



Triveni Turbine Limited

Q2 & H1 FY 16 Earnings Conference Call Transcript

November 17, 2015

Moderator Ladies and gentlemen, good day and welcome to the Triveni Turbine Limited Q2 & H1 FY 16 Earnings Conference Call. As a reminder all participants' lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing * and then 0 on your Touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rabindra Basu of CDR India. Thank you and over to you, sir.

Rabindra Basu Thank you and welcome to all of you on the Q2 & H1 FY 16 Triveni Turbines Earnings Call. We have with us on the call Mr. Dhruv M. Sawhney - Chairman & Managing Director; Mr. Nikhil Sawhney – Vice Chairman & Managing Director; Mr. Arun Mote – Executive Director along with senior members of the management team. We would like to mention before we begin that some statements made in today's discussion may be forward-looking in nature and a statement of this effect has been included in the con call invitee which has been e-mailed to you earlier. Again we would also like to emphasize that while this call is open to all invitees it may not be broadcasted or reproduced in any form or manner. We would like to start the conference call with the opening remarks from the management followed by the Q&A session where you can discuss your view points on key issues.

I now handover the call to Mr. Dhruv M. Sawhney. Over to you, sir.

Dhruv M. Sawhney Thank you very much. Welcome everybody to the Q2 & H1 Investor call. We have had a challenging time but I must say that Triveni Turbines has performed extremely well given the environment that has been in the global market.

The H1 FY 16 net income from operations is at ₹ 3 billion a growth of 8% and EBITDA of ₹ 700 million has grown also by 8%. Our PAT has come in at ₹ 420 million with a growth of 10%. The strong performance in the Q2 FY 16 sequentially both for turnover and order booking has been very commendable. There has been a 43% increase in turnover and then 92% increase in PAT in Q2 FY 16 over Q1 FY 16.

We have also had a strong order booking of ₹ 3.8 billion during the half year which is a year-on-year growth of approximately 25%. And this leaves us with a strong carry forward consolidated order book at ₹ 7.9 billion. The outstanding order book on a standalone basis as on the 30 September was ₹ 6.8 billion. The board of directors has declared a 40% interim dividend and the record date has been fixed for the 20 November.

I would like to just go through something from the domestic market and the international market and what we are doing in each sector. The overall domestic market has shown marginal growth during the first half of the year but that is clearly because of a very good Q1. The Q2 domestically has not been at all good. During H1 FY 16 the total product intake has been ₹ 2.9 billion which is very good because it is an increase of 27% in comparison with the corresponding period of last year. And the interesting and encouraging part of this is that in H1 FY 16 the turnover and order intake from the international market has shown a growth of 17% on turnover and 38% on order intake. And that is something that we are very happy about and something that I will come to a little later and we expect to continue well in to the future.

The trend in improved order intake from the international market we expect in the balance part of this year and well in to FY 17 as well. That visibility we have today. The export turnover has gone up by 17% in the first half of this current year to ₹ 1.04 billion and the proportion to total sales has also gone up from 32% in H1 FY15 to 35% in H1 FY16.

On the aftermarket business even though the turnover during H1 was lower by 9% the order intake has shown a healthy growth of 18%. As I mentioned in the comments, the aftermarket business is lumpy in terms of dispatches so we are very confident that for the balance half of the current year that is H2 it will more than make up for the lumpiness in H1 and so for the end of the year we will have the projected growth in aftermarket business in dispatches that we have forecasted earlier.

The share of products in aftermarket has been 78 to 22 in the first half versus 74:26 in H1 FY 15.. The company is in the process of setting up international business operations in select geographies, two of these we have already started and we expect two more to be in operation before the end of the current financial year. This is really something that is going to do very well for us not only in the order booking of aftermarket business but also in the product business well into FY 17 and that is how we have the confidence of saying that we hope to sustain this increasing intake from international orders on both sectors - products and aftermarket.

Now on the domestic market, the first half of the current year is slightly higher by about 10% to 15% and the total size is just 300 megawatts. The order finalized during the quarter have been mainly from the sugar and agro based sectors and there have been some specific process co-generation segments as well. What have not picked up are the core infrastructure sectors of steel and cement. But we are not relying on these in the future because for us the sugar situation is looking better now than it did last year and so that is a good sign for our further order booking in the coming quarters to come and in other agro based processed co-gen also we expect to pick up our normal share of market.

In the international sector the orders are mainly from the waste to energy, Biomass IPP, Sugar co-gen and also from combined cycle IPPs. We expect these sectors to be sustained in the years to come and the quarters to come because as you know the world is shifting more and more on to the renewable form of waste to energy; in to biomass IPPs. So we are in the right space at the right time. And many countries are taking this up in real earnest now. So we are seeing increasing numbers of enquiries and while we will take a little time to convert, we have enough spread of enquiries for us to know that we can sustain the order booking well in to FY 17.

As far as the joint venture, GE Triveni Ltd., is concerned, we have a very good enquiry pipeline both from the domestic and the international markets and while

there were no order finalizations in H1 FY 16 we expect the 5 LOIs that we have, advances for them to be received before the end of the financial year FY 16. So that these dispatches can take place in FY 17. And we are confident that it will happen. These take a little time and there is an export order in it as well for some financial arrangements and we are in touch with customers and they are very hopeful of their projects coming off very soon.

And I would say that our outstanding order book as on the 30 September for the JV is ₹ 1.6 billion and the turnover of JV stood at ₹ 430 million in the first half of FY 16. So with a strong order book and the enquiries book the business of GETL is expected to pick up momentum during the current year and well in to FY 17.

Now based on a strong turnover achieved in Q2 and the good order book which I have mentioned above for executions, we believe that H2 turnover and profitability will enable us to maintain a year-on-year healthy growth by the end of FY 16. So we will look for improvements at the rate that have been cumulatively achieved in H1. And we are on track for that to happen.

And similarly with a strong enquiry pipeline from the international market for both products and aftermarket, FY 17 is also looking at a good growth over what we expect to achieve in FY 16. And this is what will maintain us in that sphere.

The JV will be commissioning its first overseas order in the current year and it will really help us in establishing a reference because many customers are really wanting to see something outside India where they can visit and many of the supplies in the domestic market will also get commissioned during the current year and it should help finalise enquiries for the joint venture range and also the higher ranges in our product range up to the 30 megawatt in the coming quarters.

Our research and development and design departments have been successful in bringing out a number of new models and variants and these have led to not only meeting changing customer needs very well, they have also produced product savings and cost and this is what has allowed us to be competitive overseas even in markets where the competition from Brazil and Japan have had a benefit of a weakening currency. We are still extremely competitive there which has allowed us to maintain margins and we expect this to continue in the coming quarters and in FY 17.

The international focus on services is another big point which will help us in the preservation of margins and in allowing us to tackle new territories. The international situation is more than compensating for the lumpiness in the domestic market. Now people have started forecasting as to when will be the turnaround we expect our growth without looking at a turnaround in the domestic sector in infrastructure of steel and cement. But if it does come then we will get our due share, as our market share is 60% domestically so that would be on top of everything else. But that might be in FY 17 first half.

With that I would like to turn it over to the questions. Thank you.

Moderator

Thank you very much, sir. Ladies and gentlemen, we will now begin the question and answer session.

We will take our first question from the line of Swarnim Maheswari of Edelweiss. Please go ahead.

- Swarnim Maheswari** Sir, I have got a couple of questions. My first question pertains to the EBITDA margins. If you look at it on a YoY basis we have improved it by 110 bps and majority of that is coming from the gross margin expansion. So sir, this gross margin expansion, is this on account of softer commodity prices?
- Dhruv M. Sawhney** No, our margins as I have said is an accumulation of many things. One is our cost savings in design and development that we have done. The second is the volume that we have increased our turnover so with overhead absorption at a much higher degree recorded us the margins. So it is really completely separate from the downturn in commodity prices or anything to do with that market. Our markets overseas are in the renewable space mainly waste to energy and biomass. And so they are not so affected by commodities as some other products.
- Swarnim Maheswari** Because sir, the point is if I have to look at it we do not seem to have been benefitted by the operating leverage because if you just look at it the other operating expenses have gone up as a percentage of sales, so we do not seem to have benefited from the operating leverage as such?
- Dhruv M. Sawhney** Well, it is a mixture of various domestic orders and international orders. So I think you will see that we have had a very good second quarter. As I said in my opening remarks, we expect to have a better third quarter and a better fourth quarter so the margins that you see in H1 will definitely be improved by the time we end FY 16.
- Nikhil Sawhney** One more point, is that actually if you look at the expenditures the operations of the company has been significantly to expand its operations internationally. And the travel and administrative expenditure that has been spent is the difference between the operating leverage and these incremental expenditures. And this is really in tune with whatever we believe is better spent money right now which will give visibility in our order book in the future.
- Swarnim Maheswari** Okay and sir just one thing on this, then margins at 23.5% this is what we are looking for the balance second half also?
- Dhruv M. Sawhney** Sorry, I did not get that?
- Swarnim Maheswari** This 23.5% margins which we did in Q2 this is what is reflective for H2 also?
- Dhruv M. Sawhney** No, we are looking at a cumulative margins that we have achieved in H1.
- Swarnim Maheswari** Okay, the cumulative margins that we have achieved in H1. Sir my second question is on the JV side. If you just look at it, our order intake finalization in H1 has been weak, and you mentioned in your opening remarks that by the end like probably in Q4 you are expecting those 5 LOIs to get converted into firm orders. Sir, so if I understand it correctly, all these orders in the JV side they are normally a long gestation as compared to our standalone business?
- Dhruv M. Sawhney** No, these are all for less than 12 to 13 months delivery and what I said the end of the year we expect some to maybe even come in Q3 out of the 5 and then some in Q4. So I am still confident that all of these dispatches will be well for the end of FY 17.
- Swarnim Maheswari** Sir, if you can just quantify this 5 LOIs if they translate?
- Dhruv M. Sawhney** No, we want to actually have them in hand

- Swarnim Maheswari** I understand that sir, I mean the idea was to just gauge that our FY 17 visibility would be?
- Dhruv M. Sawhney** I think you will get a much better sense of it in our next conference call.
- Swarnim Maheswari** And sir, finally on this, if you just look at our tax rate for this Quarter 2 as such, it seems to be higher by around 150 basis points to 200 basis points. Any specific reason for that?
- Dhruv M. Sawhney** The tax rate?
- Swarnim Maheswari** Yes.
- Suresh Taneja** There are two reasons for that. One is the CSR because now it is clarified that on CSR expenses, there would not be any tax deduction. And number 2, some of the movement could be because of the R&D expenditure which we would incur during the year. So these are the two reasons which would lead to some kind of a fluctuation in tax rates.
- Swarnim Maheswari** But I think R&D expenditure you will get some sort of tax benefits over there, right?
- Suresh Taneja** That is right, but ultimately it depends on how much is the total quantum of R&D expenditure we would do, and taking that into consideration, you have to decide the final effective tax rate.
- Moderator** Thank you. Our next question is from the line of Pavan Kumar of Unifi Capital. Please go ahead.
- Pavan Kumar** Sir, my first question is regarding the commissioning of turbines that you have mentioned in the fertilizer plant overseas in your Annual report. So I wanted to understand once that particular turbine is commissioned, what are the opportunities we are looking into, what are the exports we are targeting and what can be the size of the overall opportunity as such?
- Dhruv M. Sawhney** This is a good question. This opens up a whole new field for us. This is an API field, so it is a realm where not many Indian manufacturers go overseas and this is really very much the forte of GE, You know GE is extremely prominent in the oil and gas sector in many, many products. So because of their huge trends in this oil and gas line this will be our reference because that is what everyone wants to see. They want to see a reference overseas. The party is a very strong party so we open the whole fertilizer oil and gas space not just in South East Asia, but in other parts also. And the consultants are strong there. Secondly, once we have delivered our IPPs in the Philippines which will also be delivered in the current year, 3*55 megawatts again here we have very strong Japanese consultant and very strong customer not only him but many other such IPPs smaller IPPs, smaller means under 100 megawatts we expect to be able to get. Right now that credibility will be tremendously enhanced with these two commissioning both of the IPPs and of the fertilizer turbine complex.
- Pavan Kumar** Sir, you said we have had an order book of ₹ 1.6 billion in JV right and an enquiry book of around ₹ 4.3 billion, am I right?
- Dhruv M. Sawhney** Order book is ₹ 1.6 billion and the revenue for the H1 is ₹ 430 million.

- Pavan Kumar** Okay revenue for H1, so sir can't you at least give us vaguely a picture of say LOI orders just in the sense what could be the range of those orders in say ₹ 30 crore, ₹ 50 crore?
- Dhruv M. Sawhney** I think you will have to wait a bit. We want everything in the pocket before making it open for commercial reasons.
- Pavan Kumar** My second question is pertaining to your profitability levels. If we look at it in the past two years we have done in the range of around ₹100 crore. So is there going to be a substantial jump in the profitability going forward and if that is so, which are the segments where we are expecting the most growth from? Is it going to be the domestic, international or the growth from the JV side, what is it expect to be there?
- Dhruv M. Sawhney** Well, we expect the international sector to add to this growth and profitability and our after sales. So this will be both for the TTL range and the JV range.
- Pavan Kumar** Okay sir can we expect an order book growth of around 20% this year?
- Dhruv M. Sawhney** No, I do not want to give figures. But I can say that we are expecting good growth and as I said both in turnover margin of the current year's operations plus as we have shown an order growth in H1 and that has been a fairly difficult situation. So we are looking at order growth in FY 16 and mind you, I am saying this without contemplating any revival of steel and cement and all domestically. We are not calculating all that because frankly your guess is as good as mine as to when those sectors are going to come in.
- Pavan Kumar** Okay and lastly if I can just push in one last question, in the sense that during our rather Q1 call we thought about the growth rate in FY 16 being similar to that in FY 15 in terms of PAT and revenue, do we expect the same even now?
- Dhruv M. Sawhney** Well, we do not want to put on figures again. All I am saying is it is going to be definitely better than what we got in H1. So you can be looking for just like we have increased our cumulative rate from Q1 to Q2. Similarly you will find the cumulative figures in Q3 and Q4 are going up. And that is the combination of whatever gets dispatched and whatever inventory is now. There was also I wanted to clarify that this build up in inventory that we may see in the balance sheet of H1 30th September is due to the dispatches that we expect to do in Q3 and Q4 and that is a reflection really of our confidence of having growth in both turnover and profitability.
- Pavan Kumar** So overall we are expecting a good second half, right.
- Moderator** Thank you. Our next question is from the line of Manish Goyal of Enam Holdings. Please go ahead.
- Manish Goyal** Sir, just wanted to get a sense on aftermarket revenue growth, what is it driving from, is it exports or international market or domestic? And if you can give me the revenue break up for the aftermarket between domestic and exports?
- Dhruv M. Sawhney** The growth on order booking, let me get that out, has been both really where the aftermarket export is really expecting to pick up very substantially in FY 17 of course, but some parts will be more in the H2 because we have just started opening our offices and have a number of things commissioned. So aftermarket has been in both, but I will just give you that. You wanted the domestic and export split up?

- Manish Goyal** Order inflow as well as revenue, sir?
- Dhruv M. Sawhney** The revenue I can give you, I will just get Narayanan to do it.
- C N Narayanan** The total revenue from aftermarket is around ₹ 66 crore, out of which almost 20% is from international markets.
- Manish Goyal** And this is for ₹ 66 crore is for first?
- Dhruv M. Sawhney** Yes about 30%.
- C N Narayanan** 30% is for international and 70% is domestic.
- Manish Goyal** And ₹ 66 crore revenues is for the first half?
- Dhruv M. Sawhney** Yes exactly.
- Manish Goyal** Okay and on the order inflow can you give us some sense?
- C N Narayanan** Order inflow, around 43% is exports.
- Manish Goyal** Okay and within aftermarket are you seeing any change in the composition in terms of like refurbishment, order inflow and which is I believe more exciting and profitable for you or spare parts and services, are you seeing any mixed change in your aftermarket?
- Dhruv M. Sawhney** Yes, we are seeing an increase in these refurbishments, but that is slower and it is a little lumpy, it is difficult to forecast. We are well positioned now with these offices and people having been posted to look at this aftermarket refurbishment business. Also some of our refurbishment exports orders have just been completed so once they are commissioned and fully tested out, they will give very good reference points in both Europe and in South East Asia.
- Manish Goyal** Okay.
- Dhruv M. Sawhney** And you are right, it depends the spares also has a good margin. So and servicing has a lower margin and refurbishments some have good margins. But overall the aftermarket service is something which is going to help us preserve our profitability in the export market and for the company as a whole.
- Manish Goyal** Okay and sir on the revenue mix wise overall, how do you see in the current year international revenues contributing to overall revenues, what could be the number roughly?
- Dhruv M. Sawhney** I do not want to forecast, you have got where I am now, and as I am saying we are going to see a growth in revenues versus last year better than what we have got in H1. So what that mix is going to be in exports and domestic, it all depends on the last one which goes where. And these product orders are quite big. So it is difficult to put a figure on it. But we do expect to see a good increase in international products deliveries in the financial year FY 16 compared to the last year.
- Manish Goyal** Okay sir you earlier made a comment on turbines which you supplied for the fertilizer sector, so is it API certified turbines?
- Dhruv M. Sawhney** Fertilizer, yes.

- Manish Goyal** So is it an API certified turbine basically American Petroleum Institute qualification is required?
- Dhruv M. Sawhney** Yes it got this in API sector. Yes, that is why I said as you know you know the prominence of GE in the oil and gas sector.
- Manish Goyal** And sir last question on the competitive landscape. Are we seeing higher competition say what we heard is that some of the orders have been bagged by competition by Kirloskar, Ebara and so are you seeing?
- Dhruv M. Sawhney** That is a very small capacity and really our market share domestically is still the same. So we are not really affected by that, we have still got the same domestic market share and we are increasing our share of exports. But it is good to have competition but frankly the players are where they are and you know what the big players are.
- Moderator** Thank you. Our next question is from the line of Devam Modi of Equirus Securities. Please go ahead.
- Devam Modi** Sir, if you could let us know what is the breakup of your products order book in domestic and exports front?
- Dhruv M. Sawhney** The product order book, the closing you mean?
- Devam Modi** Yes the closing products order book on domestic and export side?
- C N Narayanan** I will just tell you. 36% is exports, 64% is domestic.
- Devam Modi** This is out of the total after sales order book whatever remains that is the product order book, right?
- Dhruv M. Sawhney** Yes, that is the only product.
- Devam Modi** And sir, you just hinted that we should see a strong market for the sugar cogen this year, so what kind of increase in that market price could you see in this year per se in FY 16 and FY 17?
- Dhruv M. Sawhney** You need a crystal ball to be able to forecast the sugar industry. But all we can know is that I think pretty much the sugar cycle has already seen a slowdown. So we are getting much enquiries that is one thing. Number 2, most companies in the sugar industry are looking at efficiencies as a way of sustaining against the cane price and other things. So the indications are good.
- Devam Modi** And sir like last year we had a decent capacity utilization. What is the capacity utilization that we are running right now and how much growth do we see happening this year on a volume basis?
- Dhruv M. Sawhney** You know capacity utilization we still have lot to go. We have now managed to improve our productivity to a very substantial extent that is how we manage to lower our costs. And so actual capacity utilization for the same amount of turnover for an increased turnover is about the same. That is because we have been able to do this with a lower designed product cost base and that is how we have been able to compete export wise with some depreciating overseas currencies in Britain and in Japan. So actually we do not really look at that indicator because we have got quite a way to go. We can substantially increase turnover.

- Moderator** Thank you. Our next question is a follow up from the line of Pawan Kumar of Unifi Capital. Please go ahead.
- Pawan Kumar** Sir, regarding the JV opportunity in oil and gas space, that you talked about, so I wanted to know whether GE is presently also supplying the turbines between 30 megawatts and 100 megawatts right now to other players without our JV? And can you give us an idea of the size of that particular market I am just asking about the overall size of that market?
- Dhruv M. Sawhney** There are a very few published figures on this, it is all over the world, really and you know there is no market data on it. In India we are able to know the market because we get a pre-enquiry and now we are able to track this much more, but this is much more diverse.
- Pawan Kumar** In India what would be the market sir, 30 megawatts to 100 megawatts around, any figure?
- Dhruv M. Sawhney** There was only one order that was done last year and that was a substantial order which went to a competitor at a very, very low price some time ago. But our oil and gas sector in India is not very Large.
- Pawan Kumar** No sir, I am not asking about the oil and gas sector itself, but overall see within 30 megawatts we know what is the market size but over 30 megawatts to 100 megawatts what would be the market size? I just wanted to get a picture if any figures are there with you?
- Dhruv M. Sawhney** You see, we have enquiries even from the infrastructure sector. So if I go by enquiries I will have a very big market, as big as the 0 to 30 market. But if I go on that, these sectors such as cement and steel we have no idea when the enquiries become really hot and active.
- Pawan Kumar** Okay, so you are essentially saying 30 to 100 are basically pertaining to those infrastructure projects that might be
- Dhruv M. Sawhney** 30 to 100 is also in sugar.
- Pawan Kumar** That is all over infrastructure?
- Dhruv M. Sawhney** No, in sugar in India also is in 30 to 100 and we also have in process co-generation and in the food industry also.
- Pawan Kumar** Okay so sir, in FY 17 can we expect whatever LOIs that we are talking about some significant actions taking place in FY 17 itself?
- Dhruv M. Sawhney** No, we expect these LOIs to be fully operational in FY 16, we expect the deliveries to finish in FY 17.
- Pawan Kumar** Okay, they will be operationalized in FY 16 and lastly sir, in the JV on the domestic side are we seeing any kind of pickups?
- Dhruv M. Sawhney** Again as I am saying we are getting some good enquiries domestically and improved enquiries domestically in the JVs range also. So from an enquiry point of view it looks promising but now to forecast when they become active and when they actually become into an order, timing wise is difficult.

- Pawan Kumar** On the export side, can you speak about which markets are presently delivering you growth since there seems to be a bit of pain in Europe even now?
- Dhruv M. Sawhney** Yes Europe has done well for us and in fact we have I would say increased our market share over there, and now in Europe the renewable push is very strong so our waste to energy in Europe is doing very well. And that is with some strong competition, new models and variants have now met the customer's demands better in Europe. So we are able to attack the more diversified customer base so Europe is there. Some parts of Turkey has been good and Central America is picking up. Southeast Asia is doing well.
- Pawan Kumar** Sir, regarding the Biomass opportunity due to the fuel issues is it still struggling or are we expecting it to recover?
- Dhruv M. Sawhney** No, we are in the renewable phase so really the fuel issue does not come into it.
- Moderator** Our next question is from the line of Kirti Dalvi of Enam Asset Management. Please go ahead.
- Kirti Dalvi** Just if you could give us absolute numbers in terms of your order inflow order book and sales pickup because whatever breakup we have is in terms of percentage and YoY growth. So at least for this particular quarter if you could help us with this?
- Dhruv M. Sawhney** Okay, so you need the order booking for H1 FY 16?
- Kirti Dalvi** Yes, H1 and as well as for the quarter sir?
- Dhruv M. Sawhney** Alright, Narayanan?
- C N Narayanan** Look Kirti, I think you have the Q1, I have the figures for H1, the total order booking is ₹ 380 crore out of which ₹ 290 crore is products and ₹ 91 crore is aftermarket. And in the sales the total sales is ₹ 301 crore out of which ₹ 235 crore is products, ₹ 66 crore is aftermarket.
- Kirti Dalvi** Okay and sir order book wise?
- C N Narayanan** I told you order book wise is ₹ 290 crore products and ₹ 91 crore aftermarket.
- Kirti Dalvi** Order inflow sir?
- C N Narayanan** Yes that is order booking that is inflow only.
- Kirti Dalvi** So a closing order book which is ₹ 680 crore what you have in that if you could give us breakup?
- C N Narayanan** The order booking is ₹ 380 crore, the order inflow is ₹ 380 crore.
- Dhruv M. Sawhney** Total order closing book is ₹ 682 crore.
- Kirti Dalvi** Yes, so of this ₹ 680 crore, ₹ 109 odd crore is your after sales, right?
- C N Narayanan** No, ₹ 76 crore is closing order book of aftermarket and the balance is products.
- Kirti Dalvi** And out of this the export would be?

- C N Narayanan** How much what is that?
- Dhruv M. Sawhney** Export out of which one, both?
- Kirti Dalvi** No sir, closing order book of ₹ 680 crore, out of that you said ₹ 76 crore is after sales, so the remaining order book in that the breakup of international and domestic?
- Dhruv M. Sawhney** Out of ₹ 606 crore?
- C N Narayanan** I will just tell you. It is 36% is exports, the balance is domestic.
- Moderator** Thank you. The next question is from the line of Anuj Saigal of Manas Capital. Please go ahead.
- Anuj Saigal** I just wanted to understand on the export side while you are focused on waste to energy, biomass, cogen; given the slowing economy across different countries, and more importantly difficult cash positions and working capital positions across various companies that we read every day, what gives you the confidence on the continued momentum on the export side?
- Dhruv M. Sawhney** Well, you see if you look at almost every country let us take Europe, they have a very firm program on where they want to have their energy sourced in 2020, 2025. So their move is towards moving into the renewable space, of which the biomass is very good path, the wind is there, solar is there so that move is there and there are lot of incentives given for it. So most countries are giving incentives for people in the renewable space, and especially in the biomass area. That is why these projects are coming up and that is why we are there. The next is that you know waste to energy is actually something that you cannot afford as people are going for zero discharge and they want to now incinerate everything. So the move towards pollution is getting very strong all over the world. Hopefully it's going to start picking up in India as well. But we do not separate our waste to allow that to happen, but that is another future market in India which we will be able to tackle very, very effectively. But abroad it is happening. So these sectors are really not dependent on the general economy whether it is (-1%) or (+2%) the growth is there very much so. And in fact we are not sort of calculating for increasing it, we are even saying that if they sustain the same growth levels, our overall order booking is going to be increased because we are attaching more people in the same country because we have now installations and people on the ground.
- Anuj Saigal** And you have not seen any evidence of any order cancellations or delays in payment whatsoever because of cash flow situations or slowing growth?
- Dhruv M. Sawhney** No, this is marginal. There is a delay of few months here or there, normally that is seasonal and order finalizations can obviously get delayed and that is the name of the game whether it is in India or overseas. But what you gain on one, you lose on the other. So we have to take an overall mix of it, and then the overall mix it is a very positive upward trend. And that is one of the reasons for this confidence is that we are now in a diversified range and in a diversified geographical mix. So we are not really dependent on one particular focus country.
- Moderator** Thank you. Our next question is from the line of Nidhi Agarwal of Sharekhan. Please go ahead.
- Nidhi Agarwal** I want to know if there is any Forex loss or gain booked this quarter?

- Dhruv M. Sawhney** Forex loss or gains?
- Nidhi Agarwal** Yes.
- Dhruv M. Sawhney** Yes.
- Dhruv M. Sawhney** Not really. I mean there has not been any MTM provision this quarter.
- Nidhi Agarwal** Okay, so any provision in the last years or Q2?
- Dhruv M. Sawhney** No that would always happen in the case of foreign exchange contracts, and the entire premium has to be amortized over the contract period so which is a very normal phenomena.
- Nidhi Agarwal** I mean like it is not impacting the margins in any way, I want to understand that.
- Dhruv M. Sawhney** Not in this half year.
- Nidhi Agarwal** And sir, what is the revenue booked in GE JV in this quarter?
- Dhruv M. Sawhney** Some small amount.
- Nidhi Agarwal** Okay because it was last quarter it was 41, so?
- Dhruv M. Sawhney** No, the dispatches are there because there will be large turbine that to go out. So Q3 will be a very substantial because that is when the Indonesian one goes and some of the Philippines ones go.
- Nidhi Agarwal** Okay so we should see lot of revenue coming from JV in the next two quarters?
- Dhruv M. Sawhney** Yes.
- Moderator** Thank you. Our next question is from the line of Amit Khurana of Dolat Capital. Please go ahead.
- Amit Khurana** Sir, can you please give me the bifurcation of how much sales has come from the JV part in this quarter and from the half year?
- Arun Mote** No, the revenue what we put out is on the standalone business. There is no revenue from JV in that.
- Amit Khurana** Okay there is no JV?
- C N Narayanan** No, the result published is standalone.
- Amit Khurana** No that I understand.
- C N Narayanan** We have mentioned that there is a revenue recognition in JV to the extent of ₹ 430 million.

- Amit Khurana** For the quarter or?
- C N Narayanan** Six months.
- Moderator** Thank you. Our next question is from the line of Swarnim Maheswari of Edelweiss. Please go ahead.
- Swarnim Maheswari** Sir, just wanted to ask you one thing that in Q1 we had mentioned that on the basis of our delivery schedule, we were expecting around 24% to 25% topline growth in FY 16. So are we sticking to that sir?
- Dhruv M. Sawhney** It is very difficult to give numbers now with this market situation all I am wanting to say is that we are going to be definitely better than where we are in terms of where the performance of H1 is concerned. And so you are at an increasing trend and we will see in Q3 where the picture is. So we will be much clearer in Q3 as to where the picture is. But I am hopeful that we are going to improve on the figures that we have already achieved.
- Moderator** Our next question is a follow up from the line of Amit Khurana of Dolat Capital. Please go ahead.
- Amit Khurana** This ₹ 421 million for the JV sales, can you please give me the YoY figure for last six months of last year?
- Dhruv M. Sawhney** Which one?
- Amit Khurana** The JV component in the total sales of six months what it was last year?
- C N Narayanan** There is no JV component in the standalone sales. That is a separate point. It is not consolidated.
- Amit Khurana** No, I am not talking about sir, I am talking about the work that you got from the JV that is booked in the standalone sales. That component I am wanting?
- C N Narayanan** That is what I am saying because our Chairman mentioned the results published is for standalone, there is no JV sales in that. So I do not know what exactly you are asking for.
- Moderator** Thank you. Sir, there are no further questions from the participants.
- Dhruv M. Sawhney** Thank you everybody for coming to the H1 Q2 investor call. I would like to close by saying that we are very encouraged with our enquiry base both in the international market and in the domestic market and also not just in the product area but in the aftermarket area of spare and refurbishment in servicing the sector we are in. We are happy that these are sectors which are stable and are not dependent on the economic situations in the country that we operate in. So in the sugar area, in the biomass power generation area, in waste to energy and in process co-generations we feel we are in the right sectors for sustained growth in both Q3, Q4 and more importantly in FY 17 as well. Thank you very much.
- Moderator** Thank you. Ladies and gentlemen, on behalf of Triveni Turbine Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.