

State-of-the-art Infrastructure

Triveni manufactures quality products, benchmarked to the highest standards, in this segment at its state-of-the-art manufacturing facilities. The facilities have the most advanced world-class multi-axis CNC machinery and equipment-handling capacity of 80 tonnes, and are ideally suited to support the manufacturing of technologically superior products for the Indian Defence sector.

In FY 24, Triveni's Board announced Capex towards expansion of the Power Transmission business aggregating to ₹ 360 crore, of which ₹ 180 crore was approved by the Board of Directors in Q3 FY 24. This Capex enhances the capacity of gears business alone (not including Defence) from ₹ 250 crore to ₹ 500 crore. The investments are aimed towards the development of a new bay (grinder/hobber/equipment) for both power transmission and defence products.

Expansions include setting up a new multi-modal facility, dedicated to Defence products. Given the potential for further expansion and growth in this segment, Triveni is in the process of establishing a large, dedicated multi-modal manufacturing, assembly and testing facility at Mysuru for defence products. This will have 50-80 tonnes handling capability and large-scale machining facility, in addition to dedicated test benches for a range of equipment and system integration capability.

Focus on R&D

PTB's continued focus on R&D is directed towards the development of products to address its international forays, improve product performance to stay ahead, and also to create a robust fundamental understanding of different technology elements of high-speed gearing. The new upcoming specialised R&D laboratory will strengthen PTB's ability to fast-track the introduction of new specialised products and technologies.

During the year, the business developed a high-speed high-power compressor gearbox, based on the market projections for international growth. The new gearbox can be horizontally deployed across multiple customers in the high potential Western markets. Accordingly, the project was initiated for a speed increaser compressor application for a European customer and validated through testing, both of which were completed in FY 24. This new technology is deployable for medium to high power compressor applications, utilising specialised bearings and materials.

Triveni Power Transmission Business: Performance

PTB has consistently sustained its majority market share across high-speed applications in diverse markets, in both new products as well as Aftermarket segments.

In FY 24, PTB obtained substantial orders in 40 MW and above power ranges, including that of API standards, which incidentally shall be one of the highest power API gearboxes to be installed in India. PTB's presence in high technology compressor gearboxes, both for integrally geared as well as centrifugal compressor units, is laying the foundation for future growth in international markets. Some of the very large API gearbox orders were received from South American and European customers, including the first order from a leading Organic Rankine Cycle turbine manufacturer in Europe. During the year, PTB also saw healthy orders coming from high power small hydro turbine applications – an area of renewed potential expected to show growth in the coming years.

PTB's strong share of market in the Aftermarket space has been sustained, enabling it to maintain business-level profitability. PTB's key focus continues to be on providing replacement and refurbishment of any make of gearboxes, not just in high speed but also in niche low speed applications. PTB so far has replaced over 90 international brands in India and overseas, totalling more than 1,200 third party gearboxes.

Key highlights for FY 24 are:

- PTB order booking stood at ₹ 375.4 crore, registering a growth of 42%, and revenues stood at ₹ 291.8 crore - a growth of 30% over FY 23
- Aftermarket contributed ~36% to the overall revenue from the Power Transmission Business
- PBIT for the business grew faster than revenues at 40.1% to ₹ 107 crore, with PBIT margins of 36.7%, up 276 bps on a year-on-year basis
- Steam Turbine Generator segment continues to be the mainstay for PTB, while the emerging compressors segment shows the highest potential for growth in the future. From end users' point of view, sectors like Sugar, Ethanol, Oil & Gas, Steel and Cement have witnessed considerable investments, with large power range orders coming from infrastructure sectors like Steel