



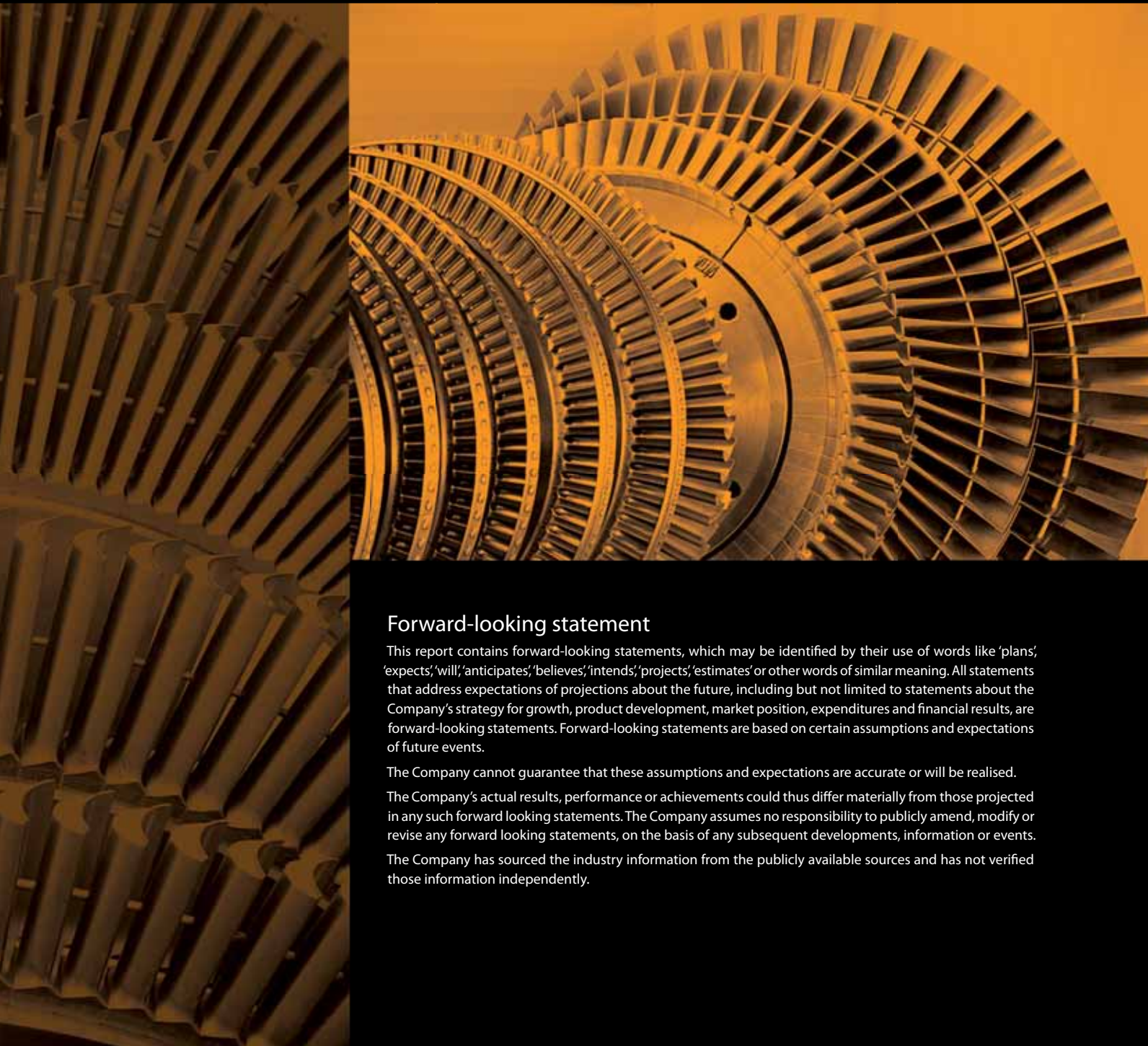
TRIVENI TURBINE LIMITED
Annual Report 2011-12

Staying focused



Contents

Staying focused	01	Directors' Report	25
The world of Triveni Turbine Ltd.	08	Corporate Governance	29
Financial Highlights	10	Standalone Financial Statements	39
Message from the Chairman	12	Consolidated Financial Statements	67
Management Discussion & Analysis	14		



Forward-looking statement

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations of projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realised.

The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

The Company has sourced the industry information from the publicly available sources and has not verified those information independently.

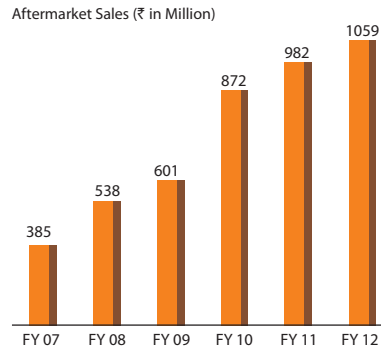
Staying focused

An absolute clarity on goals, an infallible astuteness in strategy, an untiring perseverance in implementation, an unwavering commitment in serving, a focused approach on innovation and developments, an uncompromising pursuit to deliver value. These are the ingredients for success, today and tomorrow.

Over the last four decades, the turbine business has garnered all the ingredients for a successful today and tomorrow – technology, innovations, manufacturing, value engineering, partnerships, trust, global markets and service capabilities.

In a fiscal year that witnessed slowdown in global and domestic economic activities, we persisted to move ahead with conviction. At Triveni Turbines, we continued to **stay focused**.




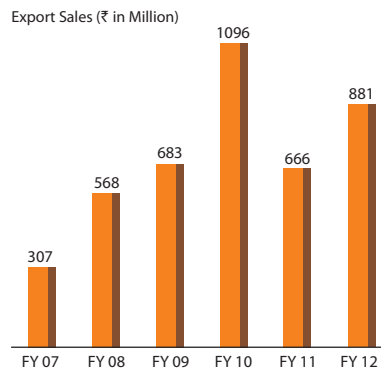


Staying focused on
expanding Aftermarket Services

Balancing revenue growth with operating margins holds key to sustained value creation. Adding avenues of diverse earnings including recurring ones helps in achieving this goal.

At Triveni Turbines, we supplement product revenues with robust stream of service revenues by offering a wide suite of services to the customers. These include Erection & Commissioning, Spare Parts, Refurbishment and Operations & Maintenance. Our continued focus on growing aftermarket services resulted in a revenue growth of 8% in financial year 2011-12. Achieving a compounded annual growth rate of 22% between financial year 2006-07 and financial year 2011-12, our aftermarket revenues reached ₹ 1059 million during the year. We further sharpened our refurbishment prowess during the year by successfully refurbishing larger capacity turbines in the utility sector. In doing so, we also strengthened our candidature to qualify for bigger orders of refurbishing in the utility sector.





Staying focused on
expanding globally

Continually expanding addressable market is critical for achieving accelerated business growth. Capability to offer customer specific solutions in new geographies, efficiently servicing them and establishing faster acceptance across global marketplace are the critical aspects of expanding our horizons in the global markets.

With an installed base of over 2500 turbines across 30 countries, we augmented our efforts in penetrating further in the international market and also expanding our global footprint. Our successful foray into new markets resulted in 39% increase in export order booking during the year. The Company received breakthrough orders from municipal solid waste to power and waste heat recovery based power generating facilities in Europe, this augurs well for our prospects in coming years.

Our revenue from exports has grown at a compounded annual growth rate of 23% between financial year 2006-07 and financial year 2011-12. The exports turnover grew by 32% over the previous year and is currently at ₹ 881 million contributing 14 % to the total sales.





**Staying focused on
Innovation and Research**

Today's innovations are tomorrow's solutions. Success in a technology-driven business depends a great deal on developing breakthrough products, and doing it while bringing the cost of ownership as well as operations down. In the domain of engineered-to-order products, capability to meet individual application requirements of customers and help improve efficiencies is equally critical.

In an year when markets exhibited sluggish signs, the Company increased its focus on research and breakthrough developments and went on to create 12 new product variants. It also succeeded with new blade designs for high volumetric flow, high efficiency blade path and high back pressure designs besides developing multiple new basic models during the year.

The Company continues to safeguard valuable IPRs. 43 IPR filings have been done so far in India and Abroad. The Company's journey towards Business Excellence received an important 2nd level recognition 'Commendation Certificate for Significant Achievements' at CII-Exim Bank Awards for Business Excellence during the year.



The world of Triveni Turbine Ltd.

- ▷ *Annual Revenues for Financial Year 2011-12 at ₹ 6319 million*
 - ▷ *Offer Steam Turbine Generator packages up to 30MW*
 - ▷ *Global presence with more than 2500 installations across 30 countries*
 - ▷ *Dominant market share of more than 54% in India*
-

Product Range

The Company provides Steam Turbo-Generator solutions that are engineered-to-order suiting the customer application. The Company manufactures Back Pressure and Condensing steam turbines for various applications. The backpressure turbines generally find application in process co-generation industry while the Condensing Steam Turbines are used for power generation and Co-Generation.

Aftermarket Services

The Company provides a range of aftermarket services to its customers as well as turbine users of other makes. The Company offers efficiency and reliability to its customers with a suite of integrated solutions like Refurbishing, Operation & Maintenance, Erection & Commissioning, Spare parts, etc. The 24x7 Customer Care Support helps customers maintain a higher uptime. The dedicated Customer Care Cell serves customers through a network of 13 service centres spread across the country. It deploys a team of over 185 well trained employees.

Industry Segments & Applications

The Company enables power generation capacities in diverse industry segments like Sugar, Steel, Biomass IPP, Pulp & Paper, Textiles, Chemical, Carbon Black, Municipal Solid Waste IPP, Palm Oil, Oil & Gas and Food Processing. The turbines are used in a wide range of applications like Co-generation, Combined Heat & Power generation, Captive Power Generation and Independent Power Generation. The turbines are also deployed in waste treatment processes in shipping and also few offshore industries.

Manufacturing Facility

The Company's state-of-the-art manufacturing facility matches the international standards and has installed capacity to manufacture 150 turbines annually which is further expandable. The Company's manufacturing philosophy is based upon four key aspects namely 'productivity, technology, precision & quality'. Every turbine is put through a Mechanical Steam Run Test to test it up to operating and overspeed limits to ensure its mechanical integrity and safety prior to delivery.

