

MESSAGE FROM THE CHAIRMAN



Dear Shareholders,

As an organisation committed to driving value-led growth for all stakeholders, TTL is consistently striving to create new benchmarks of excellence in its progressive journey. The year under review saw your Company scale new levels of performance excellence across its business operations to deliver outstanding value beyond boundaries.

What was remarkable about our performance during FY 16 was that it came amid a sluggish global economy, contributed in significant measure by the slow growth in China. While the economy in the developed nations continued to be stagnant as demand failed to pick up, the developing and emerging economies reported slow pace of growth, causing the overall macroeconomic environment to remain subdued. In India, the capital goods industry did not perform to our expectations. Fortunately, however, the renewable story remained resolutely unwavering in the face of the global macroeconomic challenges.

I believe that our strong value-oriented business philosophy will enable us to capitalise on the future growth potential just as it steered our progress during FY 16. Though our domestic business remained under pressure, as the demand for turbines up to 30 MW failed to pick up, we successfully maintained our share in the domestic market during the year. And we did this on the strength of the inherent resilience of our business model and our focus on improving efficiencies. Demand for process co-generation and sugar co-generation segments kept our domestic business on track during FY 16.

The major contributor to your Company's growth, however, once again came from the exports and aftermarket business segments. Led by our strong quality focus, we grew our consolidated exports order booking by 49%.

The foundation for translating our intangible ambitions into tangible achievements has been laid and we are now moving meticulously forward to create more frontiers of progress for all of us.

With a high value order from Latin America and that too from a strong growth segment, our subsidiary, GE Triveni Limited, which has been in the profit zone since FY 15, crossed another major milestone in its growth trajectory during FY 16. The subsidiary offices we opened in FY 15 gave a significant boost to our service charter to further contribute to our growth in exports by bringing our value delivery network closer to our customers.

The despatch of a large number of turbines to different parts of the world is indicative of the growth potential of our aftermarket service offering, and we further consolidated our position as a one-stop solutions provider in the turbine business in the global market. We see the momentum in this business scaling new highs in the coming years in both the domestic and international markets.

At the root of these successes is the customer-centric, value-driven approach which steers our business strategy. During the year under review, we further strengthened our customer connect through more and better service and marketing touch-points. Concurrently, we continued to build on this proposition to deliver value to our people, partners and other stakeholders, whose continuous support and efforts are critical to the realisation of our ambitious goal of becoming the preferred choice of customers worldwide.

Going forward, the revival in domestic manufacturing sector and growth in the services sector is likely to show tangible results on the ground. The International Monetary Fund has projected that India will continue to grow at a steady pace, as a result of the decline in oil prices and the low exposure of the country to the prevailing global financial instability. On the domestic front, the 'Make in India' initiative, along with the '100 Smart Cities' and 'Swachh Bharat Abhiyan' projects, are

expected to infuse greater positivity in the economic sentiment. The new 'National Capital Goods Policy' also promises to lend a higher level of dynamism to the industry. These developments, coupled with the positive signs that have started emerging on the global economic landscape since the last quarter of FY 16, provide strong indications of accelerated growth momentum going forward.

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In conclusion, I would like to thank, on behalf of the Board members, all our stakeholders who are with us in this journey of achieving bigger successes and delivering more value.

With best regards,

Dhruv M. Sawhney

Chairman & Managing Director

