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COUNTRY OFFICE
India

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February 15, 2016

The Secretary
BSE Limited
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Dalal Street
MUMBAI 400 001 — Code No. 522275

The Manager
Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, Bandra Kurla Complex
Bandra (East)
MUMBAI 400 051 — Symbol: ALSTOMT&D

The Secretary
The Calcutta Stock Exchange Limited
7, Lyons Range
KOLKATA 700 001 — Code No. 17035

Dear Sir,

Sub: **Transcript - ALSTOM T&D India Limited Earnings Call for Investors held on February 11, 2016**

Please find enclosed a copy of the Transcript of earnings conference call with analysts/ institutional investors held on February 11, 2016 in respect of unaudited financial results for the quarter ended December 31, 2015.

You are requested to take note of the same.

Thanking you,

Yours faithfully,
For ALSTOM T&D India Limited

Manoj Prasad Singh
Company Secretary

"Alstom T&D India Limited Earnings Conference Call"

February 11, 2016

MANAGEMENT: MR. RATHIN BASU – MANAGING DIRECTOR, ALSTOM T&D INDIA LIMITED
MR. SUBHASHCHANDRA MOMAYA – WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER
MR. VIJAYKUMAR KRISHNAMURTHY – FINANCE CONTROLLER
MR. SUNEEL MISHRA – HEAD, INVESTOR RELATIONS, ALSTOM T&D INDIA LIMITED
MR. MANOJ PRASAD SINGH – COMPANY SECRETARY
MS. SAPNA LALWANI – ALSTOM T&D INDIA LIMITED

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Alstom T&D India Limited Earnings Conference Call. As a remainder, all participant 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 '*' then '0' on your touchtone phone. Please note, this conference is being recorded. I now hand the conference over to Ms. Sapna Lalwani. Thank you and over to you, Ms. Lalwani.

Sapna Lalwani: Good Evening and Welcome to today's Conference Call with the Alstom T&D India Management. For your reference, this call discusses the Q3 and Nine Months Ended 31st December, 2015 Results. With us today, we have Mr. Rathin Basu – Managing Director, Alstom T&D India Limited, Mr. Subhashchandra Momaya – Whole-time Director and Chief Financial Officer, Mr. Vijaykumar Krishnamurthy – Finance Controller, Mr. Manoj Prasad Singh – Company Secretary and Mr. Suneel Mishra – Head, Investor Relations for Alstom T&D India Limited.

This conference call is scheduled up to 5:00 pm, and by now you would have the Investors Presentation with you. I trust you have read the disclaimer on Slide #2. We will begin the presentation with Mr. Basu highlighting the key highlights for the company followed by Mr. Momaya speaking on the key numbers. Rathin, the floor is now yours.

Rathin Basu: Thank you, Sapna. Good Afternoon, Ladies and Gentlemen.

I will start with Slide #4 on "Indian Economy and T&D Market." On the whole, as we see on the Indian economic front, the industrial demand continues to be sluggish and we do not really see a real private investment in industry or in infrastructure. This is not the first time that we see that, but the situation is going on for almost for last four years. On the banking side, the banks' non-performing assets still continue to rise despite our expectation that this year due to strong actions taken by RBI as well as the banks we would see a downward trend, but unfortunately the trend continues upward direction. Though, several severe measures have been taken by the banks though actions like CDR and SDR that we all know about, but unfortunately the results are not visible and for industrial operations and business operations that we run, we continue to struggle with cash and on the industrial investment scenario the impact is also equally severe as we do not see the banks' lending any more to the defaulted customers.

If you move to the lower part of the Slide #4 on "Power and T&D Markets", so here the positive news was quite the central PSUs and the state governments who eventually came out with the fourth bailout package for the state Discoms and we are told that we have 15 states signing up this Uday scheme. The scheme as such looks promising, we as a key supplier to this market sincerely believe and hope that it would improve the Discoms financial health and increase the demand of electricity, eventually once these things happen the private IPPs, in particular who are struggling with low PLF, below 50%, hopefully improve their PLF to plus 70 and thereby improve their IPP health, financial health and on the whole hopefully the power sector will come to new life for the future. So this is of course a hope and we need to see in the future quarters how things shape up. On the Power Grid and NTPC and some selected state GENCOs and

TRANSCOs things are looking up positively and we do see that they continue investing in CAPEX and that is good thing.

On the major bulk transmission schemes, we see a tariff based competitive bidding project, TBCB in short, so there is good list of TBCB projects, but as we all know TBCB projects do not happen exactly on time and it is mostly driven by the private sector bidders and there are challenges such right of way, land acquisition, etc. So we are closely monitoring such projects and we had a recent success in one such project in the recent time. On the Gas Insulated Switch Gear, we do see increasing opportunities, but unfortunately we continue to see aggressive pricing both the Chinese and Korean GIS suppliers who are not producing such GIS equipment in the country. And at the same time we also see that most of the PSU buyers in the country both incentive and the state level are yet to clearly implement a Make in India Policy where manufacturing of GIS in India is encouraged. And thereby, the signature statement of the slide is that the T&D market de-growth unfortunately continues on a downward trend and this is the fourth consecutive year that we see so.

Let us move to Slide #5, this is where we have our financial highlights and the key events. We have about Rs.8.1 billion of new orders that we achieved in this quarter Q3 compared to Rs.11.8 billion of orders that we had on a corresponding quarter last year, the main gap was lack of large projects, mostly turnkey that we did not see in this particular quarter. And once again, this reconfirms as we said before, that the market continues to be sluggish and we do not see too many big projects on the horizon. However, order backlog for the company stays at a very good level of Rs.79 billion. For sales, we had a sales of Rs.7.4 billion in the quarter compared to Rs.7.6 billion that we achieved in the corresponding quarter last year, so it is a marginal dip and we will explain later on in our slides why there was such a dip. On the profitability, this quarter unfortunately was a bad quarter, we have operating loss of about Rs.113 million compared to positive Rs.184 million that we had during the corresponding quarter last year. And this has resulted in a loss of Rs.182 million in this quarter compared to Rs.26 million of profit that we had in the corresponding quarter last year. And again, we will talk about it during a specific slide on profitability and we will take up questions during the Q&A time.

On the key events, we continue to execute projects and we are happy to announce that we commissioned several important projects out of which the major ones were 220kv GIS substation in Bengal, three 765kv generator transformer set in UP for Anpara D for Power Grid. We did the second bank of 765kv reactors for Gaya substation; for Bareilly, 765kv substation got final recognition, you may recall the land for this project was severely delayed and therefore the project eventually got commissioned at a later date. We also did a 110kv GIS for Kozhikode in KSAP and 132kv AI substation in Assam. So overall, good progress on commissioned projects. However, the T&D market as we can see from the key numbers, key KPIs, the market continues to be a challenging one.

If I now take you to Slide #6, here we have the Main Orders and here you will see that orders are mainly from Power Grid, KPTCL and Orissa Utility and one major project from the private sector Bajaj Infra. So as we said in the opening statement that the CAPEX cycle is mostly driven by the central and some state PSUs and we do not see much private sector action in the market. So we continue to face strict competition and again the market is totally dependent on the PSU.

If we go to Slide #7, so you have the Order Intake situation. As we said, there is a marginal net dip to Rs.8.1 billion and this gap is mainly due to absence of large projects, so lack of adequate opportunities. On the backlog side, as we have said before, so we are more or less at Rs.80 billion backlog level which is practically equivalent to two years' sale, something which is not so easy to find in today's market situation.

So I will now hand over to Momaya, our CFO who will take you through the balance of the slides. So over to Momaya.

Subhashchandra Momaya: Thank you, Rathin. We are on Slide #9. Sales are Rs. 7.4 billion as against Rs. 7.6 billion in the corresponding quarter the year before. The marginal decrease is on account of some sales getting delayed impacted by the flood in Chennai where we have two manufacturing facilities at Pallavaram and Padappai.

Going to the next slide, Slide #10, Profit After Tax. During the quarter we have negative results by Rs. 182 million as against Rs. 26 million in the corresponding quarter last year. Again, this is the result which was impacted by Chennai floods and also higher material cost and expenses in some of the contracts.

Going to the next slide, Slide #11, we have summarized the key data. The sales have come down by 2.5% to 7.4 as against 7.6 in the corresponding quarter as impacted by the floods in Chennai. Operating profits have come down by 3.9 points mainly impacted by higher material costs and the other expenses in relation to some of the contracts resulting in the net profit after tax reduced by 2.75% points.

Thank you.

Sapna Lalwani: Thank you, Rathin; thank you, Mr. Momaya. I now open the floor for question-and-answers.

Moderator: Thank you, ma'am. Ladies and Gentlemen, we will now begin the question-and-answer session. Our first question is from the line of Charanjit Singh from B&K Securities. Please go ahead.

Charanjit Singh: Sir, if you could please help us with the increase in the cost, in which particular projects it would have seen, is it related to our Champa-Kurukshetra Phase I and do we see any further contracts where we are seeing these kind of raw material cost increases?

Rathin Basu: Well, the increase in material cost and provisions both are together which impacted the results for this quarter, so it is not only the material cost, that is first point. Second, specifically Champa-Kurukshetra is not the project that has impacted the quarter, it is some other projects mostly I would say in the state sector and we have issues which are relative to long project delays and eventually leading to extra or excess material cost or cost overruns. So that is short answer to the point that you raised. And if I may take you backwards, you have seen, you do monitor us very closely over several years, I would take you back to September 2012 where we had a quarter which was partly negative, we also had another quarter in the past which was December 2014 which was positive but slightly positive and this is the quarter where we have a negative result. So we have in some quarters we have unfortunate combination of things which happened and usually we have both positive and negative, but unfortunately in this quarter we did not have adequate positive news because as we have both disclosed in this forum that in a business we do have provisions, we create provision because in every business there is risk, the question is when you close projects how do you release those provisions. So for several customers, unfortunately due to turbulence in the market place and the situation that you see through the bank NPAs, we have not been able to achieve those release of provisions and therefore we could not mitigate the bad news, let us say, for this quarter.

Charanjit Singh: Sir but in current order backlog do we see that there is further stress in certain orders where we could see this kind of cost escalation, if you could highlight what proportion of the order book would that be?

Rathin Basu: Well, as we have seen in the last four, five years we have been talking that the overall health of the power and T&D market have gradually degraded mainly due to stress with most of our customers and as well as our bankers. So consequently, projects are never achieved on time and when projects are never done on time there is an automatic impact, cost for suppliers, I mean not only suppliers like us but all suppliers have to go through that suffering. And on top of it you also do not get paid on time, and then there are some private customers as well who are not professional enough and therefore they do not pay their dues or they do not respect their commitments. So we have cases in a particular state where we had gone through extremely adverse monsoon for three consecutive monsoon sessions which resulted into huge extra cost for which we put a claim which is still not processed, and at the same time the chief of that state utility made a personal appeal because the power generation for that sector was almost getting ready and they badly needed the substations to manage the power for them. So we went out of the way, helped, worked literally day and night, 24x7 for three months, struggled, despite three consecutive monsoons, delivered, but then the management forgot that and have not processed our extra claim, nor the extension of time which we suffer due to force measure of three consecutive monsoon. So there are horror stories like that and many other places as well and I am not limiting it to the state sector only, there are private sectors also who are stressed, who have bank NPAs hanging on their head and therefore they are compelled to behave in an abnormal way, unfortunately we at the end of the stick we get hit. So that is the story. So to your question that for the rest of the backlog, so as we said in the past the rest of the backlog has about 5% slow moving projects, so except that the rest of the backlog to our valuation and opinion are okay and executable. But the question is, we are also dependent on the market economy, the overall situation of the industry. So that is how we have to face our life.

Charanjit Singh: So sir just last question on my side, so for this particular project how much extra cost provisioning we would have done in this quarter, if you could give us that number.

Rathin Basu: Sorry, can you repeat the question.

Charanjit Singh: Sir how much was the excessive cost increase because of this particular contract in this quarter?

Rathin Basu: Well, basically you can compute because the net loss is almost (-18) crores, so if you can assume what could have been the profit you could have answered, not too difficult.

Moderator: Thank you. Our next question is from the line of Madan Gopal from Sundaram Mutual Fund. Please go ahead.

Madan Gopal: Sir, first question is on the TBCB projects, if you can give some clarity on when it comes to this private guys executing,

Rathin Basu: Well, we have done three TBCB projects, I would say two are completed with the same customer and one mostly completed, though not completely because this particular customer and the concerned state are delayed due to land acquisition process. So we have experience of three projects and these three projects are in the private sector. So we have concluded recently another project with one of this customer again and it will be announced in the public domain in due course of time, I would say shortly.

Madan Gopal: Sir my question was, when you approach these customers, there could be two or three substations coming in the same project itself, so you bid together or you bid for each substation separately?

Rathin Basu: Depends on the customer, but what we have seen that most of these private customers prefer to go with one supplier, so they basket the all the substations for one given project, so it is always a project by project decision.

Madan Gopal: My question here is, unlike PGCIL which might ask for a domestic manufacturing clause for transformers or reactors, are the private guys compelled to source it domestically, they can go for buying this from Chinese markets?

Rathin Basu: Yes, they are open to buy from any place today, but usually what we have seen the TBCB where we have almost 35 years of commitment, they have so far chosen to stay within the state with companies who have local manufacturing facilities.

Madan Gopal: My second question is on, the order book has now declined year-on-year basis by 6% in this quarter end, is it likely that we need to see flat to sort of declining revenue trend in the next 12 months period or any improvement in execution in Champa-Kurukshetra too can help us to show better numbers in your opinion?

Rathin Basu: Well, again I do not want to give guidance of the future quarter in terms of self-profiling, but if you just watch the numbers it is as good as two years of revenue and as you also know what this backlog is about, you have two large ticket projects, you also want to know the approximate delivery schedule. So you cannot forecast what could be the approximate sales profile in the next two years. So I would suggest you do not track it quarter-by-quarter because in one quarter if we do not have let us say big numbers of orders, naturally the sales will continue and therefore you will see a dip. But if tomorrow you get bigger orders in the quarter then the backlog will come back. So annual trend is a good trend I would say, quarter is a too shorter window.

Madan Gopal: May I just squeeze in my last question, this 165kv GIS orders in as far as 400kv, I see your bid along with the Chinese and Koreans in the Power Grid tenders, but we are still not successful in getting any large orders there because obviously the local manufacturing is still not enforced is what you are saying, if you can elaborate a bit, when do you think it is really likely to happen?

Rathin Basu: You have to ask somebody else and not us.

Madan Gopal: But you would have made representation, right?

Rathin Basu: We do make presentation, today in the country we are probably the most equipped and we have the manufacturing width as well, the best, but still if a customer do not really put in the Make in India clause we cannot change it unfortunately.

Madan Gopal: Is it domestically you are the only one that is trying PGCIL to put in that clause?

Rathin Basu: I cannot comment on that because it is too precise a question which I would rather not like to answer directly.

Moderator: Thank you. Our next question is from the line of Subhadip Mitra from JM Financial. Please go ahead.

Subhadip Mitra: Sir, I have two questions. Firstly, if it is possible to quantify the extra ordinary elements in this particular quarter, beginning with what is the impact on sales because of Chennai floods which is what you have mentioned? And secondly, a ballpark number in terms of what should we assume as a profitability number to work back the excessive provision, should we take the same margin number as what we had done in Q2 of this year and then work back? And last question would be, the impact of Uday, I mean once as and when it gets implemented where and which product profiles do we see the CAPEX coming and where we can be beneficiaries?

Rathin Basu: Well, I think on margin, any future guidance would not be good to give because we traditionally do not give that. But as I always say, look at us on an annual basis and not on a quarterly basis, that is the only guidance that I can tell you because we are not a quarterly or a monthly profiling company, we do not sell too many lose products, and most of our products are engineered products and when we talk about systems it is again long cycle delivery of revenue. Now, back to Chennai, Chennai we need to understand, I presume in our Annual Report we usually write extensively about our manufacturing facilities. So in Chennai we have two factories and we have mainly three business activities, one is the automation business, other two businesses that we have are the GIS switch gear as well as circuit breaker which is part of the air insulated or AI switch gear. Now in Chennai, due to flood we had a major staffing, it impacted in two ways, one is sales and the other is margins, and the only disclosure I can give is that the margins are not negligible in the products that we manufacture in these two factories out of the three businesses, so we literally double hit in sales as well as in profits, so that is the disclosure I can make on

Chennai flood. And then coming to your last question on Uday, so we are as usual hopeful but having seen the de-growth over the last four years, it is bit too early to say how the discoms could respond to this Uday proposal because one needs to get into several steps before the money could be secured, the state governments have to also commit to clean up their losses which is not small as you know, the numbers are really big. So therefore we have to watch it closely to see how Uday impacts the market, a bit too early to comment I would say, so I would say we will wait for three months to six months to see the real impact in the market.

Subhadip Mitra: If I can just squeeze in, Uday as you are mentioning, just to understand, on the distribution part of the business which is where the CAPEX is supposed to come through, if you can throw some color on what are the product offerings we could probably have there, if that is possible.

Rathin Basu: Well, interesting question. The only thing that I can say that we are in the ELECRAMA Exhibition which happens in February, it is starting on 13th February till 16th February, ELECRAMA like Hanover fair is one of the major electrical fairs in India and post the acquisition of GE we are showcasing our future generation offering including our current offerings and I would say to an extent extended offerings that we foresee in the foreseeable market. So that is what we are going to market, and it is bit too early again for me to make much more precise statement at this point of time, maybe in the next quarter I could be a bit more open. But if you happen to visit ELECRAMA then you will be able to see what we are showcasing as our new range of offerings and products as well as the solutions expanding our market.

Moderator: Thank you. Our next question is from the line of Bhavin Mitlani from Axis Capital. Please go ahead.

Bhavin Mitlani: The provision, is it in the ballpark of 40 crores in the quarter, the HCB project that you highlighted?

Rathin Basu: No, it is not so big.

Bhavin Mitlani: Because what I was looking at is 105 crores to 110 crores a quarter of other expenditure, that has actually moved up to about 140 crores in this quarter.

Rathin Basu: If we had both provision and the extra material cost, it would not add up to 40, it will be lower than that.

Bhavin Mitlani: Or if you could explain the other expenditure which was averaging 105 crores to 110 crores, why it moved up to 144 crores in the quarter?

Subhashchandra Momaya: We have incurred certain specific expenses in respect of few contracts which are now classified as other expenses and those will stay in this way.

Rathin Basu: So mainly the deviations which I just explained a little while ago in terms of extra material cost as well as provision, all these are sitting in this place. So if we just do a simple arithmetic difference, so it is about the difference can be seen.

Bhavin Mitlani: And the loss in the revenue due to the floods, and you highlighted these are from switch gear which are obviously better margin products than the conventional transformed, would you believe that you would be able to make it up in the fourth quarter or there would be some loss in revenues because of this?

Rathin Basu: Well, I do not want to be very precise on a particular quarter, my general guidance is that yes we will recover, but for any expenses which I would say damage or something, but for that yes we should be able to get back.

Bhavin Mitlani: And could you update us on two large projects, one was the HVDC project, when do you expect the bidding to be completed for the Raigarh- Pugalur project and also if you could highlight what is the status update on the SVC and the stat com orders?

Rathin Basu: Okay, so you are talking about future, new opportunities if I may understand you better?

Bhavin Mitlani: Yes.

Rathin Basu: So Raigarh-Pugalur, we believe that the Power Grid is going for next step to ask for the price bid, we do not have a precise date as yet, it could be March, it could be April, that is what we say would be the soonest. And then on HVDC stat com, it is not as I said in the last quarter as well, it is not moving fast enough, we expected it to move three years ago at a much faster pace but somehow it got slowed down and the next indication that we have is, it might pick up a little bit in the next semester of this calendar year. But for this you need to ask the utility concern because they are actually running this project, so they will be able to give you much more precise information of biding time, date and the volume.

Moderator: Thank you. Our next question is from the line of Gaurav Sanghavi from Bajaj Allianz Life Insurance Co. Ltd. Please go ahead.

Gaurav Sanghavi: Sir, if you can just highlight what is the status of Champa-Kurukshetra Phase I and about the Phase II?

Rathin Basu: Phase I, work is in progress, really has a fast acceleration path. Just to give you an example, as we know that we have produced India's first transformers from Baroda, so most of the transformers are on the way and I would say among the competition we have demonstrated that not only the manufacturer of the transformer but each of these transformers which weigh more than 310 tons, the transportation is also an extraordinary feet. So we have achieved those I would say critical timelines, so at site we are in the pre-commissioning phase, most of the construction is over, though not fully because we have still some areas where the construction is in progress and the only guidance we can say that we hope to see power flow in the Q2 of this calendar year, that is the current estimate that I can tell, this is about Champa I.

Gaurav Sanghavi: So the project would be completed by around 70%, is it right to assume or it would be... Because in last quarter I think you mentioned more than 50% was Phase I project?

Rathin Basu: Yes, I think we will cross 70% and then we will have the Phase II which will happen over the next six months let us say, next six months of the first one.

Gaurav Sanghavi: And sir, other question is on working capital, if you can just give gross debt number that would be useful.

Subhashchandra Momaya: Working capital, in September our working capital was 96 days in terms of number of days of DSO, it is now reduced to 86 days, that will give you an indication.

Gaurav Sanghavi: And sir gross debt number?

Subhashchandra Momaya: You can work out. Net working capital will be almost slightly lower than Rs. 10 billion.

Gaurav Sanghavi: Sir, debt would be more or less at same levels as September or is there any increase in the gross borrowing?

Subhashchandra Momaya: No, it is reduced.

Moderator: Thank you, Mr. Sanghavi. Our next question is from the line of Ankur Sharma from Motilal Oswal Securities. Please go ahead.

Ankur Sharma: Sir firstly, if you could just breakup your order book of 79 crores - 100 crores into PGCIL, SEBs and then the private part of it, the reason I ask is because we would assume that largely the state and central utility sides would be going broadly on track and as you have been mentioning you would be facing some sort of slowdown in the private side. So if you could just give us those numbers please.

Rathin Basu: I can give you only broad numbers, so I would say approximately it will be between 75% to 80% for orders or the backlog of orders coming from central PSUs and state PSUs.

Ankur Sharma: And these are broadly on track, I mean there is no...

Rathin Basu: No, I mean in general most of the customer projects are not on track because the customers are also not in control of the situation. So in India today, more than 80% projects are delayed, this is the reality, there is no point me saying the other way, because the reality is like that. So be it central PSU or state PSU or a private sector, every project is literally delayed, the question is whether it is a six months' delay or three years, that is the difference.

Ankur Sharma: No, I mean where I was coming from was that these orders are secure and maybe it is a couple of months here and there but I think there is always this question mark over private sectors orders at this point. So I was just trying to understand, out of this 7,900-odd crores at least 80% is largely secure with us and we should not really see big delays what I was trying to get at.

Rathin Basu: No, what I would rather say that, I will answer it differently. Let us say approximately again, I am always using the work approximately, 5% of the backlog volume are slow moving, when I say slow moving it is slow moving beyond one, two years, so we have those kinds of portfolios. For the rest, if the project is delayed six months and in today's India we more or less think that it is normal. So that is the reality that we have come into and therefore we would see I would say dilution of revenue coming out of this part of the backlog, yes.

Ankur Sharma: And sir secondly, I think you spoke about Champa-Kurukshetra Phase I going on full steam, by when do we see Phase II kicking in, it has been almost a year now since we got that order, so can we expect some revenues starting to get booked from Q4?

Rathin Basu: Again, you are asking for a very precise guidance, again my answer would be bit different, the orders are long cycle, these are traditionally 38 to 45 months of kind of orders and usually the peak itself happens on the later part of the second and the third year. And again, the quantum of sales depends on the site conditions as well. So therefore it is not correct for me to be very precise on quarter first, I do not have the data as I speak because it is very detailed answer that I have to give. So that is in terms of guidance I would say. So for Champa-II I would say next calendar year would be probably a better guidance for major part of the sales.

Ankur Sharma: But just to kind of continue, so relative to the first one where we had the six months delay in terms of land acquisition etc, I would assume that Phase II would be a lot easier right because if I understand correctly a parallel line is being made to Phase I, so you obviously have done this in Phase I before, so I would assume it would be relatively easier in terms of the execution because you would have learned from the challenges you would have faced earlier?

Rathin Basu: I will accept your comments.

Ankur Sharma: And just one last thing sir, what would be your CAPEX for this year and for FY17 and also which products which you are looking, what kind of products you are looking at?

Rathin Basu: Well, in terms of qualitative statement, I will ask Momaya to get ready with the CAPEX point, but in terms of qualitative guidance, as I reported last year as well our major CAPEX was in expanding the Baroda factory to be able to produce HVDC transformers, so that we have produced and we are producing. So that is a major CAPEX, the balance CAPEX would be not so high in terms of volumes but they would be I would say sort of extension or minor extension. So let us say I do not want to give a guidance but a general number would be let us say 40 crores - 50 crores roughly which is much lower than what we did in last year.

Ankur Sharma: And just last bit was on your capacity utilizations across your factories in Baroda and in Tamil Nadu, so where would that be at this point in time?

Rathin Basu: It is better than what we saw a year ago, mainly due to the quality of orders and so the only area where we see a bit of a slowdown from the circuit breakers AI switchgear mainly because you see the GIS more in demand, so that is a major qualitative change I would say in the market. And to compensate that we are focusing more on exports for that.

Ankur Sharma: Would you like to put a number on it sir, in terms of where you stand on your utilization, if you have it with you at this point?

Rathin Basu: Well, not readily but if you can accept an approximate answer, it is let us say on the plus side of 80%.

Ankur Sharma: And sir on the CAPEX numbers?

Rathin Basu: Yes, the CAPEX numbers as I said, I answered on behalf of Mr. Momaya, so it is let us say around 40 crores - 50 crores, it is significantly lower than previous years.

Moderator: Thank you, Mr. Sharma. Our next question is from the line of Renu Baid from IIFL. Please go ahead.

Renu Baid: Sir first question, just getting back to where we started the call and the conversation, please excuse if I have not understood it clearly, when we have mentioned increase in cost on projects which we are executing, typically that would come into the material cost itself, so when we see other expenses increasing, provisions would be an anticipation of future cost increase as well as for certain non-payment or doubtful debts, as in we do not expect customers to reimburse us for those expenses, is it that or how would one categorize it?

Subhashchandra Momaya: Some of the cost which are incurred on the contract, they get classified in the other expense schedule, for one example these warranty costs in our set up, even though it relates to a particular project but it will get classified as other expense.

Renu Baid: So essentially even the payments which we have extra incurred but we do not expect customer will reimburse us, that has been booked as losses in other expenses?

Subhashchandra Momaya: That is right.

Renu Baid: So there is little scope that we see some kind of reversal of these provisions at a later date, so these are costs which are incurred and little scope of reimbursement at a later date?

Rathin Basu: What you do not see here is that the extra claim that we have with our customers since the claims are not accepted we cannot count it, so if those claims are accepted, claims are always discussed and debated by our dear customers. So unless they are agreed up on we cannot reflect, so that is beyond provision because provision is something which is inside the orders and we have created that provision itself. But in addition we also have extra scope or extra claim whatever be the case in a given contract.

Renu Baid: So essentially apart from cost increase we have not seen any significant rise in provisions for doubtful debts or LDs or otherwise?

Rathin Basu: Doubtful debts in this are all routine life situation, what I said in the beginning is that in this quarter unlike in other quarters we have not been able to realize let us say reversal of provisions or LDs and therefore it did not have the positives, we have more of bad news in this quarter than good news, so that is why the impact looks bigger.

Renu Baid: And just trying to understand a little more, typically sir when we had seen earlier, transition from Areva to Alstom and from Alstom to GE, we tend to see increase or rise in provisions or cost on wherever projects you see lower margins or losses, so has that kind of activity or exercise been undertaken end of the calendar year 2015 under the GE scheme of things?

Rathin Basu: Well, first, it is not really related to Areva or GE I would say, what we have seen in the last four, five years is a general degradation of the market condition, so that has actually affected the market and its suppliers family, so that is the first point because if we do not recognize that you will not be able to read the balance sheet of companies properly because the company is performing too well, one is definitely the market because we cannot deny the market. Second, what is the competitive advantage that you, we as a company create. So there as we said before that with cost of employees below double-digit as a percentage is a significant competitive advantage we have created which also indirectly gives you a higher productivity per person. And then we have built assets which are say five, six years ago, all the modern assets and significant amount of it is capitalized and the only CAPEX that we are doing these days is either we have a new contract, a new technology such as HVDC transformers and that creates a competitive advantage for us for future projects and that kind of thing. But we are not any more getting into much higher CAPEX. So it is a continuous activity so therefore it is not really related to Areva days or Alstom days or GE days. So it is a combination of all this, market as well as making the enterprise more competitive, more agile but you cannot ignore the external factors.

Renu Baid: Sir the second question is, we have seen a fairly weak inflow trajectory in the last nine months, almost similar at 700 crores to 800 crores, so is it that we have been a little more conservative in a weak market or we are probably looking at certain large order wins to make up for the volume loss overall. So do you think large orders like HVDC are important for us in overall scheme of things for growth visibility for the company?

Rathin Basu: Well, what we have focused on is that we will not do margin orders, so in this year particularly we have decided right from the beginning that thanks to good backlog that we have and which is roughly two years, we could afford to do that, so that has been the main focus. And what we have seen in the market place that we have seen many, if I can use the word suicide bombers, who would like to take orders. And if you look at over the last four, five years so many companies who have disappeared or are facing CDR or SDR today but we very well know competitors four, five years ago. So we do not want to be in that club, but we expect the others would go to that club, so we have to have that restrain today. So we do not mind temporarily having a bit of a lower number of orders by choice than to grab orders and then suffer later.

Renu Baid: So clearly there is a preference on margin profile over revenue or volume growth?

Rathin Basu: At the moment, we believe with two years of backlog we focus much more on the high technology projects or high technology opportunities. So it is a temporary phenomena and we believe be it Uday, be it bank NPAs, there are several actions in place lead by the government, so hopefully things will improve, we expect the things to improve by early 2016 as we discussed a year ago, but unfortunately it has not exactly happened, but one does not give up hope. So we hope end of 2016 things would look up. And usually, analysts and all of you would be knowing better, you would be giving us guidance than we giving you guidance.

Renu Baid: And sir just one more question, you mentioned approximately 5% of your order backlog has been slow moving for beyond one to two years, and are these projects sufficiently covered under PV clauses or we could see something coming up, some other bomb coming up in subsequent quarters as and when they move up for execution?

Rathin Basu: Well, I do not know which bomb you are talking about.

Renu Baid: And anything specific that you would like to highlight now with GE coming in to the picture, change in management, senior leadership, for investors overall anything that you would like to highlight?

Rathin Basu: Whatever we had to report we have reported and I think one of the question I also went to the extent of suggesting that you could visit ELECRAMA to see what is in the offering for the future. So I think that is the only guidance I can give as of today and then to look forward next quarter if there are any guidance to be given.

Moderator: Thank you. Our next question is from the line of Deepak Narnolia from Birla Sunlife. Please go ahead, sir.

Deepak Narnolia: I have this question, you said in GIS switch gear Chinese competition continues to be there, but PGCIL says that they have inserted this domestic manufacturing clause, so can you throw some light on that?

Rathin Basu: It is not effective actually, if you read the clause you would see that it is not effective, that is the problem. If we follow the Central Government's overall guideline and the enormous thrust which has been put on Make in India initiative in every forum at every place, compared to that impetus what you see in the qualification clause is nothing. In a 30 bay project if you say that only one bay can be locally manufactured and if one does not do he does not lose significantly, so that is not a serious clause.

Deepak Narnolia: You mean to say this one bay clause is not effective enough?

Rathin Basu: Well, what we have seen in the transformer bay four years ago, people took a chance and they quoted and they did not build a factory locally, they suffered financially but the damage was done.

Moderator: Thank you. Ladies and Gentlemen, due to time constraints we are taking the last question. We have the last question from the line of Thomas Joseph from Ambit Investment Advisor. Please go ahead.

Thomas Joseph: Just wanted you to talk to us about the export market and if there is something which will work out for us because of the slowdown in the Indian market?

Rathin Basu: Well, on exports we are trying to see particularly on the hubs transmission voltage level, typically 132kv, 220kv and 66kv voltage level. If we can expand our exports opportunity, so this is one action. Similarly, on automation products, we are exploring and improving our export market and as well in GIS we are looking around for exporting GIS as well. So a couple of initiatives are on.

Thomas Joseph: So any initial signs of orders coming or bids coming up?

Rathin Basu: Well, not that way because here for exports we use our subsidiaries in different regions and geographies, so we go through them because they are strong in that market, so they help us to sell products which are made in India. So that way they are much more Make in India than Indian customers are.

Moderator: Thank you, Mr. Joseph. Ladies and Gentlemen, due to time constraints that was the last question. I would now like to hand the floor back to Ms. Sapna Lalwani for closing comments. Thank you and over to you, ma'am.

Sapna Lalwani: Thank you, everyone. We conclude today's conference call on behalf of Alstom T&D India Limited and thank you for joining us today. In case you have any further questions, please feel free to reach out to Mr. Sunil Mishra on the email id given on the website. Have a good day, Ladies and Gentlemen.

Moderator: Thank you. Ladies and Gentlemen, on behalf of Alstom T&D India Limited, that concludes today's conference call. Thanks for joining us. You may now disconnect your lines. Thank you.