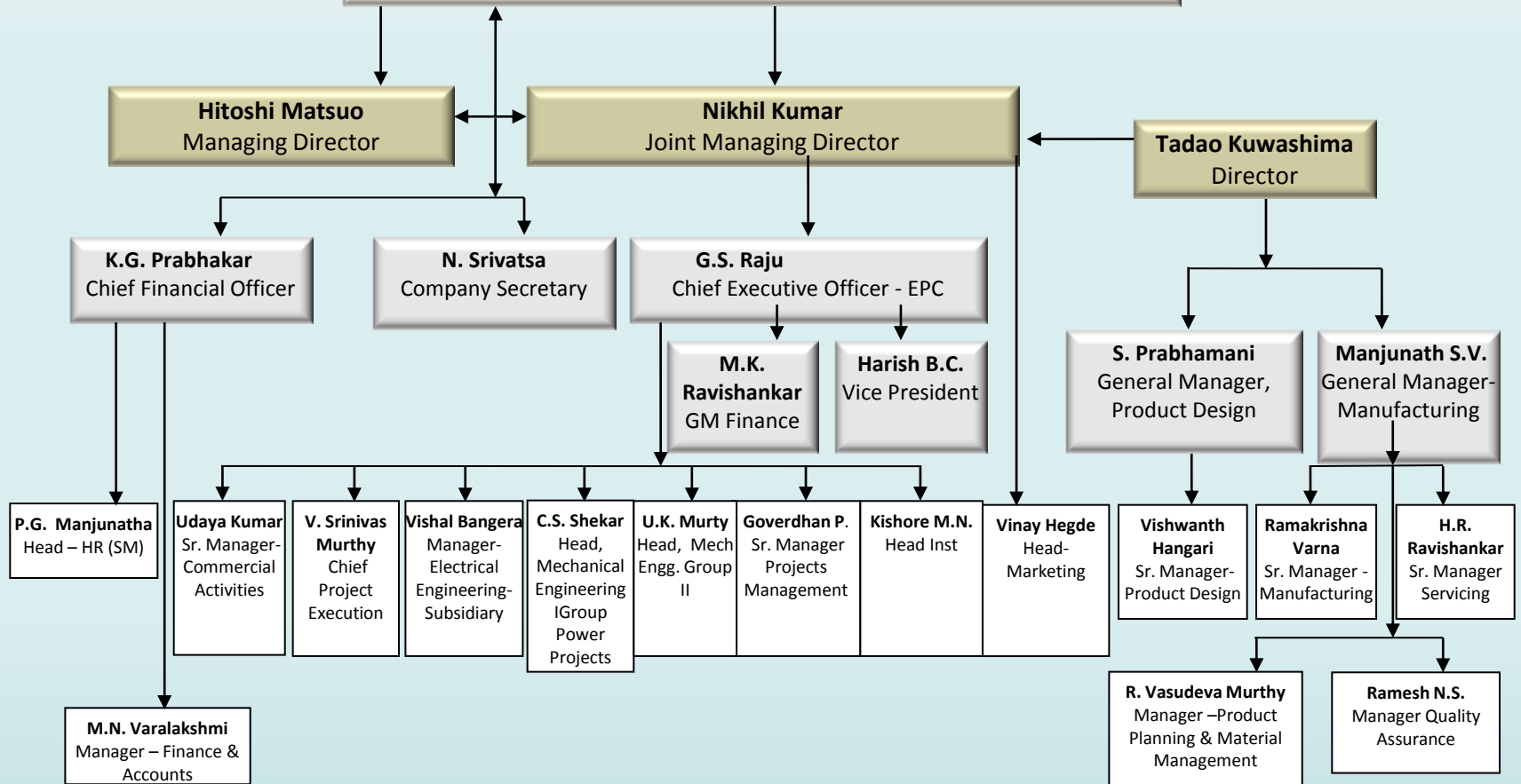
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# Organizational Structure



## Board of Directors



Well-established organizational structure



# Financial Performance





## Joint Managing Director's Message



*"I am pleased to present TD Power Systems' nine month financial performance. We have delivered 35% revenue growth and expanded profit by 47% in a tough operating environment marked by weakness in new capex commitments by the Indian manufacturing sector. While our business, linked to the power requirements of key process industries, continues to grow, we are experiencing sluggish order inflows, lower by 26% this year till date. Some of our key global markets are experiencing economic turmoil leading to lower order growth visibility. However, positive economic data – stronger manufacturing data and flattening interest rate cycle – may be expected to improve business momentum in India. In this scenario, we have focused on creating world-class manufacturing infrastructure and organizational competencies that we believe would deliver significant benefits in time."*



Nikhil Kumar  
Joint Managing Director  
TD Power Systems Limited



## 9M FY12 Financials



(₹ million)

Particulars	9M FY12	9M FY11	Y-on-Y Change	FY11
<b>Total Income</b>	7,570.5	5,621.0	+34.6%	8,746.4
<b>EBITDA</b>	797.8	578.2	+38.0%	1,003.2
<b>Margins (%)</b>	10.5%	10.3%		11.5%
<b>Depreciation</b>	67.1	61.3	+9.6%	80.5
<b>Interest</b>	55.9	50.3	+11.2%	66.9
<b>PBT</b>	674.8	466.7	+44.6%	855.9
<b>Tax</b>	222.2	158.6		289.3
<b>PAT</b>	452.6	308.1	+46.9%	566.6

35% Revenue and 47% PAT growth

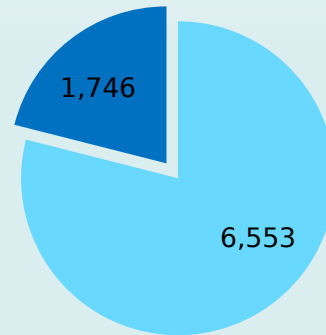




# Order Book Details

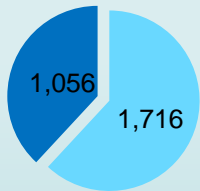


Order Book - ₹ 8,299 million



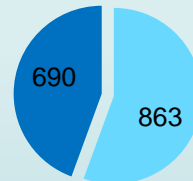
■ Domestic ■ Export

Order Book - Manufacturing  
- ₹ 2,772 million



■ Domestic ■ Export

Order Book – Projects  
business - ₹ 1,553 million



■ Domestic ■ Export

Order Book – EPC business  
- ₹ 3,973 million



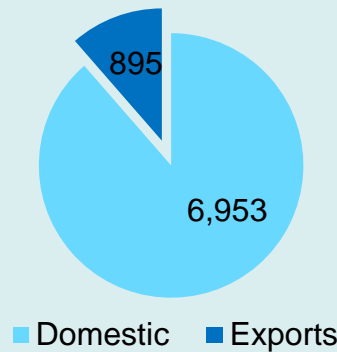
■ Domestic



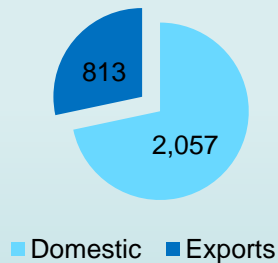
# Revenue Analysis (9M FY12)



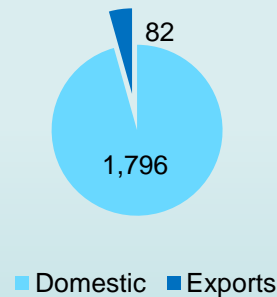
Total Revenues\* - ₹ 7,848 million



Manufacturing Revenues\*  
- ₹ 2,870 million



Projects Business Revenues - ₹ 1,878 million



EPC Business Revenues - ₹ 3,099 million



\*Prior to inter-segment and inter-company eliminations



# Thank You

For further information, please contact:

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