Triveni Turbine Limited
Q1 FY 16 Earnings Conference Call Transcript
August 17, 2015

Moderator: Good Day, Ladies and Gentlemen, and Welcome to the Q1 FY 16 Earnings Conference Call for Triveni Turbine Limited. As a reminder, all participants' lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rabindra Basu from CDR India. Thank you, and over to you, Mr. Basu.

Rabindra Basu: Thank you and Welcome all to the Q1 F Y16 Triveni Turbines Earnings Call. We have with us on the call Mr. Dhruv M. Sawhney -- Chairman and Managing Director; and Mr. Nikhil Sawhney -- Vice Chairman and Managing 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 to this effect has been included in the 'Concall Invite' which has been emailed to you earlier. Again, we would also like to emphasize that while this call is open to all invitees, it may not be broadcast or reproduced in any form or manner. We would like to start the conference call with opening remarks from the management, followed by the interactive Q&A session, where you can discuss your view points on key issues. I now hand over the call to Mr. Dhruv Sawhney. Over to you sir.

Dhruv M. Sawhney: Thank you, Rabindra. Welcome, Everybody to the Q1 FY 16 Investor Call. Our results in Q1 were as expected. The total income was ₹ 1.28 billion as against ₹ 1.24 billion in the first quarter of FY 15. EBITDA is at ₹ 248 million against ₹ 254 million in Q1 last year. Our PBT is almost at the same level as last year at ₹ 211 million. The profit after tax is subsequently ₹ 144 million, slightly less is the tax provision and the EPS not annualised is ₹ 0.44 per equity share.

If you come to the business highlight, I would like to take these in two halves -- One is to talk about the past and the second is what we see for the balance of the year and going forward in FY 17 both for results and for orders. This is not just for Triveni Turbines but also for our joint venture, GE Triveni Limited, whose results are going to be a substantial part of the overall consolidated results at the end of the year. And finally our, aftersales business which is now getting a tremendous amount of traction, particularly in overseas market

The turnover and profitability for the quarter has been more or less at similar levels of the corresponding period last year and this is really to do with scheduled deliveries. As I said in many of our earlier investor calls, the quarterly figures sometimes are not representative of what we are going to achieve during the year, one quarter may be extraordinary and the next one slightly less. Broadly, we are on track with the statements made in the last conference call that we expect FY 16 to provide similar growth rates in turnover and profit after tax to what was achieved last year even though the pace is substantially higher in FY 16 over FY 15 than it was last year in FY 15 over FY 14. This is the main takeaway.

One of the key reasons for it is that in the quarter under review there has been a significant growth in order booking and our overall order intake is higher by 23% over last year and the improvement has come both in the product line and in the aftermarket line. The product order intake in Q1 FY 16 has been ₹ 1.41 billion which is a growth of 20% in comparison to last year. tThe Aftermarket intake has been ₹ 394 million, which is a growth of 36% over last year. We have an overall order booking in Q1 of ₹ 1.81 billion, product of ₹ 1.41 billion and aftermarket of ₹ 0.4 billion.

The outstanding order book as on the 30th of June is now standing at ₹ 6.65 billion and this is a growth of 10% over the closing order book at the end of Q1 last year FY 15. The crux is that Triveni Turbines focus on the international market continues to yield results and we are seeing a strong order inflow and more importantly a strong inquiry inflow from various geographies and I will come to those a little later. But the spread of our product and our reach has improved considerably and we are being taken in much better spirit in our key markets. The export turnover in the first quarter has gone up by 41% to ₹ 406 million and as a proportion of total sales exports has gone up from 24% in Q1 FY 15 to 33% in Q1 FY 16. As I said earlier, the Aftermarket business is also poised to achieve very good growth in the current year as it has grown by 36% in Q1 FY 16. The Product and Aftermarket ratio which was 78:22 in FY 16 is now 76:24.

We come to our subsidiary, GE Triveni Limited: We give the consolidated results at the end of the year, but I would like to say that in keeping with the turnaround that GETL had in FY 15 where there was a profit, the first quarter has been very good. We believe that in the current year this joint venture will wipe out all the carried forward losses and show a small profit. As you know all the Turbines are made in Triveni Turbines factory in Bangalore and that flange-to-flange turnover is taken in Triveni Turbines.

The inquires that we are getting in the international market is slower because of the particular geographies and the market in those countries has seen not that much growth in the industrial market as yet, but we have a larger spread of inquiries coming from more sectors. I will come into that a little later.

The outstanding order book of the joint venture on the 30th of June is ₹ 1.67 billion. Most of the outstanding order book, a good proportion of it will be dispatched in FY 16. We are expecting a good growth in the consolidated sales probably little higher than the growth in the PAT and a little higher than what it was last year. This is all coming from the order bookings in FY 15.

Before I come to the order bookings in the current year and also the market going forward, I would like to say that in the Domestic market, the current quarter has shown an increase in order booking and we have maintained our market share of 64% and we are getting increasing responses from our inquiries. While we cannot really forecast when they may close, the tendency is much better now, much more serious discussions are happening. So with Q2 and Q3 we do expect to make a better headway in the domestic market than what we made last year.

In the international market, we have a strong pipeline. But I am glad to tell you in Q2 because we have letters of intent in our joint venture GE Triveni Limited, we expect to receive five orders of the total value which was booked last year in FY 15. So we hope to cross that target by the end of Q2 i.e. September. These are very much in hand. Out of these five orders, one is international and that is doing quite well. We expect further orders in GETL beyond Q2 as well. we are unsure of the proportion of that as we are not sure exactly in which quarter it will be booked, but definitely we will be exceeding last year's actual bookings of orders in GETL by a fair amount.

The Performance Summary you have before you; the EBITDA margins are fairly similar to what they were last year and our PAT is also similar.

What I would like to also mention is that the geographies where we are getting our potential growth is Europe and surprising thing is how well our Aftermarket business has been taken in Europe. We received a strong order of repair of a rotor from Europe and this has actually been delivered in record time with a bonus, it is being delivered in Q2, and it will give a very good reference for our future business in Europe. Similarly, our orders that we have executed in the UK. Earlier we felt that Europe may be a more difficult market but with the shift towards bio fuel and renewable energy in Europe, this is right up our strength both in waste to energy and in other Biomass. So, we really are in the right field of non-conventional waste to energy, Biomass, Palm Oil and of course major market of Sugarcane Bagasse Co-generation which is taking root internationally.

South East Asia is another big market and is doing well. We are increasing our presence in Indonesia and in other parts of South East Asia. We are doing well in countries such as Vietnam.

A point that is brought up, which is a reality, is that currencies in some of our competitors' countries are devalued more than the rupee and primarily it is Brazil where the Real has depreciated by over 50%. There has been some depreciation in the Euro and some depreciation in the Yen. But, the bottom line is that we are able to preserve our margins and make further inroads into these territories with our product line. The credit goes to our R&D and value engineering efforts which are continuing. We are going to produce another 8 or 10 new variants this year plus higher megawatt range models. We have a very strong cost out program planned over the next 18 months which will put us in very good shape for continuing this order booking. But I must say we are increasing our R&D expenditure and value engineering expenditure over the last year, as we feel this is the crux of the company, technology in TTL. Similarly in GETL, there is a strong cost out program of bought outs and we are now looking at global sourcing rather than just from India both from points of security and cost competitiveness.

In the domestic business, we are seeing some traction in Sugar Co-generation but less now but we did get very good traction in the first quarter. The steel is very dormant but process Co-generation is also picking up. Cement is again very-very flat. Though there is a potential but I think we will have to to wait a few quarters before these two sectors pick up. Overseas, cement is quite good in the conventional line and there is some traction in Africa and in South East Asia.

I would like to now open up the floor for questions. Before that I would like to say that our intellectual property filings have increased substantially and we have got over 150 IPR filed till the 30th of June and we are going to be increasing this by 35-40 by the end of FY 16 and we are filing these in India and in some key markets overseas. Similarly, we are now looking at posting our service personnel overseas to be closer to our international clients and this will be another major shift in the company's operations and help us to sustain this export growth by setting up service centers internationally. We are looking at many geographies. I should be able to tell you more in the next few conference calls but we have a very good game plan ready for the next year to 18 months. Over to you.

Moderator: Thank you very much, sir. Ladies and Gentlemen, we will now begin the question-and-answer session. We have the first question from the line of Devam Modi from Equirus Securities. Please go ahead.

Devam Modi: There are a few queries on the business. Firstly, there has been in the industry and of the value chain also we have seen impact of the currency devaluation and the currency depreciation. Of course, we directly work with the developers where some of the other people in the value chain work with the OEMs, we are an OEM ourselves. So, are we seeing some impact or some possible future impact of the euro depreciation or the yen devaluation or something like around business, or is there anything else?

Dhruv Sawhney: I covered it a little bit, I will stress it a little more. In Central and Latin America and also in Europe our main competition as far as currency is Brazilian Real and had devalued by almost 50%. We are still extremely competitive and have won recently orders versus them. So that has not had an impact and that is the major currency that we were worried about. The next currency was the Yen which also went down by 25% in the last nine months and that also has been effectively counteracted. The Euro devaluation has not affected us much; the margins are very good in Europe. And the question is more acceptability and the confidence of placing the orders on Triveni. The margins are there and that is where we are making headway by having now some reference sites. So, we are actually not worried about the Euro. We have come to terms with the new Real and the new Yen pricing and our teams are confident of preserving the order growth.

Devam Modi: So, the amount of depreciation we are talking up over here is pretty large. So, are we saying that basically, our customers and our products have such an edge that 15-20% pricing difference would not matter, that is the sort of premium we deserve or something like that?

Dhruv M. Sawhney: One of the things is that in our value engineering, we have taken down 10% to 15% of cost in the last 18 months or so, which has helped a lot. When the rupee was little lower but when the Real was less than the 3 mark since then we have managed to make our products equally robust, increase the efficiency and bring down the overall cost per megawatt. That is really the key. There is no secret to not having good sourcing but very good designs is equalky important. That has been the forte of TTL.

Devam Modi: As you mentioned in your opening remarks, the domestic market recovery is something that does not look in any of the sectors apart from to an extent probably Sugar. You are not seeing much action. So, would you like put it more as a second half FY 17 event as of now?

Dhruv M. Sawhney: We expect to get better orders in the domestic market to FY 15. There is a substantial increase that was there in the market or what the market was in FY 12 and FY 13 we think we will come back in FY 17 but certainly the order inflow has been better and will continue to be better during the current year than what it was last year. In some sectors, the market has increased by almost 100% and we are seeing it from 95 MW to 200 MW. At the moment, our domestic order booking is above our budget. I do not like to say that this will continue because we do not know when the customers will place the orders but what I do want to say is that it is a welcome step because I did not expect it a quarter ago or certainly not two quarters ago, but in some areas there is some activity.

Devam Modi: So you would not rule out the chance of some book and bill on domestic side as well, that is what you are saying during this year?

Nikhil Sawhney: All Q1 is book and bill; a majority of orders in Q1 were on the domestic side about half and half and those will all be dispatched this year. We are looking at better traction in the domestic market. As was pointed out, the market in Q1 year-over-year,of course it is lumpy, not to be taken exactly was double.

Dhruv M. Sawhney: But domestic market and orders from now on from Q2 we are looking at preserving growth rates in FY 17. FY 16 we are pretty sure about. We are really looking at whether we get the same sort of on even higher base of FY 16 whether we can get the same sort of growth rate which is our target in FY 17. At the moment we are still on track to get similar growth rates in FY 17 with our international spread, with our concentration in Aftermarket and with some slight improvement in the Domestic market.

Devam Modi: So when you mentioned half and half, is it like half and half between Domestic and export products after taking out the aftermarket portion in the order inflows?

Dhruv M. Sawhney: 60:40, something like that.

Devam Modi: So Domestic is 60 and Exports is 40.

Dhruv M. Sawhney: Yes.

Devam Modi: What would be the same proportion on order book front?

Dhruv M. Sawhney: That is about the same proportion.

Devam Modi: After netting off the refurbishment part?

Dhruv M. Sawhney: Yes.

Moderator: Thank you. The next question is from the line of Pawan Kumar from UNIFI Capital. Please go ahead.

Pawan Kumar: Can you please quantify the Domestic order book, how much would it be of the ₹ 6.6 billion order book that we have?

C N Narayanan: We have just over ₹ 4 billion in the Domestic order book and around ₹ 600 odd million is Aftermarket order book and the balance is Exports.

Dhruv M. Sawhney: And ₹ 2.1 billion or something like that is Exports.

Pawan Kumar: Can you just give us a picture on how the growth has been across the Domestic order book versus international order book, in the sense you had mentioned international order book had grown by around how much sir?

C N Narayanan: The international order booking is almost flat as against Q1 in terms of product. In Aftermarket order book we have a growth. But the real growth in order book has happened because of Domestic order booking in first quarter.

Dhruv M. Sawhney: In the Domestic order booking the orders we receive from our joint venture GETL for the products for the Turbine is taken as Domestic.

Pawan Kumar: How much exactly is the Domestic order book growth?

Dhruv M. Sawhney: Just to make this point for the benefit of our other investors, even if GETL gets an export order the turbine part in that comes into the Domestic order of TTL because we supply to them in India and that is for the accounting norms. Domestic order book is about 50%, 134 to 182.

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Pawan Kumar: Order book, whatever is the outstanding at the end of the quarter?

Dhruv M. Sawhney: The outstanding at the end of the quarter you have a higher outstanding of export. Percentage of the order book outstanding domestically would be about 68% and 32% will be Exports out of ₹ 6.65 billion or even take the refurbishment.

Pawan Kumar: Compared to the previous quarter, how much has the Domestic order book grown by?

Dhruv M. Sawhney: The Domestic order booking actual has been from 52 to 90, substantial. This is the order booking in the first quarter.

Pawan Kumar: What are all the sectors do we cater to for Turbine? Do we also supply to wind turbines as such?

Dhruv M. Sawhney: No, we are in the Steam Turbines market. So we supply to places where steam is used as a fuel to drive the turbine. It is not for gas input or for wind.

Pawan Kumar: So it would be majorly first Sugar industry and for Co-generation wherever they are applicable in chemical, is it?

Dhruv M. Sawhney: If you go on to our website you will see the number of industries that we cater for. It is a much bigger description of what the company does rather than tell you on the phone.

Moderator: Thank you. The next question is from the line of Manish Goel from Enam Holdings. Please go ahead.

Manish Goel: Sir, on your guidance on the margins, you said it would be at a similar level. So, just wanted to clarify, because last year you had fairly good amount of FOREX gains which were reported in other income. So, are you factoring because at EBITDA level, it was 20% margin on a standalone. So, should we take margins at 20% at EBITDA level or we should include basically other income like FOREX income and then sectors?

Dhruv M. Sawhney: You will have to do it in the latter way; take the other income FOREX and then factor it in.

Nikhil Sawhney: To be done on a fully hedged book. Therefore the foreign exchange gain that is captured at the time of order intake.

Manish Goel: I agree, even current year it will all depend where it exactly gets captured in revenue or probably other?

Dhruv M. Sawhney: At the moment, it is going well.

Manish Goel: So basically we should look more at the PBT level margin than at EBITDA?

Dhruv M. Sawhney: Yes, correct.

Manish Goel: So at PBT level, we should be able to maintain last year's margin of 21%?

Dhruv M. Sawhney: 20-21%.

Manish Goel: On the JV you said we are expecting almost finalized five numbers of orders. So, would it be possible to share the number in terms of value what could be?

Dhruv M. Sawhney: You will know it in Q2, it is not too far away.

Manish Goel: Because you did refer that the order inflow number is similar to…?

Dhruv M. Sawhney: This is a little bit sensitive information. Let us get the orders, but I am saying that we are well placed. That is all I want to set it otherwise.

Nikhil Sawhney: These are the orders where LoI has been placed.

Manish Goel: I would really appreciate if you can give us Aftermarket sales breakup as you have been giving in recent past. So that should help us to get the product sales number for this quarter?

Nikhil Sawhney: For this quarter it was 76% of turnover was products and 24% was aftermarket.

Manish Goel: No, what I am asking is Aftermarket revenue breakup you usually give between Domestic and Exports, I think the number we get for current quarter is ₹ .27 crore Aftermarket sales. So can I have the breakup of that ₹ 27 crore?

C N Narayanan: The split of ₹ 28 crore is ₹ 20 crore is Domestic, around ₹ 8 crore is Exports.

Manish Goel: What was the similar number last year in the quarter?

C N Narayanan: It was ₹ 26 crore of Domestic and ₹ 4 crore of Exports.

Nikhil Sawhney: I think we should look at this on a longer-term period because orders are lumpy from quarter to quarter.

C N Narayanan: Not comparable on a quarter-on-quarter.

Manish Goel: We are just probably trying to derive the product sales number from basically what we have…?

Dhruv M. Sawhney: The more interesting one that you could look at the revenue analysis is that the refurbishment and service pickup export wise is where the real growth is. Our growth of Aftersales is not Domestic at all much. What will change the picture in the next 12-20 months once we have the service centers and with these few breakthrough orders which we are delivering now is in the Aftermarket and Aftermarket is in three parts -- Servicing, Spares and Refurbishment -- where we refurbish other people's Turbines, we are recently dispatching an order where we air freight the Turbine, the rotor here, refurbish it and air freight it back and still do it in a quicker time and cheaper than our European competitors.

Manish Goel: So sir, that is quite interesting, how do we see this pipeline?

Dhruv M. Sawhney: I only want to give the visibility in 'Investor Call' when we are close to LoI. But on an enquiry basis I can say it is good.

Manish Goel: You did mention that we are probably looking to set up service centers in overseas markets. So, like if you can throw more light in terms of what could be the CAPEX.

Dhruv M. Sawhney: Not substantial.

Manish Goel: Basically, it would probably help you in terms of that you do not have to air freight the rotor?

Dhruv M/ Sawhney: The person is over there and he is able to service the customer quickly. That is the help in getting the order. When you have a customer and there is something wrong then he does not want to ring Bangalore and worry about your visa and the person arriving. So it will help the whole company.

Manish Goel: If can give exact numbers for order book outstanding break-up for Domestic, International and Aftermarket?

C N Narayanan: As explained earlier, the total order book is ₹ 6.65 billion, out of which ₹ 630 million is Aftermarket, ₹ 1.8 billion is the Exports and balance is Domestic.

Moderator: Thank you. The next question is from the line of Mohan Krishnaswami from Brahma Capital. Please go ahead.

Mohan Krishnaswami: Just one broad question for improving our understanding. Decline in prices of conventional fuel, whether it is coal or crude oil, how do we see the market evolving for renewable power solutions in terms of obviously the viability can be challenged even though the environment issues are well known?

Dhruv M. Sawhney: The environmental issues are taking much more root than strict comparison with conventional energy. In the Paris Meet, Obama has announced a very ambitious program and all countries even developing nations have this move towards renewable energy because in many of these places the actual amount of power being generated by renewable sources is quite low. We are very fortunate because it has very good ROI for the customer if he has Biomass and let us say municipal waste, if he does not convert it into power, it just goes waste, same thing with bagasse, same thing with rice husk, or palm oil, or wood-chip. This raw material on a transfer pricing basis could be of very-very low value if it is not converted into power. So the ROI to these developers is very good, plus the incentives they get for their power rate.

Moderator: Thank you. The next question is from the line of Swarnim Maheshwari from Edelweiss Securities. Please go ahead.

Swarnim Maheshwari: Sir, my question actually pertains to the GE JV which we have. So at the time of doing the JV, our thought process was to scale up to 100 MW and the other thing was that we would be able to through a reference of JV, we will be able to ramp up significantly the international markets for the 0 to 30 MW orders also. So just wanted to understand, how are we ramping up over there particularly with reference to 0 to 30 MW in the international market?

Dhruv M. Sawhney: I have just been giving you that we are ramping up extremely well, it has got nothing to do with the GE; GE is from 30 to 100 MW, we have been ramping up internationally, you have seen the substantial increase in sales and order booking in FY 15. I have given you the figures of growth of order booking in FY 16 and the spread of geographies that we have in the Export market. That is to do with our own product lines and to do with our geographical spread. And we are doing this with little more travel, little more sales people. That is why some of you might have noticed that in the other expenses that has gone up but we are managing to preserve our margins at plus or minus 1% to 1.5% to where we were. With these front end costs of increased spread globally we are exporting now to over 50 countries and we have enquiries from another 30 or 35 countries. This is all part of a global push and so is the service center setup. As far as the product range in JV is concerned, we are hopeful this year of taking it above 50 MW.

Swarnim Maheshwari: Sir, my second question is you mention that we have witnessed good order intake in the domestic market. Now, if I have to exclude the GE portion of that, because the international order of GE, you actually tend to report this as a Domestic order, right. So, what I am trying to understand is excluding the GE portion of the order, how is the Domestic market done in Q1 FY 16?

Dhruv M. Sawhney: In Q1 FY 16 there was not much of the GE market, almost negligible. I was talking about the order intake for the future, but up to now the Domestic market where our increases have come have come from the TTL range at 0 to 30.

Swarnim Maheshwari: So you mention that of course the broad base recovery is I think probably a few quarters away but what you are witnessing is ordering in the Sugar and the Co-generation businesses?

Dhruv M. Sawhney: And process Co-generation generally.

Moderator: Thank you. The next question is from the line of Devam Modi from Equirus Securities. Please go ahead.

Devam Modi: This is in regards to the Aftermarket portion. So, currently, as I understand our order inflows have been in the tune of around ₹ 30-40 crore roughly in the last few quarters. So currently, we have a base of around ₹ 63 crore which is the order backlog, that should get executed probably in the next 4-6-months. So how much more orders can come and can be built itself in FY 16 on the Aftermarket side, what will be the typical tenure over there?

Dhruv M. Sawhney: We are looking at a growth in turnover of services in the current year of around 20% to 25%. You look at those figures and that is our budget and we have very good visibility for more book and bill.

Devam Modi: So, 20% is what you are planning for this year?

Dhruv M. Sawhney: May be little higher than that.

Moderator: Thank you. The next question is from the line of Nidhi Aggarwal from Sharekhan. Please go ahead.

Nidhi Aggarwal: If you could give me the geographical breakup of orders in terms of major countries?

Dhruv M. Sawhney: We do not want to give too much micro details of this for obvious reasons, but as I am saying, Europe is a good target market for us including Turkey and South East Asia. We have got very good traction from these two markets. We are spreading in LATAM, Central America and parts of North and South America and we are also seeing good traction in Africa now both East Africa and Southern Africa and our next push is in North and West Africa where we have not started it yet, but we are sending people now. So that is our new frontier if you may say where the market is quite substantial.

Nidhi Aggarwal: If we see the Annual Report, there is a substantial increase in consolidated working capital cycle, it has come to now 91-days. So, is there a change that is happening in credit payment terms in overseas market?

Dhruv M. Sawhney: No, not at all, it is all on LC.

C N Narayanan: It is primarily because of the lumpiness to the sales towards the end of the quarter. So when you look at an 'Annual Report' you will see some numbers which gets bagged with LC or bank guarantees and which gets in cash as we go into the next quarter. On a particular day it might be slightly higher, but all terms are the same as what we are consistently following both in Domestic and International markets.

Dhruv M. Sawhney: We are fortunate that we are still able to carry on our business with almost no credit.

Moderator: Thank you. The next question is from the line of Chirag Muchhala from Nirmal Bang Equities. Please go ahead.

Chirag Muchhala: Two book-keeping questions: Firstly, the order inflow of the Turbines that we have in this particular quarter ₹ 141 crore, can you give the breakup of Domestic and Exports of that?

C N Narayanan: Domestic is ₹ 65 crore and Exports is ₹ 80 crore.

Chirag Muchhala: Any FOREX loss or gain in this particular quarter?

Suresh Taneja: There would be some kind of a FOREX gain which is forming a part of the other income.

Chirag Muchhala: Can you quantify that sir?

Suresh Taneja: Roughly speaking it is approximately ₹ 2-2.5 crore.

Chirag Muchhala: In other expenses of ₹ 17 crore, any one-time item or any larger time compared to on a Y-o-Y basis?

Dhruv M. Sawhney: As I mentioned, our selling expenses are travel and all have been increased because of the increased exports and moving more on to services and travel has also increased in the proprietary work of setting up centers.

Chirag Muchhala: You mention that both in Domestic market as well as Exports, more or less the terms of trade remains the same, so we continue to be very strict about the advance from the customers as well as LCs before dispatch, right?

Dhruv M. Sawhney: Absolutely.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for their closing comments.

Dhruv M. Sawhney: Thank you very much for Q1 Results. I would like to end by saying that I think you will all be pleased with even better results in Q2 and exceptionally good results in Q3. That is the way we see the picture. I have given you for the year as a whole in my opening remarks where I expect to preserve the growth rate we got in FY 15 over FY 14 but you will start seeing traction versus last year in Q2 in TTL and again in Q3 versus what we did in Q3 in FY 15. I look forward to speaking with you at the end of each quarter. Thank you very much.

Moderator: Thank you very much, members of the management. Ladies and Gentlemen, on behalf of Triveni Turbines Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.