



TECHNO ELECTRIC & ENGINEERING COMPANY LIMITED

AN INVESTOR PRESENTATION

Quarter Ended March, 2022



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Corporate Overview



Techno Electric & Engineering Company Limited (TEECL)

is among India's largest in power-infrastructure companies. It is one of the most attractive proxies of India's power sector, headquartered in Kolkata.



» 40+ Years

of rich experience in the power sector EPC



» 400+ Projects

completed since inception



» 25+ Years

of average experience of core engineering team



» 400 Professionals

in team (engineering, commercial, graduates and postgraduates)



» AA Long Term

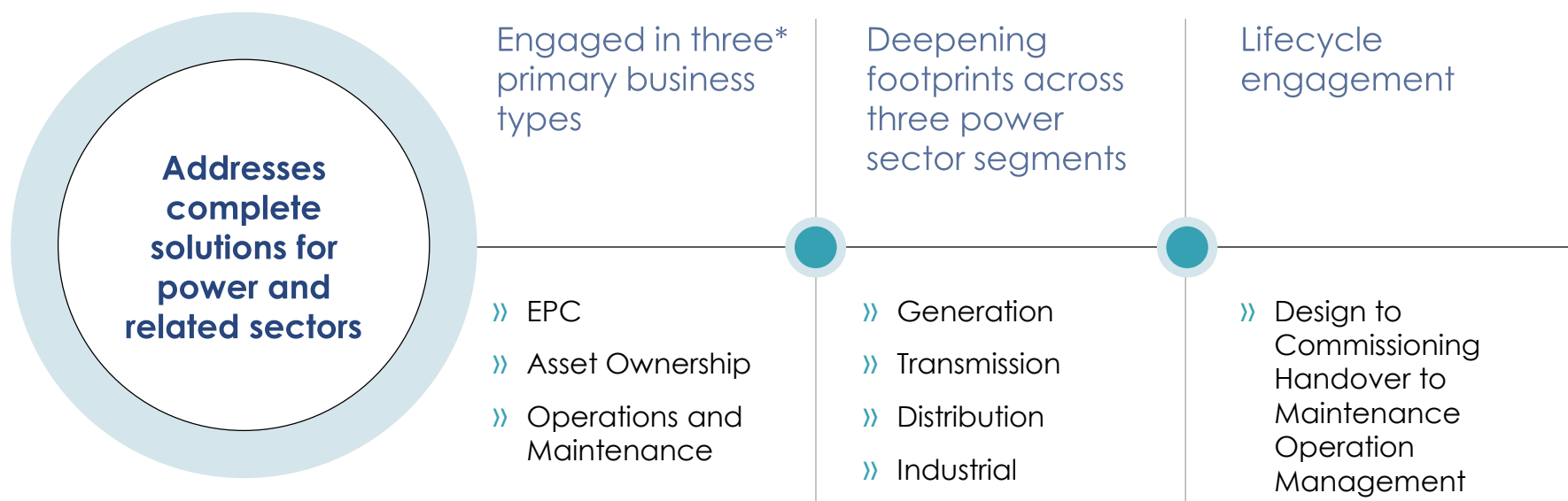


» A1+ Short Term



» BSE, NSE

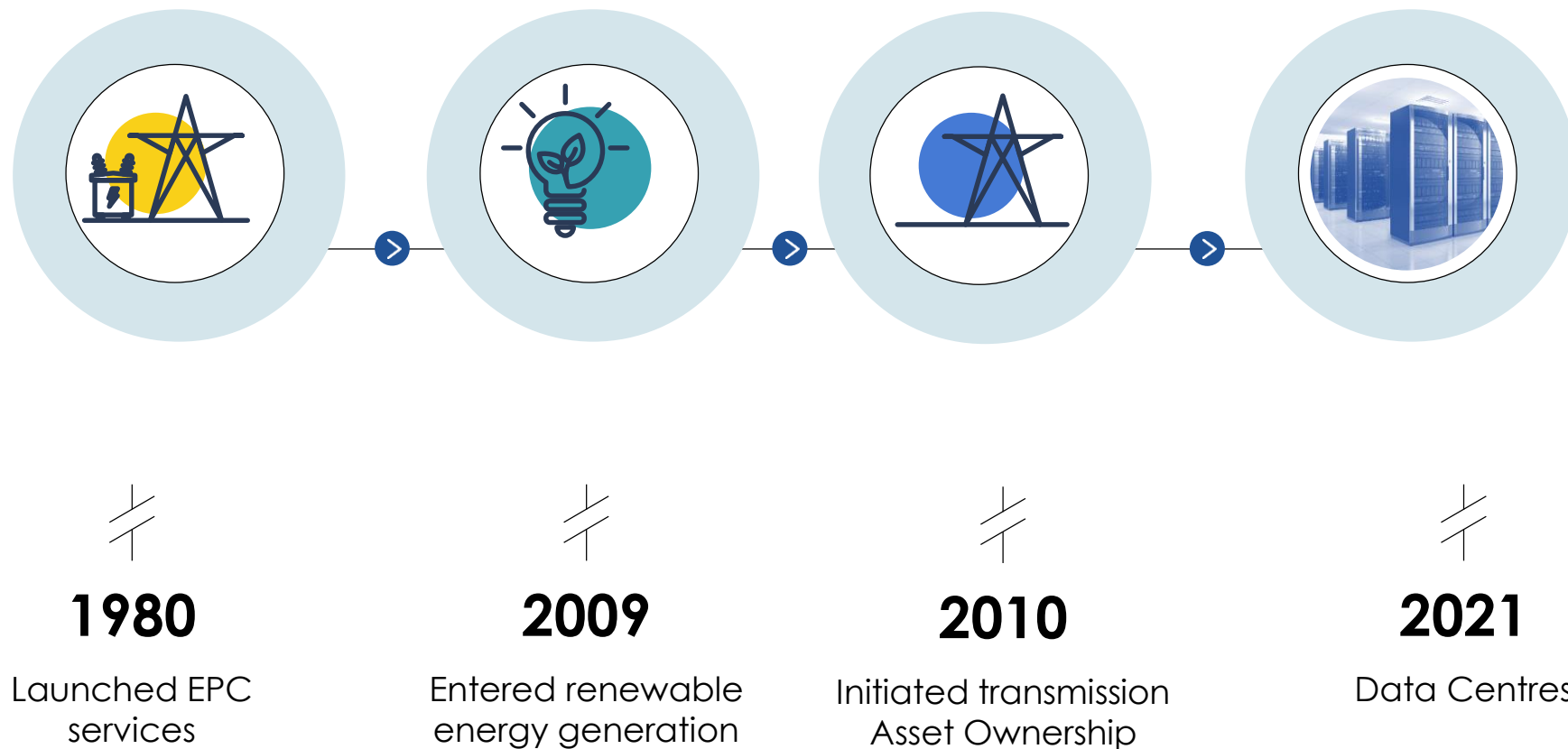
listed



* TEECL is divesting its renewable energy assets to concentrate more on its core businesses of EPC and Transmission Asset Ownership. Alternatively, TEECL may use the asset for powering the Data Centre at Chennai



KEY MILESTONES



ADVANCING WITH EXPERIENCE AND EXPERTISE



EPC

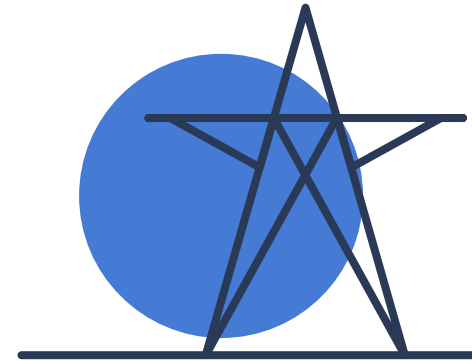
PPP Transmission

Green Power

Data Centre



- » Flue Gas Desulfurization Plant
- » Transmission & Distribution
- » Advanced Metering Infrastructure (Smart Metering)
- » Balance of plant
- » Captive waste heat recovery and upto 200 MW of conventional power plant on turnkey basis
- » Solutions for power-intensive industries
- » Less capital-intensive, high risk-reward ratio
- » EPC segment contributes 92% of total revenues and 69% of total EBIDTA of FY22



- » Build Own Operate and Transfer (BOOT)
- » Build Own Operate and Maintain (BOOM)
- » Provide annuity income
- » Capital intensive
- » Modest ROE
- » Stable multi-year income/cash flow
- » In-house EPC business
- » O&M revenues

ADVANCING WITH EXPERIENCE AND EXPERTISE

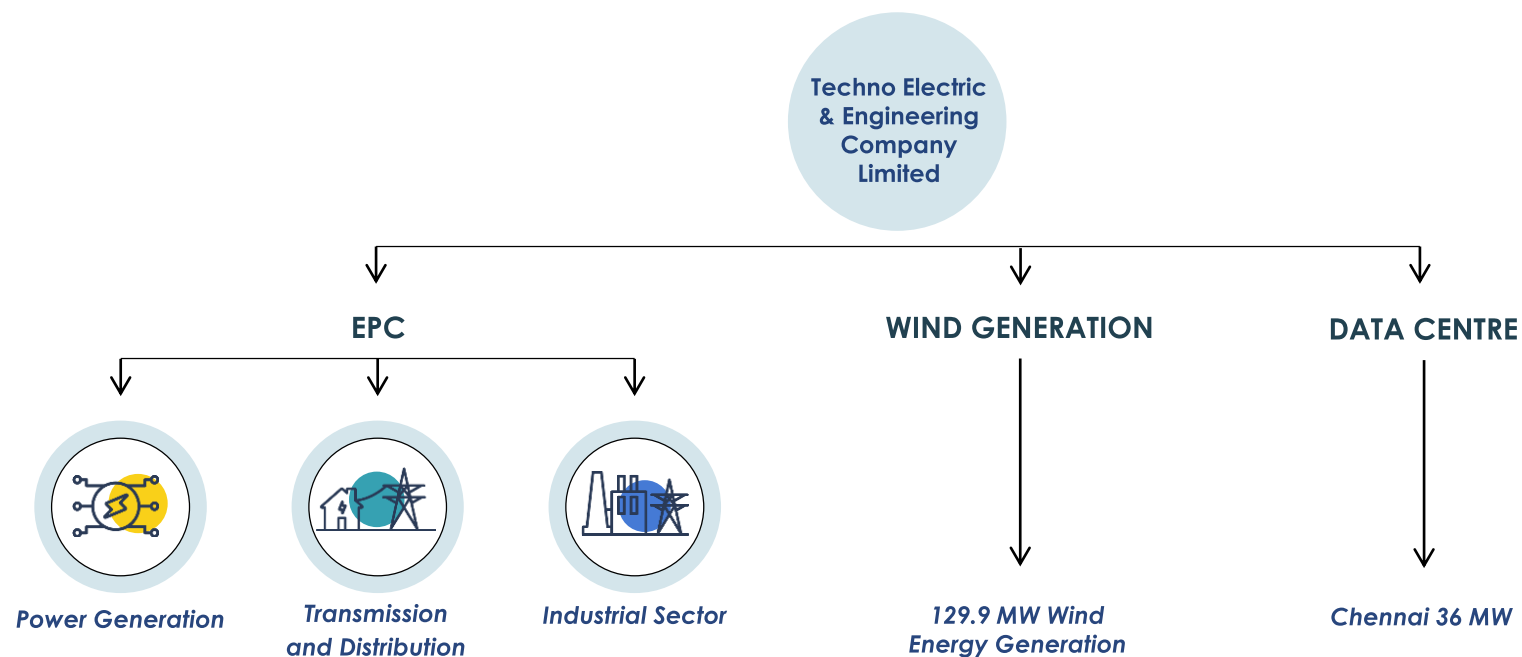


- » Capital-intensive
- » Modest IRR
- » Multi-year stable income/cash flows
- » Green Power contributes 8% of total revenues and 31% of total EBIDTA of FY22

ADVANCING WITH EXPERIENCE AND EXPERTISE



- » Develop ultra-scalable hyper-density Data Centres of 250 MW by FY2030 across India
- » EPC capabilities
- » Large infrastructure asset development and ownership experience, along with operations and maintenance services
- » Green power generation capacity



ONCE A CUSTOMER, ALWAYS A CUSTOMER



TEECL primarily serves CPSUs, state-run utilities and private sector customers (captive power plant and power distribution system for power intensive industries). Over the years, it

- » Helped build 50% of India's national power grid
- » Engaged with over 50% NTPC projects of various capacities
- » Bagged multi-year engagements with marquee PSUs
- » Provided power distribution solutions to major oil refineries
- » Collaborated with aluminium smelters for their power solutions

The Company follows the operating philosophy of 'Once a customer, always a customer'.

Domestic



POWER GRID CORPORATION OF INDIA LIMITED
(A Government of India Enterprise)



Sterlite Power



International



* The above client names are based upon current order book.



➤ **Certificate of appreciation from JBVNL for 100% electrification in Dhanbad in 2018**



➤ **Best player in 765 KV AIS Substation Construction in India in 2018' by PGCIL**



➤ **IEI Industry Excellence Award, 2016**



➤ **Meritorious Performance in Power Sector in 2011-12 by Ministry of Power**

➤ Awarded Certificate of appreciation from Kerala State Electricity Board in 2021 for completion of 400 KV Bay extension works at Madakathara

➤ Awarded Certificate of appreciation from Jharkhand Biji Vitran Nigam Ltd. for 100% electrification in Dhanbad district in 2018

➤ Received Safety Award from NTPC in 2018 for 'Best HSE Performance at Kudgi Site.

➤ Received award from PGCIL in 2018 as 'Best player in 765 KV AIS Substation Construction in India'

➤ Awarded Certificate of appreciation from North Bihar Power Distribution Co. Ltd. and Bihar State Power (Holding) Company Limited in 2016

➤ Won IEI Industry Excellence Award 2016 from the Institution of Engineers (India) for demonstrating Highest Order of Business Excellence

➤ Conferred with Best Performance & Safety award 2016, 2015, 2014 and 2013 from Power Grid Corporation

➤ Bagged National award for meritorious performance in the power sector from the Ministry of Power, 2014

➤ Recognised as 'Best Under a Billion'—Top 200 small and mid-cap companies by Forbes in 2008



> **Mr P. P. Gupta**
Key Promoter and Managing Director

Qualification

- » Postgraduate in Management (IIM, Ahmedabad)
- » Honours graduate in Industrial Engineering

Experience

- » Merchant banker with National Grindlays Bank
- » Management consultant deputed to BHEL

Association with TEECL

- » Grew TEECL into prominent Indian EPC company in power generation and transmission PPP linkages
- » Joined TEECL since 1980

Industry Engagements

- » Served industry associations like IEEMA, Confederation of Indian Industry, IIPW and IIW, Vice President of Indian Electricals and Electronics Manufacturers Association

Recognitions

- » Acknowledged as top 100 Indian CEOs by Business Today – PWC 2016-17



FGD

- » As per, Gazette notification (GOI) all Thermal Power Plants need to limit their sulphur emission.
- » Total Target is for 123 GW by 2024
- » 80 GW yet to be fitted i.e., around Rs 150 billion in next 3-4 years.
- » We have received contract for 500 MW of DVC for Rs 3190 million and are L1 in orders worth Rs 16000 million

Transmission - Green Energy Corridor

- » Total target is of 175 GW of renewal energy capacity.
- » Out of the above, bids for 50 GW & 66.5 GW is over.
- » Bidding process for the third phase of 60 GW has started.

Data Centre

- » India has around 375 MW of Data Centre in H12020,
- » Target Capacity of 1 GW by 2025, with a industry revenue of around US \$4-5 billion.
- » Techno has planned to develop hyper-density Data Centres of 250 MW by FY2028 across India.

Smart Meter

- » India plans to grow from 1 mn smart meters to 250 mn smart meters by 2024 .
- » Techno have received orders for 2 lakh meters at Jammu & Kashmir,

Overseas Projects

» TOGO

Communaute Electrique du Benin, TOGO, for extension of Kara Substation & Design, supply, installation and Commissioning of 161/20 kV Substation at Mango worth US\$ 9.69 million.

Foreign project on the horizon

» KENYA

Order worth US\$ 87 million is in advanced stages, for KETRACO, Government of Kenya

Energy Storage Systems

- » As per the CEA, total requirement is for 27 GW/108 GWh of grid-scale battery energy storage systems (four hours of storage) by 2030
- » India unveiled its ₹18,100 crore PLI scheme for developing a battery storage ecosystem of 55-GWh capacity .



TEECL's strengths stem from the following abilities:



» Consistent upgradation to industry-next technology



» Ability to embrace challenges



» Efficient working capital management



» Rich terrain understanding



» On-time project completion



» Cost-effectiveness



» Partnership with large international manufacturers



» Robust vendor eco-system

UTILISING CORPORATE STRENGTH - (Contd.)



» Constantly improving focus on customer-centricity and contractual obligations.



» Quicker project completion than industry standards



» Recorded low gearing, high credit rating, low-cost debt



» Delivered most EPC and Transmission Asset Ownership on or before schedule



» Management of customer expectations and contractual Obligations



» Zero Penalty Record

Business Segment Review



EPC



Transmission Asset
Ownership



Green Power



Key highlights for FY 2021-22



» 63%

ROCE of EPC as on
31 March, 2022



» ~ ₹ 35,000 million

size of order book as on
131st May, 2022



» 24 months

revenue visibility



» ₹ 2,500+ million

annual cash surplus



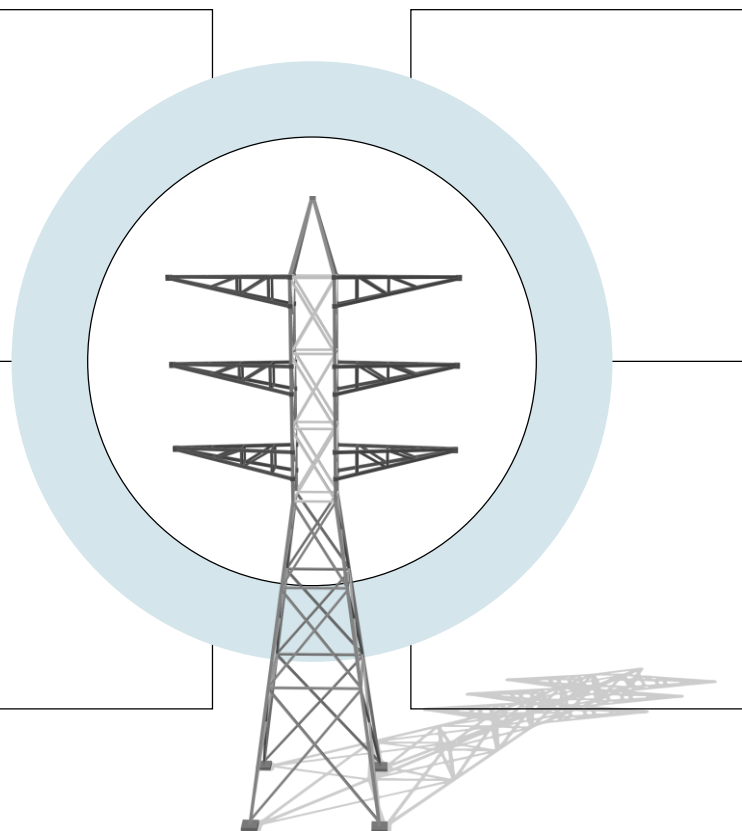
» 15%

EPC EBITDA Margin over the
last 5 years

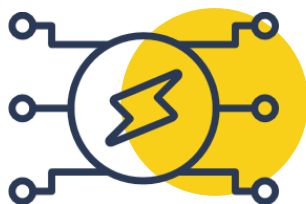


» 92%

Revenue of the total
business from EPC as
on 31 March, 2022

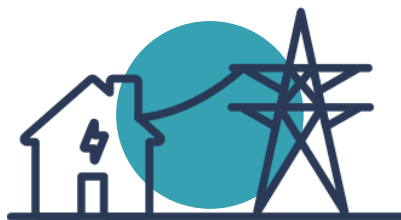


Power Generation



- » Flue Gas Desulfurization
- » Turnkey solutions to captive power plants
- » Balance of Plant

Transmission and Distribution



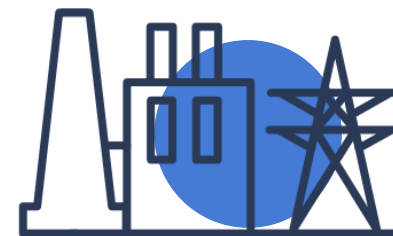
EHV substations

- » EHV substations up to 765 kV (AIS/GIS)
- » STATCOM installation up to 250 MVar

Distribution

- » Advanced Metering Infrastructure
- » Distribution systems management (APDRP*)
- » Rajiv Gandhi Gramin Vidyutikaran Yojna (RGGVY)

Industrial Sector



- » Power distribution systems to power intensive industries
- » Offsite piping systems
- » Oil handling plant process industries
- » Naptha and Diesel based system for turbine based power plant
- » Water and allied system
- » Fire protection system
- » Plant electrical and illumination system

*Accelerated Power Development and Reforms Programme

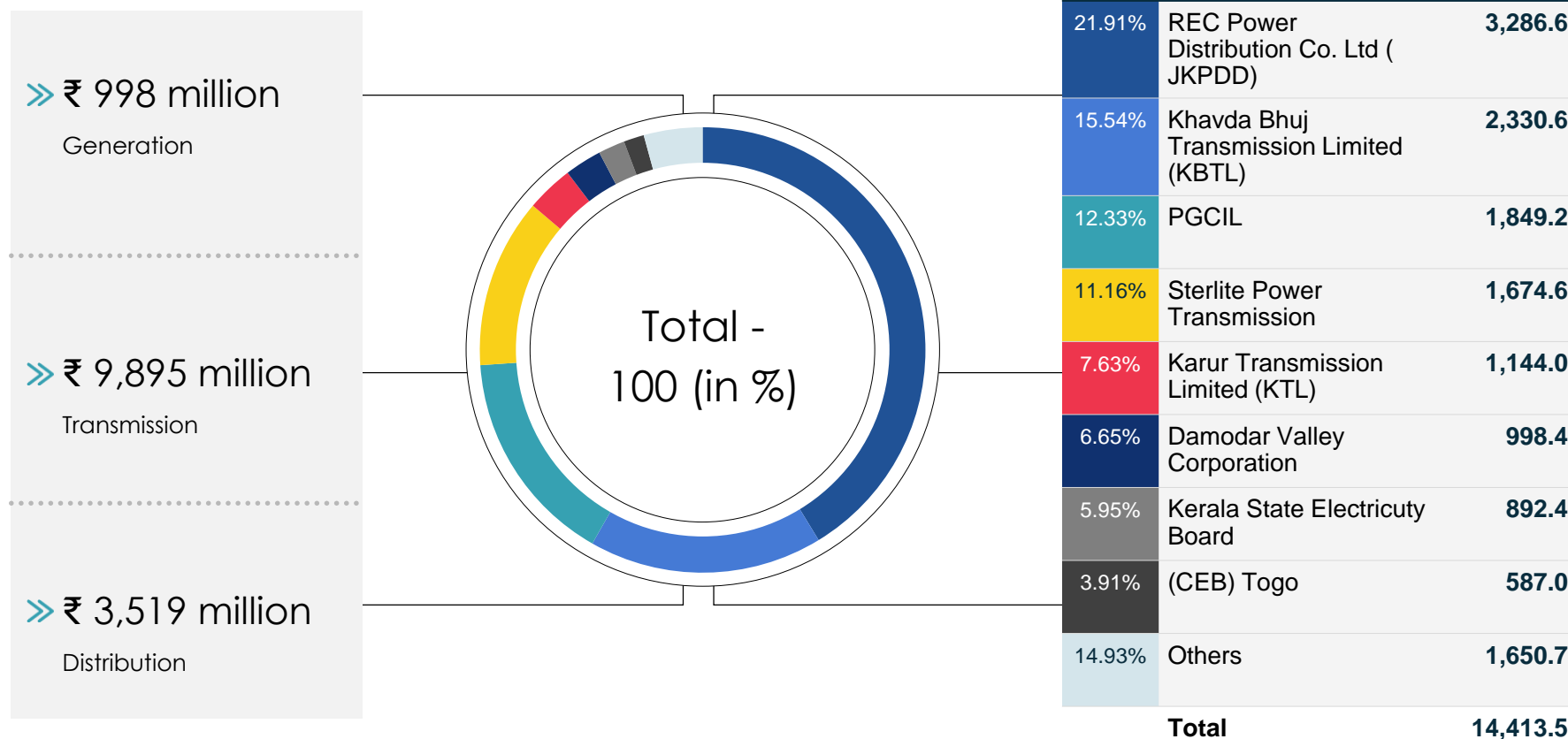
- » Well-planned projects executed in sync with cash flow and contractual obligations
- » Focus on PAT/retained cash (not size of order book)
- » Conservative project management approach
- » Cash rich; low gearing; income mix (lumpy and annuity)
- » Zero penalty record;
- » Marginal working capital outlay
- » De-risked: bid with own cash; work for CPSUs or bilaterally/multi-laterally funded SEB projects
- » Conservative accounting policy
- » 90-day receivables, quicker than industry standard (without considering retention)
- » Quality assets for national benefit



EPC ORDER BOOK AS ON 31st March, 2022



Segment-wise order book for the quarter ended 31st March, 2022



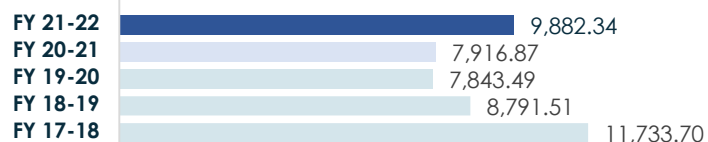
* The company was L1 in 2 FGD orders worth Rs 1600 crores at Rajasthan and various transmission order for around Rs 445 crores in Q4FY22, which stands as confirmed order now. Further the company is L1 in 1 FGD order worth Rs 700 crores



EPC Financials

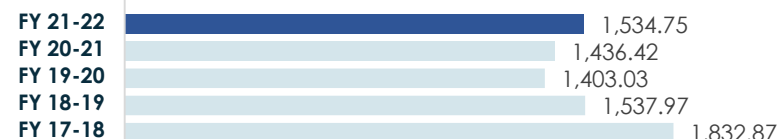
Revenue

(₹ in mn)



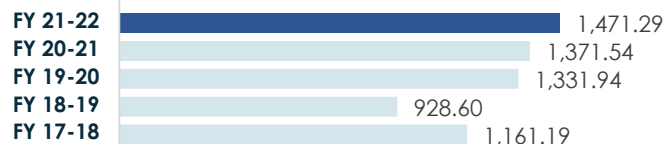
EBITDA

(₹ in mn)



PBT

(₹ in mn)



Market conditions that defined TEECL's financials:

- » In FY18, first quarter revenues were accounted inclusive of taxes
- » Post GST* revenues are recorded exclusive of taxes

*Goods and Services Tax

Business Segment Review



EPC



Transmission
Asset Ownership



Green Power



Jhajjar KT – Haryana – (Completed and Exited)

- » 400 kV transmission system comprises Double Circuit Quad Moose Line
- » Extending from Jharli to Kabulpur, Rohtak (35 KM)
- » Extending from Kabulpur to Dipalpur, Sonapat (64 KM)
- » Two substations of 400/220 kV of 24 bays each at Rohtak and Sonapat
- » Transmission network designed to evacuate 2,400 MW
- » ₹ 4,440 million project
- » TEECL has sold its entire stake of 49% in Jhajjar KT Transco Private Limited to India Grid Trust at Enterprise Value of ₹ 310 crores in 2020

Patran – Punjab – (Completed and Exited)

- » Build, Own, Operate and Maintain (BOOM) transmission network
- » 1,000 MVA evacuation capacity, comprises of:
 - » LILO of Patiala-Kaithal 400 kV double circuit triple snow bird line at Patran
 - » 400/220kV GIS substation with 14 bays in Patran
- » ₹ 2,000 million project
- » TEECL has sold its 74% stake in Patran to India Grid Trust to at Enterprise Value of ₹ 225 crores in 2019

Kohima– Nagaland–(Completed and Exited)

- » Build, Own, Operate and Maintain (BOOM) transmission network.
- » 400 kV transmission system
- » Transmission line from Imphal to New Kohima (134 KM)
- » Transmission line from New Kohima to Mariani (119 KM)
- » Substations of 400/220 kV at New Kohima (No. Bays : 8/6)
- » ₹ 13,000 million project
- » TEECL has sold its 26% stake in Kohima Mariani Transmission Limited (KMTL) to CLP India private limited for a total consideration of Rs 177 crores



- » Leverage EPC knowledge as transmission asset complements EPC
- » Enhance valuation and profitable encashment opportunities with long-term annuity incomes
- » Generate operations and maintenance revenues
- » Improve scale and stability with asset ownership
- » Reduce requirement to bid aggressively and therefore, decrease participation in unhealthy competition

Business Segment Review



EPC



Transmission Asset
Ownership



Green Power



Key highlights of the segment

- » Sold 44.45 MW of wind power assets at an effective valuation of ₹ 2,150 million during the Q1 FY 2016
- » Sold 33 MW of wind energy assets at an effective valuation of ₹ 1,650 million in January 2017
- » Exited the assets at the same price at which investment was made

TEECL intends to divest balance portfolio of 129.9 MW wind assets to improve strength for bidding in more PPP projects in transmission sector, improve ROCE and focus on core EPC vertical.

Alternatively, TEECL may use the asset for powering the Data Centre at Chennai.



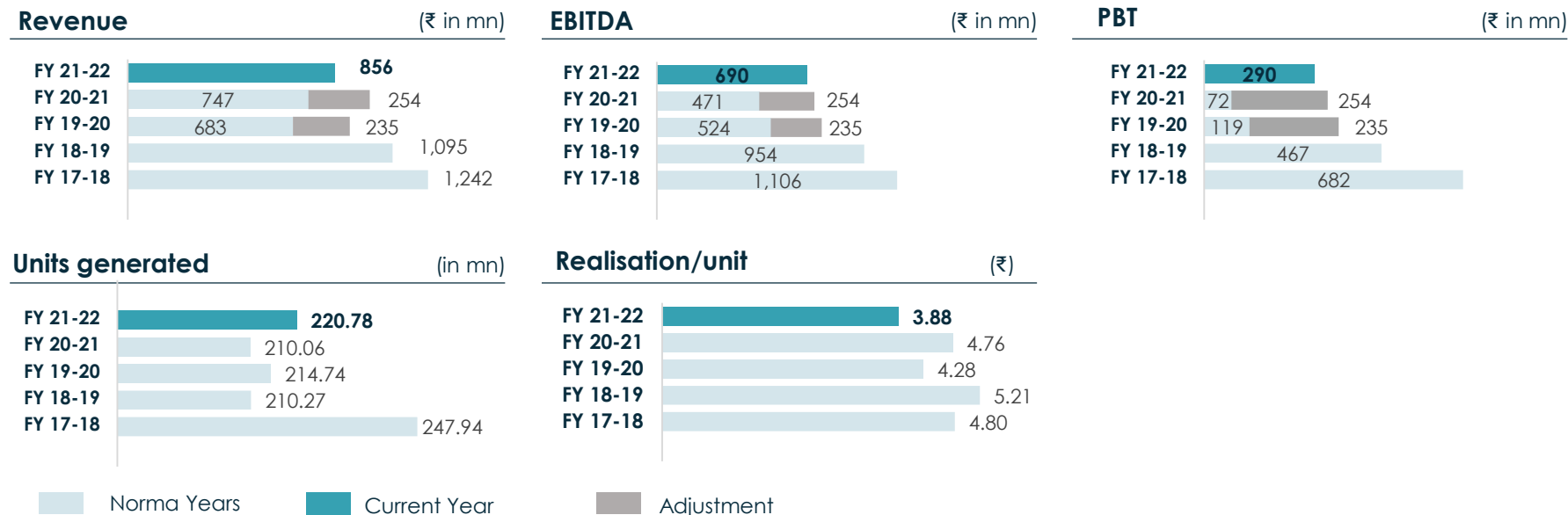


Wind Project

Capacity	18 MW	111.90 MW
Date of Acquisition/ Commissioning	During 2009-10	March 31, 2011 - February 24, 2012
Location	Karnataka	Tamil Nadu
Capacity	12 turbines x 1.5 MW each	48 turbines x 1.5 MW each; 19 turbines x 2.1 MW each
PLF	18% - 24%	24% - 28%
Tariff	₹ 3.40 (Karnataka)	APPC tariff – ₹ 3.12 (TN) for 111.90 MW
Project cost	₹ 885 mn	₹ 6,650 mn
O&M	Free for first 5 years; 5% escalation from ₹ 1 mn/MW	Free for first 4.5 years; 5% escalation from ₹ 0.80 mn/MW started from May 2016 for 72MW and ₹ 0.95 mn/MW starting Aug 2018
GBI benefit	–	111.9 MW registered with IREDA



Green Energy Financials



- The Company has recognized the differential tariff charge of Rs.0.975 per unit on electricity units (Energy Division) billed during the financial year 2019-20 and 2020-21 aggregating to Rs.36.36 crores vide APTEL impugned Order dated 28.1.2021 and the same has been shown under Revenue from Operation for the year ended March 31,2021.
- Additionally, we have also provided (written off) Rs 11 crores of revenue booked in the year 2017-18 on account of REC pricing as per regulatory order, which was reduced to Rs 1000 from Rs 1500 for the unsold inventory
- The wind revenue in FY20 included Rs 23.51 crores, representing compensation for delayed payment of dues (for invoicing from 2009 till September 2017)- as per Tamil Nadu Electricity Regulatory Commission (TNERC) in compliance to terms of Power Purchase Agreement.

Foraying into the Data Centre business

As one of the world's largest data subscriber population adapts to a new digital life, India's Data Centre industry is expected to grow significantly.





Vision

To create multiple ultra-scalable, hyper-density Data Centres.

- » Develop hyper-density Data Centres of 250 MW by FY2030 across India
- » Build an ultra-scalable, hyper-density Data Centre of 24 MW IT Load in Chennai, Tamil Nadu by FY2023
- » Build an Data Centre of 24 MW IT Load in Kolkata, West Bengal by FY2024
- » Leverage economies of scale:
 - » Data Centre at Delhi NCR by FY2025
 - » Data Centre at Navi Mumbai by FY2026

Our vision is underpinned by three critical pillars



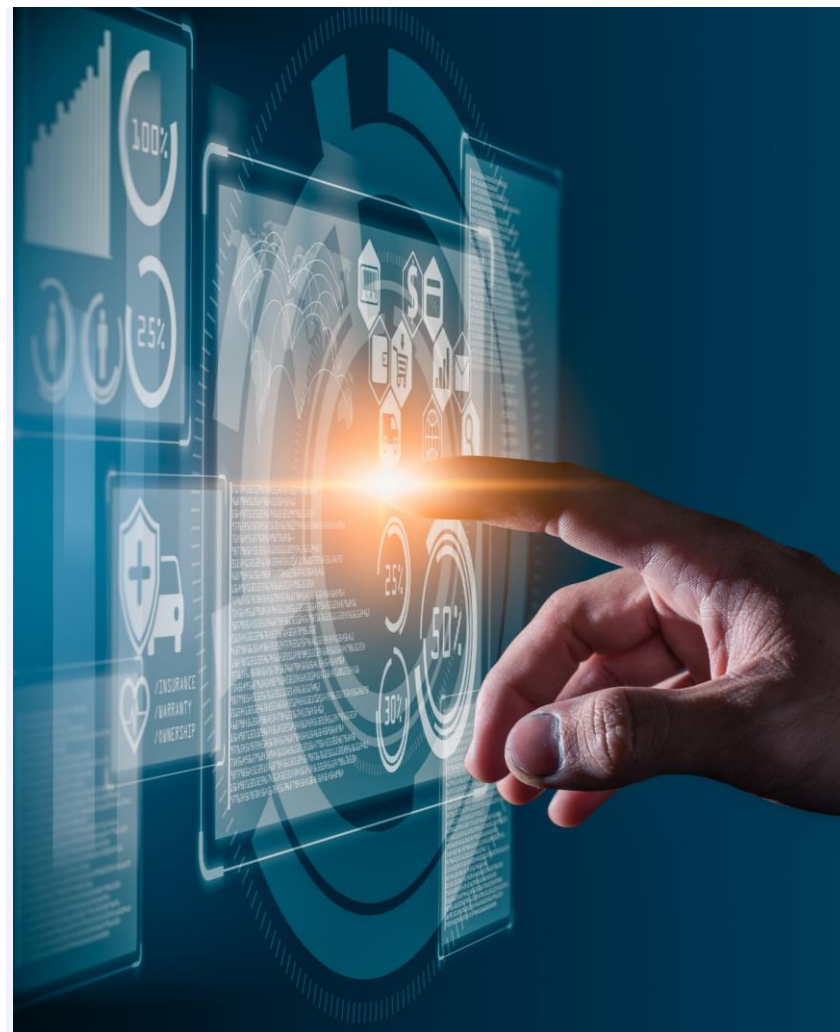
Green power generation capacity



EPC capabilities

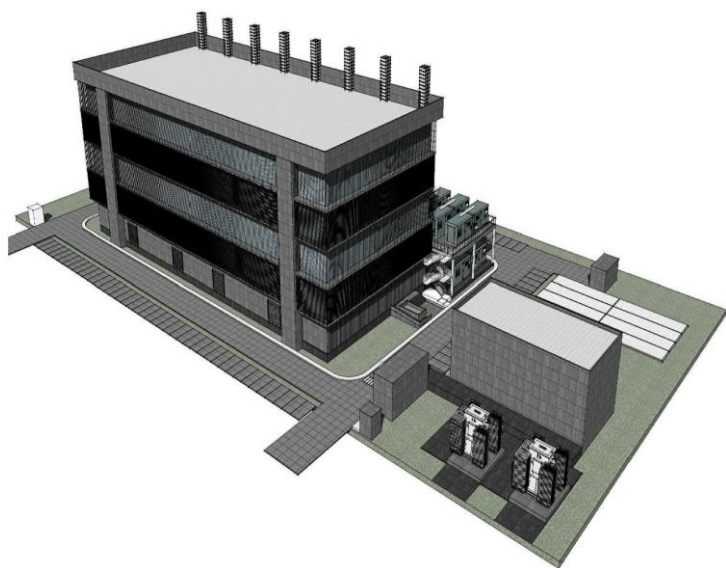


Large infrastructure asset development and ownership experience, along with operations and maintenance services





Chennai Data Centre



SIRUSERI, Chennai

Land Size & Built Up in Sq. Ft.	<ul style="list-style-type: none"> Land Size – 4 acres Built Up Area – Approx. 200,000 sft Sq. Ft.
Power Capacity	<ul style="list-style-type: none"> TEECL has captive renewable energy (wind turbines) of ~112 MW in Tamil Nadu, generating 220 MU annually.
Time to build	<ul style="list-style-type: none"> 3-4 months approval time Time to build post approvals – 18 months In house EPC capabilities
Key Amenities	<ul style="list-style-type: none"> Designed for Hyperscale Customers 100% Grade A facility of Uptime Tier 3+ grade (99.999% availability based Design and Build). Attempting LEED Platinum or Gold Certification from UGBC
Fibre Mapping	<ul style="list-style-type: none"> The Fiber Study has been completed by various ISP's such as Airtel, Reliance Jio, Sify Technologies etc. One operational Data Centre by Airtel Nxtra at SIPCOT IT Park and additionally 3 Data Centres coming up each of approximately 42 MW and 50 MW by Airtel Nxtra and Adani (Total Facility Load) respectively and Equinix, Inc.
IT Load Calculations	<ul style="list-style-type: none"> 4 Data Halls, i.e., 1 Data Hall per Floor 542 Nos of Racks per Data Hall Average Rack Density of 10 kW

Financial Review



ANALYSING QUARTERLY FINANCIALS – Q4FY22



Quarterly financials

Revenue

(₹ in mn)



EBITDA Margin

(%)



Profit after tax

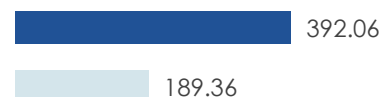
(₹ in mn)



■ Q4FY22 ■ Q4FY21

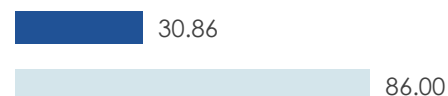
EBITDA

(₹ in mn)



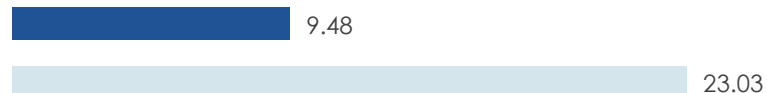
Other income

(₹ in mn)



Interest Cost

(₹ in mn)





Income Statement

Revenue

(₹ in mn)



EBIT

(₹ in mn)



PAT

(₹ in mn)



Other Income

(₹ in mn)



■ March 2022 ■ March 2021

1. Our EPC revenue in FY21 was low as we lost 60 potential days due to lockdown and quarantine measures by different states.
2. Revenue for Wind Segment was lower as Revenue from Operations for FY21 includes one-time revenue for Rs.36.36 crores, as the company had recognized the differential tariff charge of Rs.0.975 per unit on units billed during the financial year 2019-20 and 2020-21 totaling to Rs.36.36 crores vide APTEL Order dated 28.1.2021.
3. Additionally, we have also provided (written off) Rs 11 crores of revenue booked in the year 2017-18 on account of REC pricing as per regulatory order, which was reduced to Rs 1000 from Rs 1500 for the unsold inventory
4. Other Income for FY22 includes Profit from Sale of JV Company (Transmission Asset at Kohima, Nagaland) Rs 110 crores. Similarly, other income for FY21 includes one-time profit from sale of investment (Jhajjar KT Transmission Asset) of Rs 44 crores.



Balance Sheet

(in Millions)	2021	2022
SOURCES OF FUNDS		
Shareholders' funds	16,162	18,367
Minority interest	---	---
Loan funds	---	---
Deferred tax liabilities	1,150	1,220
Other liabilities and provisions	407	1310
Total	17,719	20,898
APPLICATION OF FUNDS		
Net fixed assets	5,000	4,654
Investments	734	4
Loans and advances	189	135
Cash and Bank Balance (including short term Investment) (a)	7,211	10,952
Current assets (b: Less a)	8,890	9,413
Current liabilities (c)	4,305	4,261
Net current assets (b – c)	4,585	5,152
Total	17,719	20,989



Thank You

TECHNO ELECTRIC &
ENGINEERING COMPANY
LIMITED

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Kolkata 700 016