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Steam Turbines Market in India

In 2020, the Indian steam turbine market for <30 MW range, in terms of MW, declined by 52% compared to 2019. The market was primarily driven by Thermal Renewable based power plants (including Biomass, Waste Heat and Waste-to-Energy), followed by Fossil Fuel fired power plants. Majority of the steam turbines' requirement in 2020 was from captive power generation, and from energy intensive segments like Steel, besides Process Co-generation segments like Cement, Pulp and Paper, Chemicals and Fertilisers, followed by Independent power generation.

With the Manufacturing sector on the growth trajectory, and industries like Sugar, Steel, Cement, Pulp and Paper and Chemicals expected to increase production, the demand for steam turbines should remain robust in the future.

Business Review

With sustained focus on adopting innovative technology, backed by seamless execution, Triveni has emerged as a trusted service provider for clients around the world. To ensure sustained growth in brand recall, the Company has consistently strengthened its position in the Industrial sector by meeting the captive power requirements of its customers in various Greenfield and Brownfield projects. Triveni continues to drive its market growth by establishing a strong global footprint and offering a wide range of state-of-the-art steam turbines, coupled with an excellent Aftermarket portfolio to meet the needs of its growing base of customers round the clock.

The overall order booking for FY 21 declined by 19% from the previous fiscal, on account of the COVID-19 pandemic, which led to lockdown in the country, forcing the closure of both our manufacturing units, as well as our sales & service

offices, from March 2020. Logistic bottlenecks, closure of customers' sites, suspension of travel, and disruption in our supply chain network had an impact on despatches and order booking. However, the Company resumed operations in a phased manner from the third week of April 2020, and has been strictly following Government guidelines issued from time to time.

The Company witnessed a massive scaling up of its competitive strengths in Q1 FY 21, investing in more digitally advanced software and automation-led platforms. It was quick to devise plans of "Virtual Customer Connect", and is closely tracking and engaging with customers through webinars and techno-commercial meetings.

The performance of the Company from Q2 FY 21 onwards started showing signs of improvement, and turnover and profitability also increased, driven by its agility and adaptability to the new normal. This bodes well for the business, as the addressable markets have started showing positive momentum, although the pandemic is still impacting the overall global economy. However, despite the adverse impact of COVID-19 on the international order booking in FY 21, the Company's domestic order booking supported it in a big way amid the prevailing uncertainty, due to its strong presence and dominant market share in the Indian market.

In the domestic market, the Company witnessed postponement of order finalisation towards the latter part of Q4 FY 21, which resulted in higher order intake by 35% over the corresponding quarter of the previous year. However, overall for FY 21, domestic order booking declined by 5% as compared to FY 20. The key segments which created sufficient traction for order finalisation in FY 21

were Co-generation, including Sugar, Distillery and Process industries, followed by Waste-to-Energy and Waste Heat Recovery.

The domestic enquiry pipeline in FY 21 registered a growth of 35% compared to FY 20. In the domestic market, the Co-generation segment (both sugar and process industries) is driving demand, specifically from the Sugarcane Bagasse, Distillery, Chemical and Paper projects, followed by the Steel segment in Waste Heat Recovery projects. The international enquiry pipeline in FY 21 registered a growth of 1.1% compared to FY 20. In the export market, the Thermal Renewables segment is driving demand, especially from the Biomass and Waste-to-Energy projects, followed by the Co-generation segment.

The Company currently has orders / installations in over 70 countries and will be focussing on new markets in the coming years. Some of the segments of focus include Biomass, Paper, Process and Sugar co-generation, and Palm oil, apart from the newly entered segments of Waste-to-Energy, Combined Cycle, and Oil & Gas through API turbines.

Triveni Turbine Limited offers steam turbine solutions that meet every challenging requirement of the Oil & Gas industry. In the API segment, the Company managed to finalise orders from regions such as MENA and South East Asia in FY 21.

The Company believes that the order booking in FY 22 will be outstanding, at the back of its healthy enquiry pipeline.

Aftermarket Business

The Aftermarket business is an essential customer facing vertical. It is the custodian to manage the Company's relations with its customers throughout the life of the turbine, spanning several decades. It is responsible for driving customer satisfaction by ensuring designed performance of turbines through timely service and spares support, not just for the Triveni brand but also other brands.

The focus of this business is continuous modernisation, with regular upgrades and efficiency improvements. This helps the Company maximise its solutions for all makes of turbines, reinforcing customer-centricity and strengthening customer relationships.

FY 21 brought with it unprecedented challenges in the form of the global pandemic. The Aftermarket business was quick to adapt to the changed environment by strengthening its familiarity with digitisation. During the lockdown, customers were supported across the world by leveraging digital platforms and Augmented Reality (AR) tools. The remote monitoring solution, which was implemented in previous years, was well complemented by IoT tools. In the domestic market, the Company's field service engineers covered each and every customer that was operating as an essential service provider. The business quickly equipped the field force with Personal Protective Equipment (PPE) very early during the total lockdown period, with strict adherence to the due COVID protocols for movement as per the state authority's guidelines. Breakdown repairs were also carried out during the lockdown, either in person or through AR-enabled remote support.



During the year, the Company undertook turnkey Refurbishment projects for other makes of turbines, leading to significant growth in new markets, in addition to its conventional markets. The year saw expansion of the Refurbishment business into adjacencies, such as turbo-compressors and gas turbines. Apart from new markets, the Refurbishment business has made in-roads into new customer segments, such as Geothermal turbines in Africa and South East Asia. The Company has also successfully executed a Refurbishment job on a large Utility Turbine, giving the confidence and creating the reference to take on jobs in the large turbine space in the future.

Backed by the success in the target markets with large Refurbishment orders, revenue in FY 21 has grown y-o-y about 3% in spite of the pandemic, with exports contributing about 40% of the business.

The Company continues to invest in the Aftermarket business to secure long-term profitable growth.



Impact of COVID-19

FY 21 was burdened with the disastrous effects of the COVID-19 pandemic on world trade and economy, apart from the unparalleled loss of precious human lives. The imperative 68-day lockdown in India from March 25, 2020, to save catastrophic loss of lives, wreaked havoc on the Indian economy, which saw a 24% contraction in the first quarter. With judicious opening up of industrial sectors, especially in the beginning of the second half of the financial year when India helped the world with supplies of critical vaccine, there appeared to be a conviction shared by the world that the Indian economy would attain double-digit growth by the third quarter.

The shift from China began prior to the COVID-19 outbreak and was further accentuated by the pandemic. The movement of companies away from China to other developing countries would trigger a new wave of industrialisation.

While the Company did suffer in terms of order booking, production and general growth, the situation was kept under control with focussed initiatives taken to continue operations while ensuring the safety of employees. The Company quickly got into sync with the emerging trend, and took the initiative to vaccinate all employees and their family members, besides encouraging work-from-home wherever possible. The success of these measures has been validated by customers' comments in appreciation of customer-focussed webinars and virtual walk-through of Triveni's facilities.

With expected improvement in the domestic business environment, gradual opening up of trade and commerce, improvements in health infrastructure, and a generally conducive consumer and trade climate, coupled with prompt and decisive corporate action, Triveni is confident of returning a revenue growth in FY 22. Its innovative business model, strong balance sheet and debt-free status would definitely deliver adequate liquidity for growth, in spite of the tough prevailing circumstances.

Manufacturing

Manufacturing continues to be the core strength. State-of-the-art in-house manufacturing facilities coupled with dedicated & well-trained supplier base is well aligned to meet the ever-changing customer expectations (global and domestic) in terms of Quality, Cost and Delivery. Focus on 3Ps (People, Process and Planet) and Industry 4.0 help in seamless adoption of new Technologies, Tools and Techniques. a) People competencies are developed on a continuous basis, b) Manufacturing processes are reviewed and upgraded regularly, c) Environmental performance is sustained and improved.

Two world-class manufacturing facilities in Bengaluru subscribe the Green Factory guidelines and Sompura plant is certified as Platinum-rated factory by Indian Green Building Council. Both the plants are certified for AS 9100, ISO 9001, ISO 14001 and ISO 45001 standards for Quality Management, Environmental Management and Safety Management respectively.

Agile manufacturing processes with the state-of-the-art CNC machines for critical components provide the quick turnaround of the customer orders. Lean principles are adopted to achieve competitive edge. Kaizens and continuous improvements constitute the basis of daily work management. Customer focus is reinforced by aiming for First-Time-Right and avoiding repeat failures by taking appropriate corrective actions.

TTL is one of the few industrial steam turbine manufacturing companies that has in-house capability for complete manufacturing of critical components, such as blades, rotors and casings.

The Company has invested in appropriate and high-end Computer Aided Machining (CAM) software to ensure that production processes are aligned with the design requirements, without manual intervention.

Both the plants are equipped with facilities for carrying out High-Speed Balancing (HSB) of steam turbine rotors and other rotating equipment up to 500 MW capacity / 50 Tonne weight. Assembly and steam testing facilities are capable of handling condensing and backpressure turbines from 100 KW to 100 MW. Prototype testing of blade profiles, as an aid to validate the new designs, is successfully carried out by live steam testing in the dedicated facility.

Test facilities include live streaming of the test bed SCADA screens with all relevant parameters, to facilitate remote inspection by the domestic and overseas customers. This helped customers obtain first-hand experience of remote inspection from their respective offices amid the travel restrictions during the pandemic period. Similar approach is followed for the refurbishment jobs, thereby facilitating customers to complete testing and inspection at their convenience from the safety of their offices.

The Company is in a position to offer customised high-quality turbines in the range of 100 KW to 100 MW, completely made in India in line with the Indian Government's 'Make in India' initiative – across all stages of designing, engineering, sourcing, manufacturing and testing.

Technology and Research & Development

The state-of-the-art Research and Development unit of the Company is registered as an in-house R&D unit by the Department of Scientific and Industrial Research (DSIR), Government of India. It is engaged in developing energy-efficient and cost-effective turbo machinery that matches the latest global benchmarks. Based on the fast-evolving market demands and trends, the Company undertakes continuous upgradation of its products. This has resulted in high-power dense, cost-competitive, robust and efficient turbines, which meet the requirements of the global customer.

To build turbines with higher aero performance to meet the global market challenges in energy efficiency, Triveni continues collaborating with globally renowned research institutions, such as IISc Bangalore, Cambridge University UK, Politecnico Di Milano Italy and IIT Bombay, through various research programmes and joint studies. The Company continues to be a preferred Turbo machinery industrial partner for Indian Government-funded programmes of the Department of Science & Technology and the Indian Navy.

During the year, the Company continued extensive in-house validation and testing of newly developed rotary components, along with strict monitoring of load performance parameters before commercial deployment, in order to ensure high-level adherence.

Another thrust area of the Company has been the Oil and Gas market, where application-specific and API code compliant solutions are increasingly preferred by global customers. Triveni continues to develop cost-competitive and increasingly efficient models, with enhanced profiles and steam path to meet the global requirements. These include drive turbines for the petrochemical industry (API) market and turbines validated according to API standards.

Triveni product offerings and executed projects include customised solutions for specific industrial applications, such as Cement, Distillery, Oil and Gas, Naval and Government projects in new technology areas. The application segments of the Company encompass Waste-to-Energy, Combined Cycle, Process industries, Renewables, Captive and Co-generation, among others. In line with industry trends, the Company has been diversifying into different types of turbines and other renewable energy products that focus on high efficiency cycles, including injection applications and distillery processes.

Triveni R&D also focussed on alternative energy technologies, such as CO₂-based cooling solutions and supercritical CO₂ power blocks, as compact footprint solutions for the energy market. These initiatives include SCO₂ micro size Turbo machinery development for shipping, and a test loop setup in association with leading scientific institution in India. SCO₂ based Industrial scale (5-10 MW) Turbo machinery prototype projects for Solar / WHR / Combined cycle power plants are also under way, in association with leading scientific institutions in India and Tata Consulting Engineers.

Intellectual Property Rights

The latest technologies developed by the Company, research in newer variants, as well as continuous improvements, generate invaluable in-house intellectual property. Such technological innovations and improvements require quick protection, and therefore the creation and protection of the Intellectual Property (IP) portfolio is of utmost importance for the Company and all its stakeholders. A dedicated team of IP specialists work closely with R&D personnel, from the initial planning and conceptualisation stage to the manufacturing stage, so that the generated Intellectual Property is well captured and protected.

The Company has instituted a robust IP strategy for protection of its long-term IP assets, to secure and preserve its technological advantage over its competitors. In line with its global focus, the Company constantly undertakes patent and industrial design filings in various international jurisdictions, even while continuously enhancing its IP portfolio. The Company has filed for patent protection and product design protection in India, Europe, South East Asia, and in the United States of America, and plans to protect its IP in the new international markets that it serves. A substantial number of Intellectual Property Rights have already been awarded to the Company in India and other jurisdictions. The Company had filed 294 IPRs in the market globally till March 2021.

Digitalisation

The Company is focussed on delivering value to its internal teams and customers by helping them leverage the right software and technology to improve efficiency. It is continuously striving to ensure that it delivers greater value to customers, while working consistently on ways to deliver this value operationally at a profit. It is also constantly looking to exploit the possibilities offered by digital technologies to help it deliver smarter, cheaper and faster solutions, while looking at how similar industries have solved similar problems or taken advantage of similar opportunities.

Triveni is aggressively undertaking initiatives for digital transformation, with focus on **three core areas** viz.

1. **Productivity** – Increasing productivity & Operational efficiency for the internal workforce
2. **Customer engagement & retention** – Ensuring better value to customer
3. **Higher profitability & revenue generation** – Opening up new streams of revenue generation

Keeping these three parameters in mind, the Company took its first cloud initiative in FY 21, and successfully hosted close to 80% applications on various Cloud platforms. It is continuously evaluating the application landscape and shall remain engaged in its digitisation programme in FY 22.

In FY 22, Triveni's goal is to continuously evaluate and benchmark its IT landscape and see where and how it can leverage advantage with the use of best-in-class software products.

The Company is working to further its digitalisation and automation endeavours, with focus on exploring IoT and Industry 4.0 opportunities in a big way. Continuous upgrade of these applications, to bring them at par with the latest available technology, is being undertaken as per business requirements. The applications are mostly customer-centric, and aim to optimise costs while enhancing business productivity. The Company plans to further automate and upgrade its array of software with constant evaluation.

The product that the Company envisions to develop in FY 22 will have four key areas:

1. **Valuable** – Create value for customers
2. **Rare** – Assets and service offering that are rare and have unique value proposition
3. **Inimitable** – Ensuring that the product and digital offering are inimitable, and competitors cannot copy and beat Triveni
4. **Non-substitutable** – Product offerings that cannot be replaced with another offering by competitors

In FY 21, Triveni engaged a large-scale IT services company to develop Cloud-based applications needed for better customer engagement and enhancement of workforce productivity.

The Company is leveraging IoT and Industry 4.0 technologies to increase the productivity of its asset base and give better insights to its customers. In line with this, Triveni is designing its IoT offerings with focus on customer experience from the outside in, and increasing the reach and customer engagement where it matters, through digital channels.

Supply Chain

Triveni has constantly focussed on improving the development of its global supply chain teams by involving them in early stages of new technology and product development, leveraging world-class supply chain management processes, tools and systems across functions. It makes continuous investment in training and developing leaders to create one of the best supply chains in the industry.

Operating a world-class supply chain organisation means having twin goals: increasing competitiveness and helping customers to succeed.

Triveni controls inventory by improving the allocation of “available to promise” inventory. It has clear visibility of inventory transactions that have positively impacted the entire process of ordering, storing and using inventory from raw materials to finished product.

During FY 21, the Company designed and implemented a number of participatory workshops for suppliers, covering health, safety and environment requirements, as well as legal compliances related to labour conditions and COVID-19 protocol.

Triveni also undertakes periodic vendor-wise spend analysis, and has established adequate control processes with suppliers to ensure compliance standards, desired quality, good ratings and loyal trade relations.

On the Integrated Supply Chain side, many initiatives were undertaken with substantial long-term benefits during the year. Focussed quality programmes to raise product quality to world-class standards moved ahead visibly within manufacturing, and across all vendors. A robust roll-out was carried out of a ‘Responsible Sourcing’ programme for all vendors to upgrade their units from the “Standard” level to the “World-Class” level.

Quality Assurance (QA)

The Company continues with its AS9100D / ISO 9001:2015 certification, with matured quality management system elements implemented throughout the organisation. By more than doubling the Net Promoter Score (NPS®) during the year, the Company progressed closer to its goal of Total Customer Satisfaction. One of the reasons for this remarkable increase in NPS® is TTL’s responsive service to customers. TTL was able to close customer issues faster than the year before.

Validation of new steam-path designs from recent installations has helped TTL respond to the growing demand for higher efficiency turbines. The success of its indigenous

R&D efforts was the result of its Quality Operating System. The Company’s **Design & Development processes** are tuned for refinements in turbine technology, to deliver world-class product designs to compete with global competition. With these agile, yet robust design processes, the Company developed more efficient airfoil designs, using cutting-edge design principles and tools. These designs were realised using reliable and quality conscious supplier base and TTL’s in-house manufacturing prowess. Compliance throughout the design realisation stage was ensured with customised quality assurance practices.

More emphasis is put on analysing and preventing defects at source – whether it is at suppliers or in-house processes. For protecting TTL products from incoming defects, if any, multi-layered quality assurance practices are strengthened with digitisation. All QA processes are digitised by integrating them with the Company’s Oracle-based, common project execution platform. The result has been increase in first-pass-yield of turbine’s Factory Acceptance Testing (FAT).

Suppliers have been an integral part of TTL’s success. During the year, focussed efforts on supplier quality and supplier development came to fruition, with value-added improvements in this area. Feedback from customers and TTL’s on-site personnel is used as a primary source for driving improvement activities. Customer Satisfaction & Quality Assurance processes ensured all-hands-on-deck within TTL to address these feedbacks. Communication between top management of TTL and suppliers ensured that critical improvements were accorded the highest priority.

The Company was **quick to adapt in the pandemic period** by offering remote FAT inspection options to customers. This philosophy was also extended to supplier inspections. With completion of digitisation of QA processes, TTL is also poised for improved data-based decision-making for delivering better quality.

TTL leaders shared their views on “Creating Customer Value” with all employees through Digital Platform on World Quality Day 2020 during November 2020. This was well received across the organisation, and employees participated in various Quality Month events, maintaining COVID-19 guidelines. This, along with the Company’s sustained Kaizen programme, ensured that all employees remained engaged in quality **compliance, improvements** and defect **prevention**.

The Company remains consistently focussed on building a robust **quality culture** at all levels.

Human Resources

The Company considers its people extremely critical to business success. It is TTL's firm belief that people enable business growth through delivery of quality products and services, which are made to order, designed, and delivered to meet the needs of customers.

The Company's HR strategy is aimed at achievement of short and long-term financial business objectives, and delivery of superior and unmatched customer value. The HR strategy focusses on driving business performance with the selection of the right employees, and nurturing a culture of continuous learning, innovation, and customer orientation. This strategy enables enhancement in employee engagement, motivation, growth, and welfare of its people. It includes augmenting the organisational capabilities that will enable sustained competitiveness in the global marketplace. The Company focusses on attracting, retaining and developing talent.

The Company's HR Processes are aligned to the goal of enhancing organisational capability and agility for constant innovation and change, as well as its readiness to seize the market opportunities. HR Processes are continuously reviewed for relevance and effectiveness. They are designed to ensure a good employee experience for effective contributions through efficient ways of working. The Company also continues to enhance safety and

security at the workplace by prescribing policies and procedures, creating awareness and imparting trainings. It has institutionalised key policies, such as the Prevention of Sexual Harassment Policy.

The Company has always endeavoured to build in-house talent, and because of this, over 50% of its present workforce is homegrown. This has given the Company a strong competitive edge over Technology, Products, Services and Processes. The Company has created a dedicated, world-class, in-house training facility – the 'Learning Centre', which is housed in a green environment, conducive to learning. The 'Learning Centre' has facility for continuous and unobstructed learning for all employees, including the trainee engineers recruited from various engineering college campuses. Fresh engineers undergo a structured 2-year training programme, before being inducted into various departments. The Learning Centre is equipped with multiple classrooms, Computer Based Product Training Lab (CBT), a Library, as well as a highly trained in-house faculty. Subject experts and trainers are also engaged from outside the Company.

TTL's Performance Management System (PMS) is designed to achieve organisational and individual goals. PMS covers the process of annual objective setting, mid-term and annual reviews, leading to objective assessment of employee





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performance. The rewards and recognition process, as well as employee development, is an integral part of the PMS. The Company continues to drive a culture of high performance, development, and growth of employees.

The Company was quick to implement the COVID-19 workplace procedures and guidelines to manage its operations efficiently, while protecting the employees' health and life. All protocols required for safe working place were implemented, which resulted in optimal Company operations while protecting employees from COVID-19 infection. With these interventions, early detection of the Coronavirus was possible, thus minimising the number of employee infections.

The pandemic did not deter the Company from training employees. During the year, when classroom and physical training became difficult to conduct, the Company quickly migrated to online and other modes of training. It trained its entire Sales Team on Virtual Presentation and Sales Skills in the era of lockdown, yielding positive business results. Employees were encouraged to build their capabilities through e-learning modules, webinars, and relevant training programmes available online.

Environment, Health and Safety (EHS)

Both the manufacturing facilities at Peenya and Sompura have implemented Environmental Management System and Occupational Health and Safety System Standards as per the ISO standards, ISO 14001 and ISO 45001, respectively. The Management systems are audited and certified by accredited agencies, in accordance with international standards.

Manufacturing facilities are eco-friendly, with adequate green cover – with large trees, natural landscaping, rain water harnessing facilities, solar panels for harnessing renewable energy etc. Peenya factory has installed solar panels of 300 KW capacity, with net metering facility to export surplus energy. The entire sewage water is treated at the plant, and used for landscaping and gardening. Energy efficient LEDs are introduced in a phased manner to replace the conventional CFLs / Fluorescent lights. Variable frequency drives are used in power intensive areas, such as cranes, boiler etc., to reduce energy consumption. Power Factor at both the facilities is maintained at near 1.0 to conserve energy. The Company also has rainwater harvesting facilities, maintains natural water bodies, and recycles water for garden maintenance.

The Company constantly improves its environmental performance by focussing on conservation of water, energy and materials, as well as waste reduction. Ambient air quality is monitored and ensured as per the relevant Act. Employees are involved in ensuring good EHS practices through various joint management committees. Both units are also provided with recreational facilities, with indoor and outdoor games and fitness equipment for all employees.

The entire campus is covered with electronic surveillance through CCTV and IT-enabled security systems.

TTL has an impeccable record of zero reportable accidents over the past many years. Triveni has scaled up its safety regulations to address the COVID-19 pandemic. The premises are sanitised on regular basis. Social distancing

As per IMF World Economic Outlook update issued in April 2021, the global economy is expected to have contracted -3.3% in 2020, as against growth of 2.8% in 2019. The Advanced economy decline of 4.7% is steeper than Emerging market and Developing economy decline of 2.2%.

and wearing of mask are among the protocols strictly enforced in factories and offices. All safety directives issued by Central and State Governments, including adherence to the maximum number of employees permitted per day, are being followed. Thermal screening and hand sanitising are being done for all persons entering the office premises.

Business Outlook

Global economy faced an arduous journey in 2021, with the COVID-19 pandemic leading to significant loss of both lives and livelihood. As per IMF World Economic Outlook update issued in April 2021, the global economy is expected to have contracted -3.3% in 2020, as against growth of 2.8% in 2019. The Advanced economy decline of 4.7% is steeper than Emerging market and Developing economy decline of 2.2%. The severity of the economic dent was felt more in the first half of the fiscal year owing to lockdowns and restrictions. In the second half of the year, the economic momentum picked up on account of relaxation of restrictions and release of pent-up demand. The prompt measures taken by various Governments, including India, and the Central Banks protected the world from deeper global recession.

Meanwhile, vigorous efforts of medical and healthcare communities have helped in the development of vaccines in a relatively short period of time, raising hopes of saving lives and livelihood, and of early global emergence from the pandemic crisis. The recovery curve can quickly improve if manufacturing and distribution of vaccines is accelerated. The vaccine drive and effective coordination needs to be ahead of new virus mutations. However, effective vaccination drive alone may not be able to pull the world out of the economic crisis, which also depends upon the effectiveness of economic and fiscal policies of various

government authorities in limiting the severe damages caused by COVID-19 and achieving turnaround. The global GDP projections, as published by IMF, of 6% in 2021 and 4.4% in 2022 are most encouraging in the present context.

The Indian economy, after a massive contraction of GDP by about 7.3% in FY 21 due to the impact of COVID-19, is expected to show a V-shaped recovery in FY 22 and beyond. The Union Budget 2021-22 envisages accelerating the pace of structural reforms under *Atmanirbhar Bharat*. The Budget intends to achieve a growth rate of 8.5% in FY 22, reversing the negative growth by about 7.3% in FY 21. Given the shrunk base and 4.2% growth rate in FY 20, the target of 8.5% in FY 21 is quite reasonable and achievable, but will need a lot of effort to achieve in the prevailing circumstances.

The recession across the globe, which severely affected all major economies barring China in 2020-21, has impacted the Company's International Business. Travel restrictions and non-availability of visa in several countries has compounded the problem. However, the Company quickly adopted a digital marketing strategy and gained traction in the international market. As the pandemic started receding and businesses across the globe begun bouncing back, the outlook of revival of international business became bright for 2021-22 and beyond. The green shoots are visible, and all attempts are being made for a sharp V-shaped recovery of the Company's International business.

The domestic market has already gained traction and the year 2021-22 looks bright. With investments, which were under hold due to the pandemic, reviving, the business outlook of domestic market also remains bright. With aggressive value engineering, cost-effective product development and efficiency improvement, the Company is well positioned to maintain its market leadership position.

Subsidiaries

The growth potential of foreign subsidiaries to expand in the international market is encouraging. Through these foreign subsidiaries, the Company has increased its capabilities to connect with global EPC players and industries. The subsidiary offices, being located in close proximity to customers and capable of providing specialised services, give confidence to customers. They also help promote the brand strongly, which is essential and helps the Company effectively pursue its strategy of achieving market penetration on a sustainable basis.

During the year, the Company engaged with industries of global scale from various segments, such as API, Waste-to-Energy, Combined Cycle, and Process industries, through its subsidiaries. The subsidiary in South Africa has been further strengthened, mainly to cater to the Aftermarket segment of the region.

The Company expects that the foreign subsidiaries will further augment business growth in the coming years.

Subsidiaries/Joint Ventures

The Company has a domestic subsidiary (considered as a Joint Venture for the purposes of consolidated financial statements), namely, GE Triveni Ltd (GETL). GETL is a joint venture Company with D I Netherland BV, affiliate of GE and is engaged in the design, supply and service of advanced technology steam turbine generator sets, with generating capacity in the range above 30 MW up to 100 MW. The flange to flange turbine is manufactured competitively at TTL's world-class facilities located at Peenya and Sompura in Bengaluru. The complete project is executed by GETL in accordance with GE's manufacturing quality and supply chain standards and processes, which include certification of suppliers, adherence to environment and health concerns, and other ethical requirements.

In FY 21, GETL achieved a total revenue of ₹ 474 million, with a profit after tax of ₹ 73 million.

As reported in FY 20 Annual Report, the Company has ongoing litigations/arbitration proceedings with DI Netherlands BV, joint venture (JV) partner and General Electric Company in GE Triveni Limited (GETL), joint venture company in relation to oppression and mismanagement claims in the said JV, violation of certain provisions of the joint venture agreement amongst others which are pending at various forums within and outside India.

During the period under review, the illegal termination of ancillary agreements with GETL and intention to terminate the JV with the Company and wilful breach of undertakings given by GE/affiliates of GE to the NCLT in relation to their obligations under aforesaid agreements, led to willful disobedience and defiance of National Company Law Appellate Tribunal (NCLAT) order dated August 27, 2019 read with the order dated February 17, 2020. Pursuant to the liberty granted by the NCLAT, the Company has filed a contempt petition before NCLT, Bengaluru on January 21, 2021 and the NCLT on April 20, 2021 has pronounced

its final judgement in favour of the Company, holding the Respondents therein guilty of contempt of the NCLAT orders referred above. Being aggrieved by the NCLT order, GE / affiliates of GE have 04 filed writ petitions under Article 226 and 227 of the Constitution of India before the Honourable High Court of Karnataka at Bangalore. There has been no stay granted by the High Court till date on the NCLT order dated April 20, 2021.

DI Netherland BV, Joint Venture partner in GETL, has invoked separate arbitration proceedings before Arbitration Tribunal under the UNCITRAL Arbitration Rules, 1976 in United Kingdom and has filed a statement of claim on June 1, 2020, alleging violation of certain terms of the JV Agreement by the Company. The claims made are based on estimation and amounts are not quantified with precision. The Company firmly believes that the allegations raised are unsubstantiated, untenable, and unsustainable. The Company has submitted its statement of defence on March 06, 2021 with the Arbitration Tribunal. Respective parties are in the process to exchange their respective objections to various documents production requests.

The Company has invoked arbitration proceedings under Arbitration and Conciliation Act, 1996 ("Arbitration Act") against Nuovo Pignone S.P.A. ('GENP'), an affiliate of GE in relation to the dispute and differences relating to misappropriation of technical information of Company by GENP. An application has been submitted to the Supreme Court of India on March 1, 2021 under Section 11 of the Arbitration Act for appointing sole independent arbitrator. The said application is pending consideration before the Honourable Supreme Court.

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