

TD POWER SYSTEMS LIMITED



INVESTOR PRESENTATION Q1 FY2013



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



Leading manufacturer of custom-designed AC generators for a diverse range of prime movers, addressing the growing industrial demand for captive power projects



Technology alliances with several leading global power equipment OEMs; demonstrated abilities in technology absorption, product development and portfolio diversification



Execution capability in turbine generator (TG) island projects with output capacity up to 52 MW and boiler turbine generator (BTG) projects with output capacity of 52-150 MW



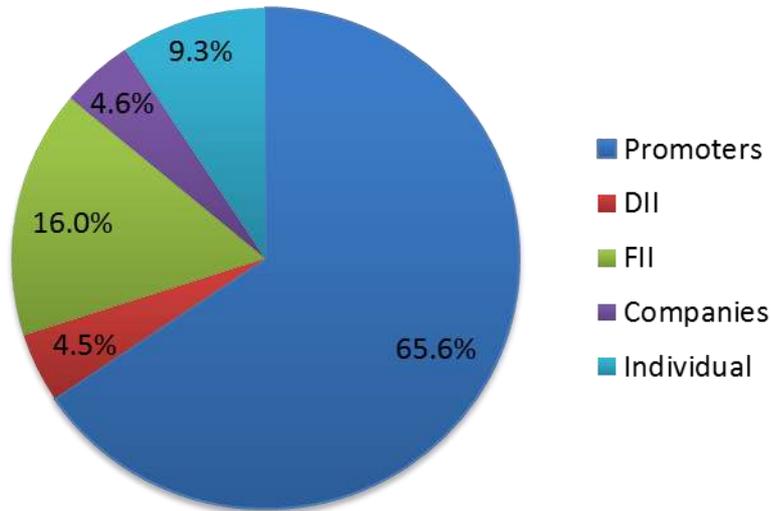
Long-standing relationships with customers in domestic markets, augmented by growing exports traction, addressing demand across a wide range of user industries



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

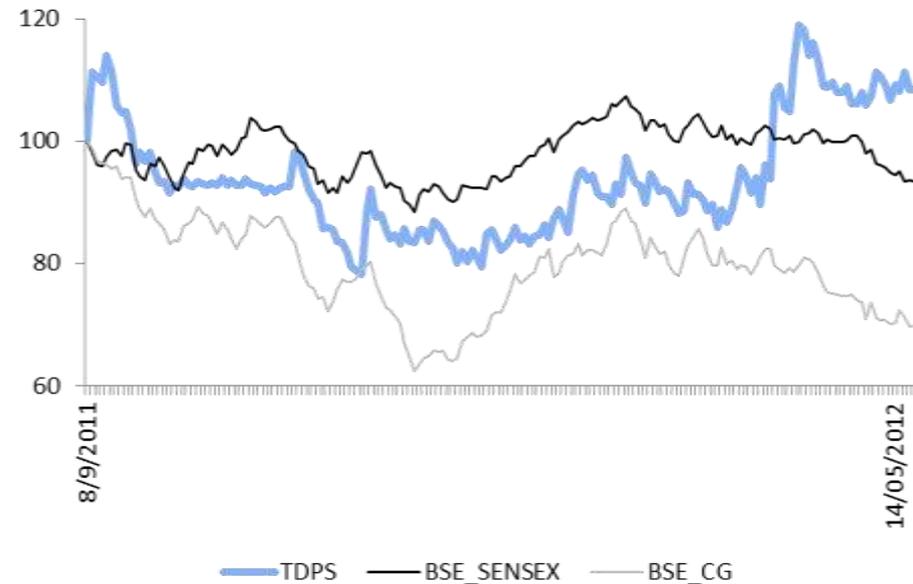
Shareholding Structure

Shareholding %



As on March 31, 2012

TDPS stock price movement



Key Institutional Shareholding

Sequoia	5.7%
India Value Fund	3.7%
Capital	3.6%
Barings PE	2.4%
IDFC MF	2.3%

Milestones

Expanding business horizons to deliver value over a decade of operations

License Agreement with Siemens AG to manufacture steam generators up to 52 MW

Received multiple BTG orders valued at \$ 100 mn

2008

Dispatched 1st AC Generator to Thailand

Supplied 1st AC Generator to Siemens Limited, Baroda

2002

Agreement with Voith Hydro Holding GmbH for jointly developing electrical generators

2010

IPO of TDPS

2011

Successfully commissioned our biggest project for 32 MW
- Production Technology Transfer Agreement with Sicme Motori Srl
- Granted license to General Electric Company to manufacture generators for the Brazilian market
- Executed 1st overseas project in Uganda, a 16.5 MW steam turbine plant

2007

2009

Manufacturing Agreement with Toshiba Mitsubishi-Electrical Industrial Systems Corporation

2001

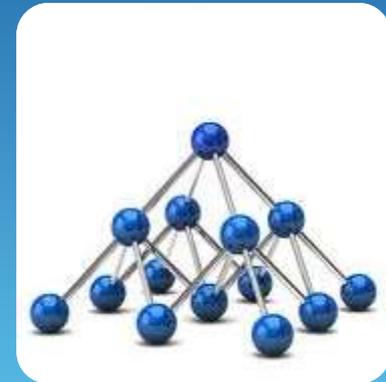
Technical Assistance, License and Transfer Agreement with Toyo Denki

License agreement with Siemens AG to manufacture industrial generators up to 200 MW

Successfully tested 25 MW vertical hydro generator

2012

Business



Integrated operations

- **manufacturing generators/motors**
- **implementing projects for captive power plants and smaller capacity IPPs**



Manufacturer of AC Generators

(Currently manufacturing up to 52 MW, expanding portfolio up to 200 MW)

- Diversified portfolio customized for a wide range of turbines (steam, gas, hydro and wind) and engines (diesel and gas)
- Since inception, manufactured 1,811 generators, including 291 generators exported to 40 countries, with aggregate output capacity of 15,261 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 95 TG island projects with aggregate output capacity of 1,884 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 based on equipment sourced from multiple global OEMs
- Completed 8 BTG island projects with aggregate output capacity of 661 MW

Leveraging existing competencies to increase focus on large, complex projects

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

Expand power projects business

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

Create technology leadership and cost efficiency

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

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

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

License agreement in 2012 covering know-how for manufacture of industrial, air-cooled, 2-pole AC generators in the range of 74 MVA to 250 MVA in India.

Sicme Motori SrL, Italy

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

Voith Hydro Holding GmbH , Germany

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

General Electric Corporation, USA

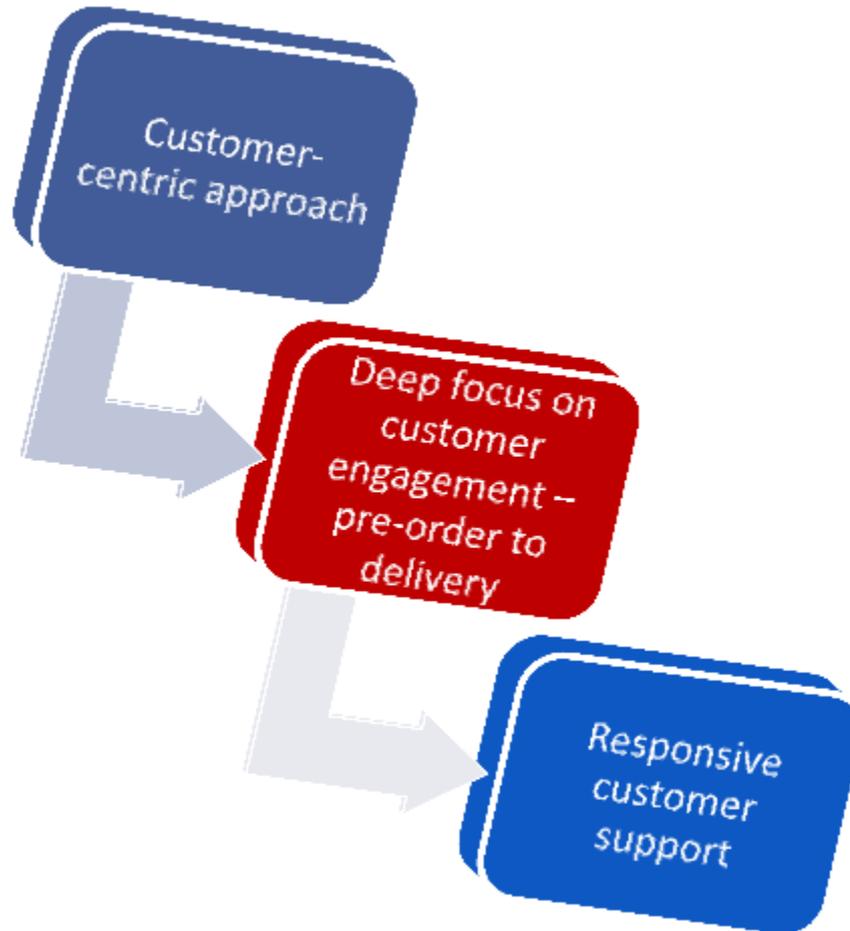
TDPS granted a limited license to manufacture generators using TDPS' design for the Brazilian market, and on a co-manufacturing basis, to other countries in Central and South America

Toshiba Mitsubishi Electrical Industrial Systems Corp, Japan

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

Customer Relationships

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



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



Manufacturing Facilities

Manufacturing Facilities

Bangalore-based facilities supported by established local ancillary vendor base

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
- Power
- Quality lab & Instruments

Two Manufacturing Units near Bangalore

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



Quality Management System

Environmental Management System

OHSAS Management System

Country-specific Manufacturing Approvals

Manufacturing Facilities

Hydraulic press for stator core pressing



Horizontal vacuum pressure impregnation plant for stator



High precision brazing set up for rotor coils



Dynamic balancing machine for rotor balancing

Management



Board of Directors

Rich domain experience, multi-disciplinary functional competencies and well-established corporate governance structure

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

Mohib N. Khericha



(Non-Executive Chairman)

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

Hitoshi Matsuo



(Managing Director)

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

Nikhil Kumar



(Joint Managing Director)

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

Tadao Kuwashima



(Director - Technical)

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

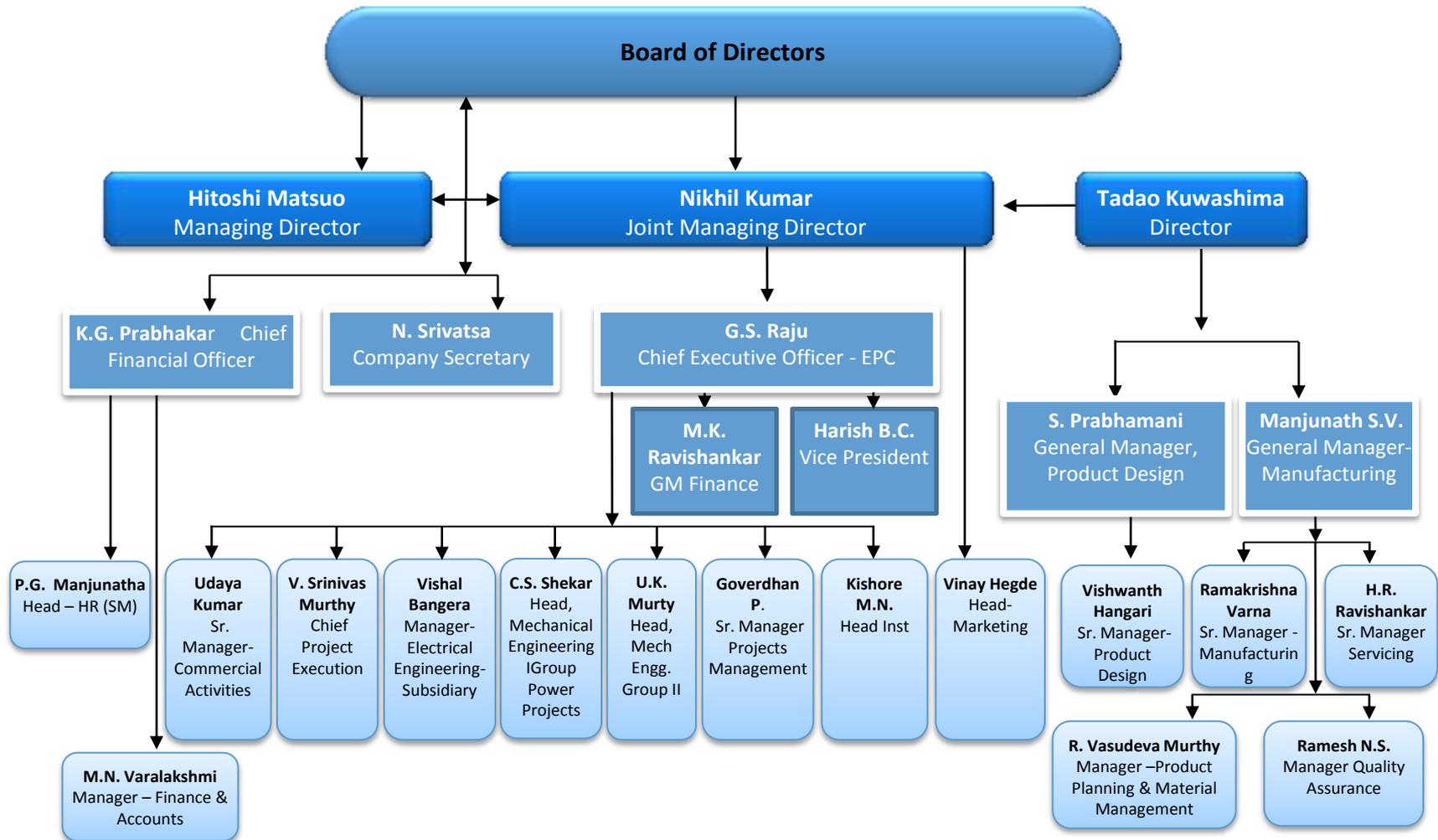
Dr Arjun Kalyanpur

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

Organizational Structure





Financial Performance



Nikhil Kumar

*Joint Managing Director
TD Power Systems Limited*

“I am pleased to present TD Power Systems’ Q1 FY13 financial performance. Total income has declined by 20%, PAT has grown by 16% with higher contribution from interest income and foreign exchange variation. Q1 performance highlights the weak demand outlook for capex commitments in several industrial sectors. While we remain confident about the longer term prospects of our business, near term visibility remains uncertain for both order booking and sales. Export visibility has been strong in the manufacturing business and we are working with several global leaders to develop new products. However, we do not expect exports to completely compensate for the weakness in the domestic market. In our EPC and projects businesses, we are negotiating a number of orders and expect order inflow to improve in the near term. We are also focusing on our earlier strategies of continuously exploring new geographies, enhancing our product portfolio, augmenting technology leadership and creating cost efficiencies apart from greater cost consciousness at the overheads level.”

Financials – Q1FY2013



20% Revenue decline
16% PAT growth

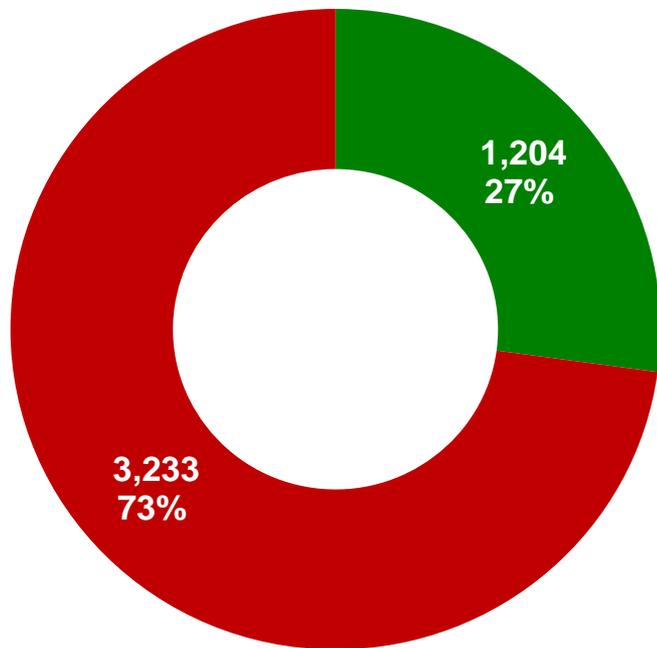
(₹ million)

Particulars	Q1FY13	Q1FY12	Y-on-Y Change	FY12
Total Income	1,660	2,064	-19.6%	10,316
EBITDA	265	242	+9.91%	1,143
<i>Margins (%)</i>	<i>16.0%</i>	<i>11.7%</i>		<i>10.8%</i>
Depreciation	26.3	21.2	+23.9%	91
Interest	8.1	23.2	-65.2%	66
PBT	231.1	197.1	+17.3%	986
Tax	86.2	71.9		326
PAT	144.9	125.2	+15.7%	659

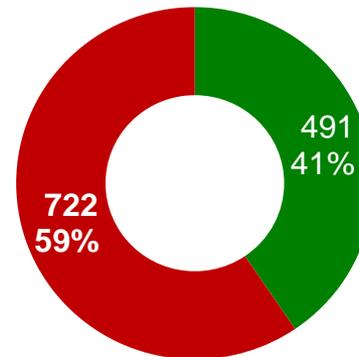
Order Book Details

As on June 30, 2012

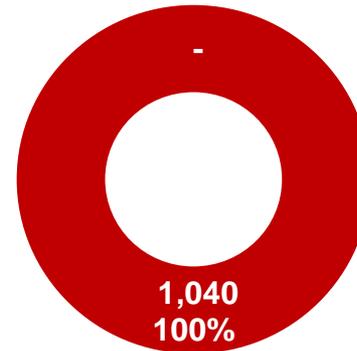
■ Export ■ Domestic



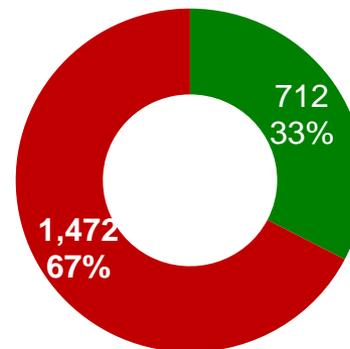
Total Order Book
₹ 4,428 million



Order Book – Projects business
₹ 1,204 million



Order Book – EPC business
₹ 1,040 million



Order Book – Manufacturing
₹ 2,184 million

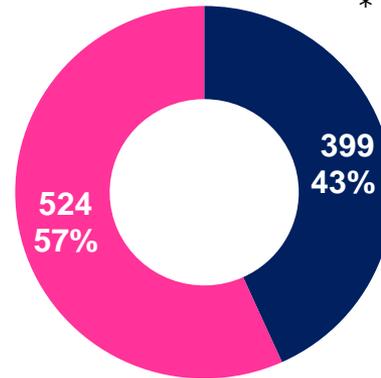
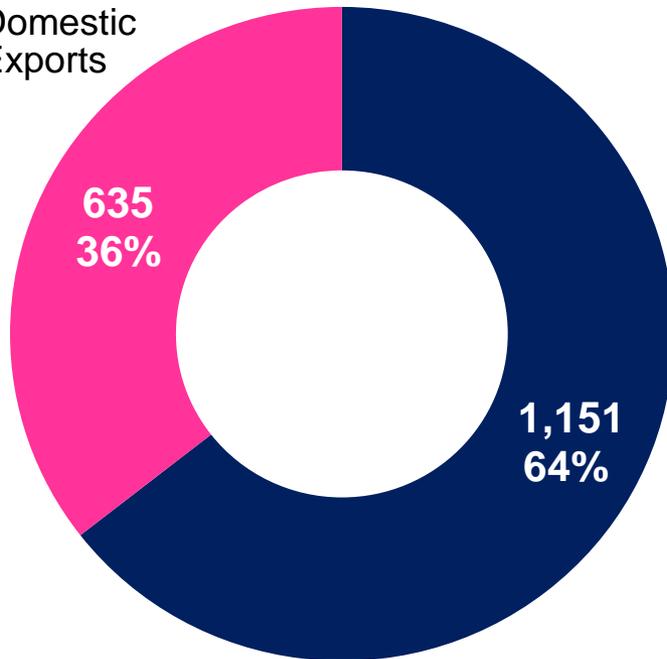
Revenue Analysis – Q1FY2013



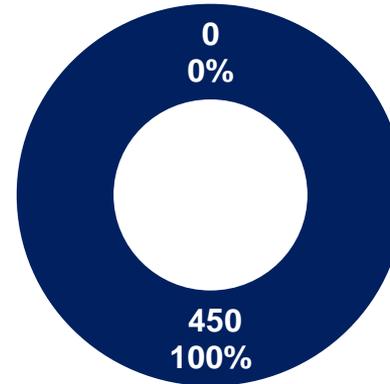
* Prior to inter-segment and inter-company eliminations

Total Revenues*
₹ 1,786 million

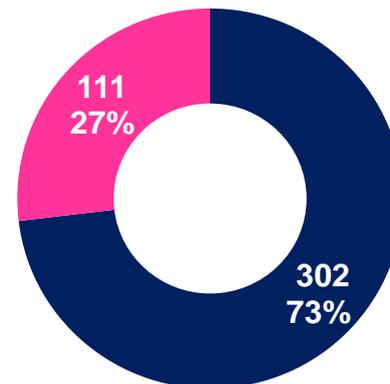
■ Domestic
■ Exports



Manufacturing Revenues*
₹ 923 million



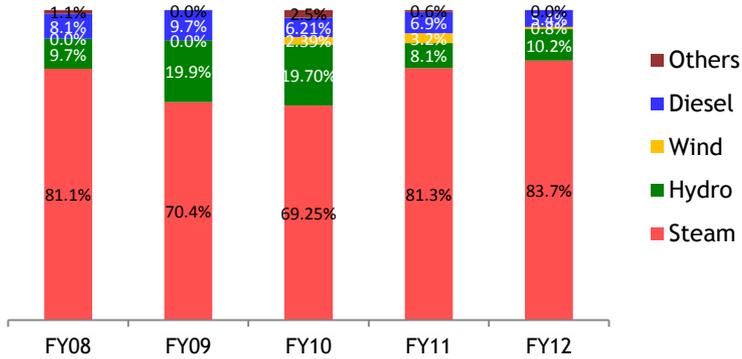
EPC Business Revenues
₹ 450 million



Projects Business Revenues
₹ 413 million

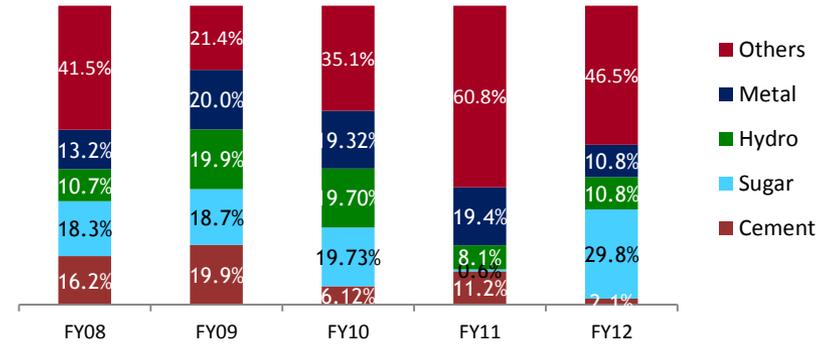
Business Segments – Manufacturing

Product-wise sales (%)



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

Key end user industries (%)



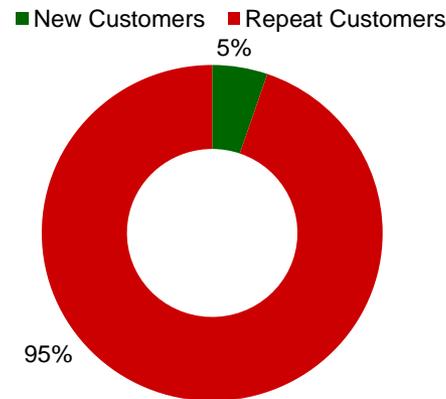
* Others include Chemical, Food, Paper, Textile, Process, Wind, Distillery, Fertilizer etc

Geographical Distribution of Sales (%)

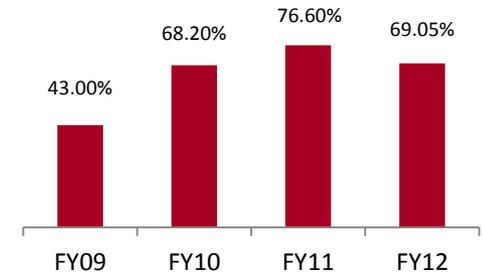


All % based on value of sales

Customer Profile (%)



Revenue of Top 10 Customers (%)*



* Of Restated Consolidated Net Sales

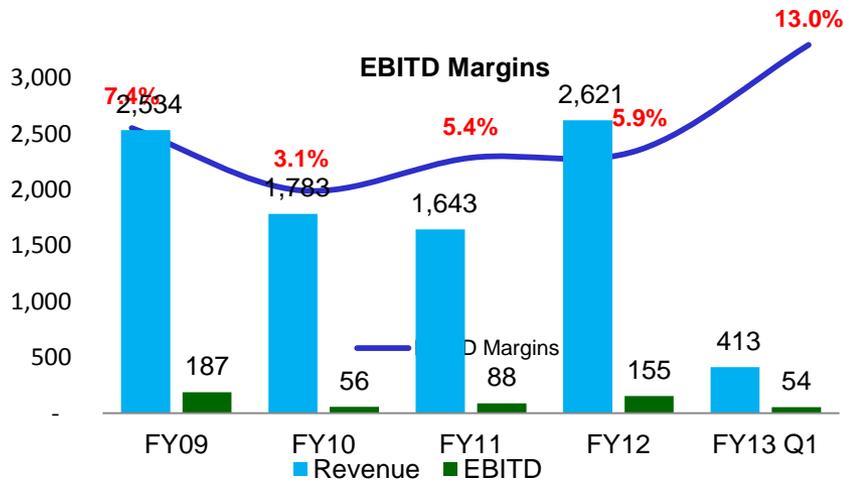
Product portfolio spread across diverse and loyal customer base

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 Pvt Ltd*, a wholly owned subsidiary, executes EPC projects which include BTG island project and BOP portion (excluding civil works) for steam turbine power plants with output capacity from 52 MW up to 150 MW
- Executed 103 projects aggregating 2,545 MW in India and abroad (95 TG island projects and 8 BTG island projects)
- Experienced teams with established track record and reputation for efficient project management
- Projects order book as on June 30th, 2012 stands at Rs 2,253 Mn (54% in TG island projects and 46% in EPC projects)

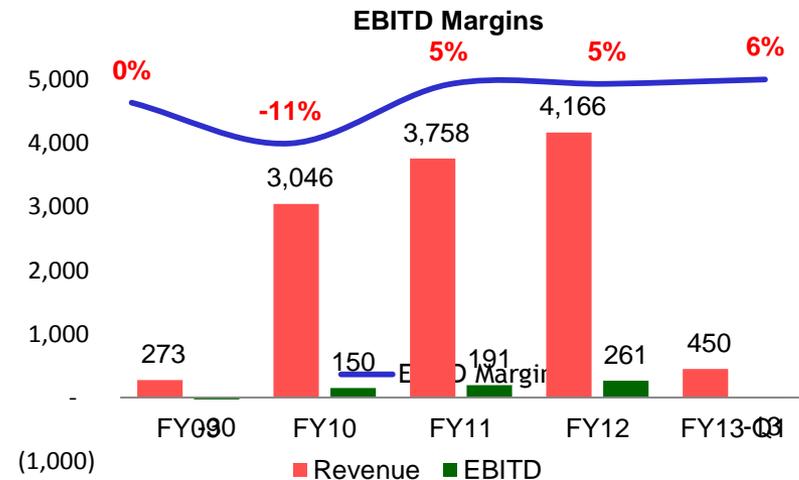
TG Projects - Key Segment Financials (Rs Mn)



Segmental revenues without inter-segment elimination

EBITDA – Earnings Before Interest, Taxes, Depreciation, Amortization

EPC Projects – Key segment Financials (Rs Mn)

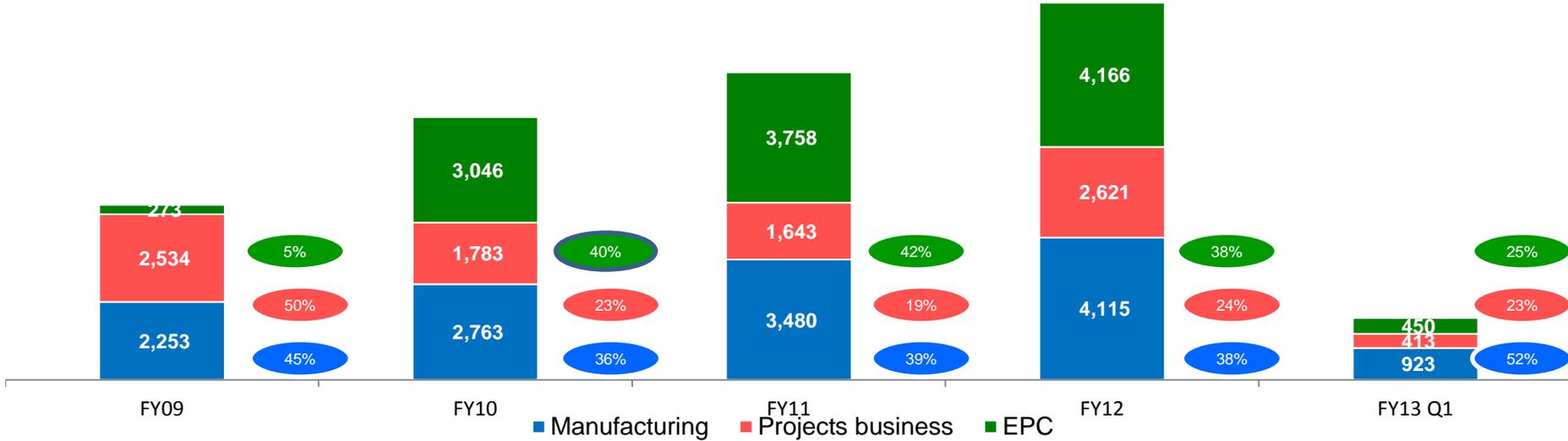


Established track record of executing power projects

Financial Track Record

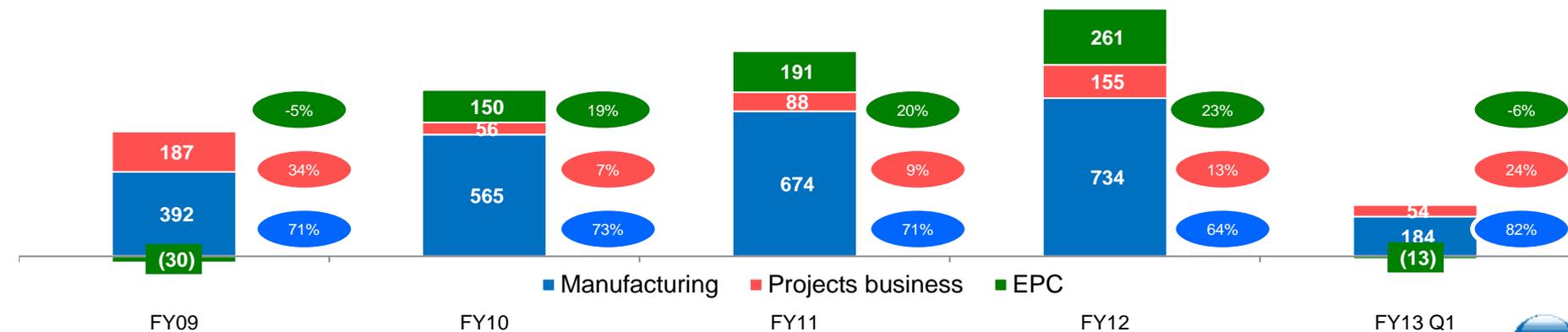
Segmental Revenues Consolidated (Rs Mn)

Consolidated



Segmental EBITDA Consolidated (Rs Mn)

Consolidated

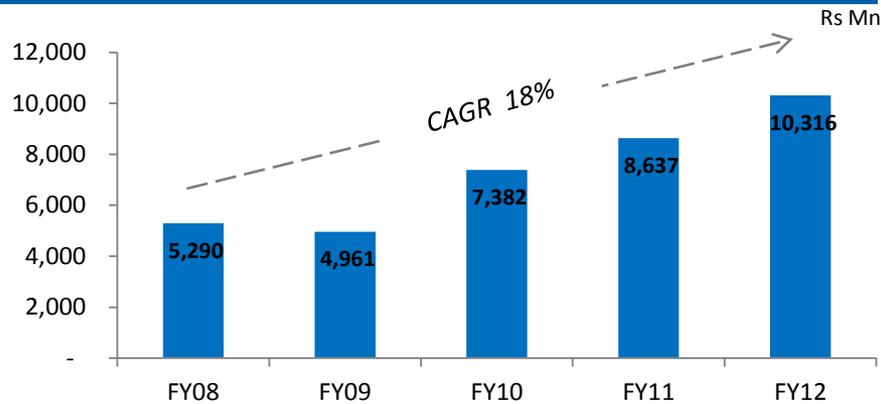


Segmental revenues without inter-segment elimination
Restated financials - FY07-08 Standalone. FY09 onwards Consolidated

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

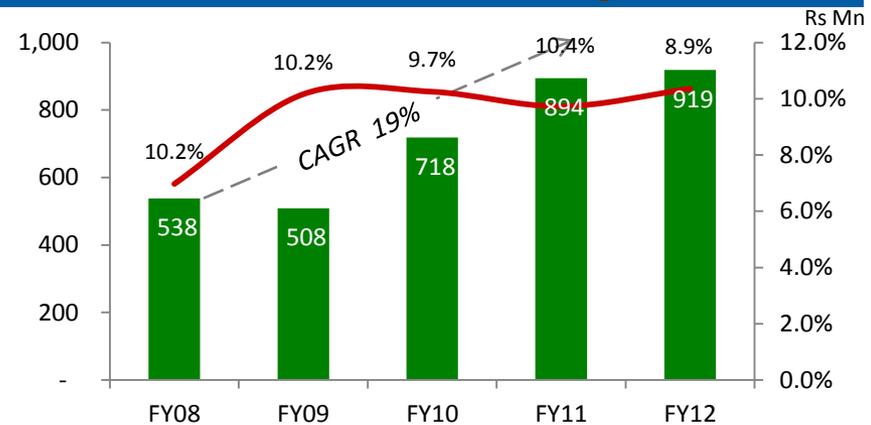
Key Financials & Ratios

Strong Growth in Revenues...



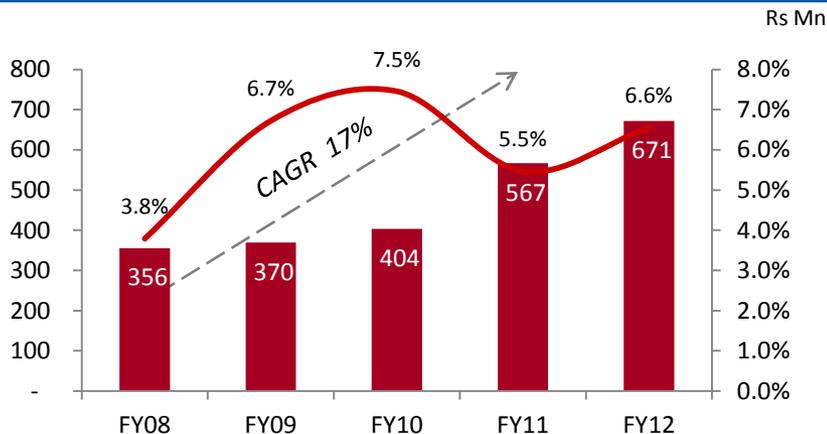
■ Revenues

...With Robust EBITDA Margins



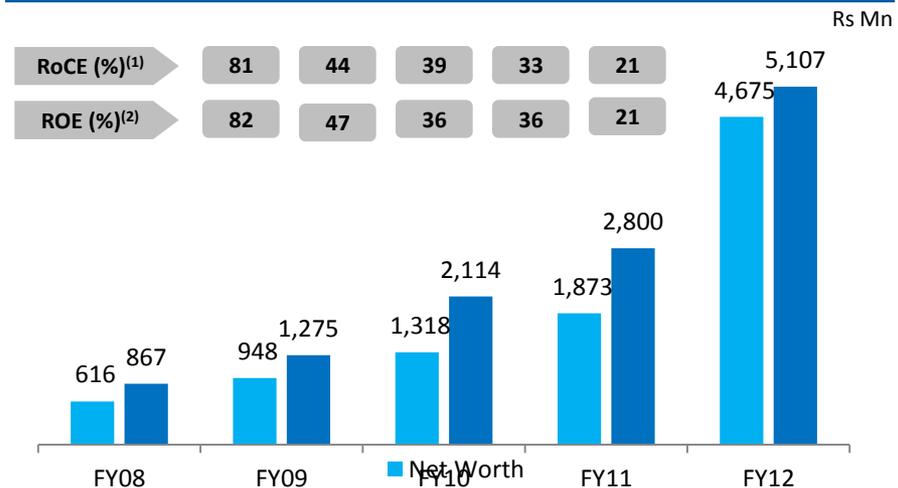
■ EBITDA ■ EBITDA margin (%)

...and Sustained Growth in PAT



■ Adj. PAT ■ PAT margin (%)

...Leading to high RoCE and RoE



1. EBIT/ Average Capital employed
2. PAT/ Average Network
3. Restated financials - FY07-08 Standalone. FY09 onwards Consolidated
4. Adj. PAT – Restated PAT after minority interest

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

P&L Snapshot

Rs Mn	Consolidated				
	FY09	FY10	FY11	FY12	FY13Q1
Sales	4,961	7,382	8,637	10,316	1,532
EBITDA	508	718	894	919	138
Depreciation (incl. Amortization)	33	57	80	91	26
EBIT	476	662	814	827	112
Other Income	105	72	109	224	128
Interest and Finance Charges	26	42	67	66	8
PBT	554	691	856	986	231
Tax	187	256	289	326	86
Restated PAT	370	435	567	671	145
Minority Interest	0	31	0	0	0
Restated PAT after minority interest	370	404	567	671	145
<i>EBITDA margin (%)</i>	<i>10.2%</i>	<i>9.7%</i>	<i>10.4%</i>	<i>8.6%</i>	<i>9.0%</i>
<i>PAT margin (%)</i>	<i>7.5%</i>	<i>5.5%</i>	<i>6.6%</i>	<i>6.1%</i>	<i>9.5%</i>

*Restated financials - FY07-08 Standalone. 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	Jun-12
Source of Funds	1,276	2,115	2,800	5,035	5,238
Net Worth	949	1,318	1,873	4,603	4,748
Minority Interest	2	44			
Borrowings	287	682	856	346	393
Deferred Tax Liability	38	70	72	85	97
Uses of Funds	1,276	2,115	2,800	5,035	5,238
Gross Block	622	1,260	1,368	1,641	1,741
Less :- Depreciation	102	156	236	326	352
Net Block	521	1,104	1,132	1,315	1,389
CWIP	9	-	20	126	190
Investments	0	4	0	0	0
Net Working Capital incl. cash	747	1,007	1,648	3,593	3,658
Current Assets	3,093	4,817	5,540	7,413	7,624
Inventories	325	373	777	830	802
Sundry Debtors	881	2,067	2,040	2,402	2,435
Cash and Bank Balances	1,054	1,436	2,078	3,022	3,147
Loans & Advances	833	941	645	1,159	1,239
Current Liabilities	2,271	3,429	3,767	3,676	3,817
Provisions	75	381	126	144	149

*Restated financials - FY07-08 Standalone. FY09 onwards Consolidated
 EBITDA – Earnings Before Interest, Taxes, Depreciation, Amortization and Other Income

Thank You

For further information, please contact:

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