

Formulae used in key ratios

Return on Equity

PAT divided by average total equity.

Net Profit Margin

PAT divided by revenue from operations.

Debtors Turnover Ratio

Revenue from operations divided by average trade receivables.

Operating Margin

EBITDA divided by revenue from operations.

Inventory Turnover Ratio

Cost of materials consumed and changes in inventories of finished goods and work-in-progress divided by average inventories.

Current Ratio

Current assets divided by current liability.

Standalone Financial Statements

The financial results of the Company for FY 24 compared with the previous year are summarised hereunder:

(₹ in Million)

Particulars	2023-24	2022-23	Change %
Revenue from operations	13,785.70	10,832.50	27.3
Other Income	558.28	391.35	42.7
EBITDA	3,061.95	2,151.21	42.3
EBITDA Margin	22.21%	19.86%	
PBT	2,837.26	1,953.79	45.2
PBT Margin	20.58%	18.04%	
PAT	2,090.45	1,448.74	44.3
PAT Margin	15.16%	13.37%	
Total Comprehensive Income	2,120.38	1,394.50	52.1

SUBSIDIARIES/JOINT VENTURES

The financial performance of the domestic subsidiary, that is TESL (which was a joint venture up to September 6, 2021), is lower than the previous year. This is because, post dissolution of the Joint Venture (JV) structure, the business of >30 MW turbines, which was earlier catered by the JV, now stands integrated with the parent company. The main business of TESL was restricted to export services of existing contracts.

However, the financial performance of international subsidiaries of the Group continues to be in growth trajectory with a positive outlook.

During the year ended March 31, 2024, the Company incorporated Triveni Turbines Americas Inc (TTA) in the State of Texas, USA, for augmenting the business of industrial steam turbines and rotating industrial machinery in the American region. The US Subsidiary is in the process of commencing its business operations.

During the year ended March 31, 2024, the Company made an investment in a joint venture - Triveni Sports Private Limited (TSPL) ("50% control"), with the key objective of enhancing the corporate visibility for Triveni Brand at a global level. TSPL through its franchise, Triveni Continental Kings (TCK), embarked on an extraordinary journey by becoming the maiden champions of the Global Chess League.

RISK MANAGEMENT POLICY

During FY 24, the Company focussed on improving the maturity of its risk management processes by:

- Investing in developing Enterprise Risk Management (ERM) capabilities among its leaders
- Integrating risk management into performance evaluation process
- Evaluating and rewarding active risk management

A four-tier competency development plan was developed and implemented to cover various roles. The plan is aimed at ensuring that all employees have a clear understanding of risk management in their respective roles.

At Triveni Turbines, risk management has become an integral part of order-to-remittance (OTR) process and other activities that involve key decision-making. The Company was able to undertake major business initiatives with complete assessment of all ensuing risks and opportunities. Potential risk to locking the working capital in the second utility contract in South African Development Community (SADC) region was controlled by actively managing the subcontractor for the work and ensuring that service was delivered to the largest power producer in Africa by complying with their delivery, quality and Environment, Health & Safety (EHS) requirements.

Similarly, the Company evaluated various options to set up operations in North America. These included evaluating mode of set-up (organic vs. inorganic expansion), choice of location, scope of facility, and mix of personnel for running this operation. With the subsidiary set up in Houston, Texas,

the Company now focusses on establishing its workshop and spreading awareness about Triveni Turbine's capabilities in the new geography in the coming year.

To address the major challenges confronting the Company, leading indicators are formulated to quantify & monitor risks, and formulate risk control measures. These Key Risk Indicators (KRIs) provide risk analytics that help managers secure good understanding of the risk trends and effectiveness of control measures.

Proactive risk management has been a key factor in improving the Company's ability to maintain sustainable growth and fulfil the expectations of stakeholders. This, matched with the Company's risk appetite, strikes the right balance between the various threats and opportunities explored by Triveni Turbines for mapping its growth path.

Some of the key risks managed by the Company during the year are listed below:

Product development

The endeavour has been to develop products that are energy-efficient and cater to the ever increasing demands of growth segments (thermal renewables, oil & gas). The Company's new product development team has been successfully innovating new products in the renewable market space.

Increasing complexity of compliances with international expansion

Complexity related to tax and other local compliances for international operations in Dubai, South Africa, and now in the US, has increased. This requires more active management. The Company navigated successfully through growth activities during the year by ensuring stringent adherence to these compliances.

Restricted accessibility of international markets due to geopolitical conflicts

Ongoing conflicts in Ukraine & the Middle East, as well as the Red Sea crisis have restricted accessibility of certain markets and trade routes. While most of these geopolitical events are beyond control, the Company continued pursuing opportunities in available markets.

Ramp-up of supply chain capacities

While the Company increased its in-house capacities to assemble and test turbines, supply chain capacities for auxiliaries and outsourced activities was a major challenge in its efforts to to keep pace with the growth ramp-up. This was addressed by increasing capacities at existing vendors and adding new vendors, where necessary.

Enabling responsible growth with ESG mindfulness

The Company has an active EHS programme that is certified with ISO 14001, ISO 45001 and IGBC Platinum rating. Extending its responsible conduct towards the growing demands of others stakeholders, the Company has aligned its growth with ESG mindfulness by developing products that are not just energy-efficient but also cater to the growing thermal renewable energy segment. Further, by investing in the development of CO₂ turbines and heat pumps, the Company is ensuring that its future is aligned with the global quest for a greener tomorrow.