

# ALSTOM T&D India Limited Quarter ended 30<sup>th</sup> June 2015 Results

29<sup>th</sup> July 2015

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# Disclaimer

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## Forward-looking statements

This document contains forward-looking statements and information. These statements may include financial forecasts and estimates as well as the assumptions on which they are based, statements related to projects, objectives and expectations concerning future operations, products and services or future performance. Although the management believes that these forward-looking statements are reasonable, interested parties are hereby advised that these forward-looking statements are subject to numerous risks and uncertainties that are difficult to foresee and generally beyond ALSTOM T&D India's control.

# Indian Economy and the T&D Market

## Indian Economy

- Macro economic parameters such as Current Account Deficit, Inflation, Crude Oil price, etc. are under control.
- Delays in land acquisition amendment Act, GST and labour reforms are matters of serious concern. Time-line for achieving these major reforms are uncertain, as seen today.
- Bank NPAs are at alarming level, increased from 2.9% [of all loans/advances] in FY11-12 to 4.1% in FY 14-15 and rising further. Banks have reached their lending limit for Infra/Power.
- 'India Inc' is highly leveraged, not in the best of shape to invest in a new Investment/Project. Credit growth is low due to no new investments in the private sector. Interest rate is not the only factor.
- Market is short of cash, forcing abnormal payment and transaction delays.

## Power and T&D Market

- PLF fell to 59%, decade's low, against 75% in 2005! Poor electricity off-take by SEB Discoms, Fuel supply issues, Financial difficulties of major IPPs and T&D are the factors of poor performance of the sector.
- Only Central & State PSUs are driving Capex growth in a limited way. IPPs & Industry are missing in action.
- Power Grid and NTPC would be the key driver for T&D Capex, mostly in the high end of 765 kV, HVDC & GIS.. Some States are scaling up the investment, mostly up to 400 kV including increasing GIS substations.
- Tariff based complete bidding [BOOT] market is on the rise, for new investments in interstate transmission.
- Central/State PSUs yet to follow the 'Make in India' initiatives in choosing vendors. Several category2 contractors quote with low level GIS suppliers at 400/765 kV level, being dumped from the East Asian countries.
- Margin pressure is huge due to low volume/demand and the above unfavourable factors.

# Financial Highlights & Key Events

## Orders / Backlog

- Won contracts worth 7.1 BINR during the quarter despite prevailing tough market conditions.
- Order Backlog at a healthy level of 80.0 BINR increasing by 21% from June last year.

## Sales

- Sales for the quarter at 8.0 BINR, increased by 18.5% compared to 6.7 BINR in the same quarter of last year.

## Profit

- Operating profit for the quarter at 414 MINR compared to 572 MINR in the same quarter of last year.
- Profit after tax for the quarter at 196 MINR compared to 284 MINR in the same quarter of last year.

## Key Events

- Sets a new record in India with the 200th unit of the 765 kV transformer and reactor manufactured from its world class transformer factory at Vadodara.
- Alstom T&D India Limited has been selected to lead the smart grid pilot project by Himachal Pradesh State Electricity Board limited (HPSEBL).

**Market continues to be sluggish and economic environment is challenging**

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# Main Orders

		<b>MINR</b>
<b>PGCIL</b>	765 kV Spare Transformers Package	990
<b>Essar</b>	Transformers package for Neyveli Thermal Power Plant	780
<b>OPTCL</b>	400 kV AIS Substation at Lapanga	720
<b>PGCIL</b>	765 kV Reactors for Aurangabad/Sholapur	610
<b>PGCIL</b>	765 kV 500 MVA Power Transformer for Raigarh/Gaya	450
<b>PGCIL</b>	765 kV Reactors for Ajmer/Chittorgarh	400
<b>HPSEB</b>	Rehabilitation of 245 kV GIS Substation at Bhaba Power House	360
<b>HPSEB</b>	Smart Grid Package	185

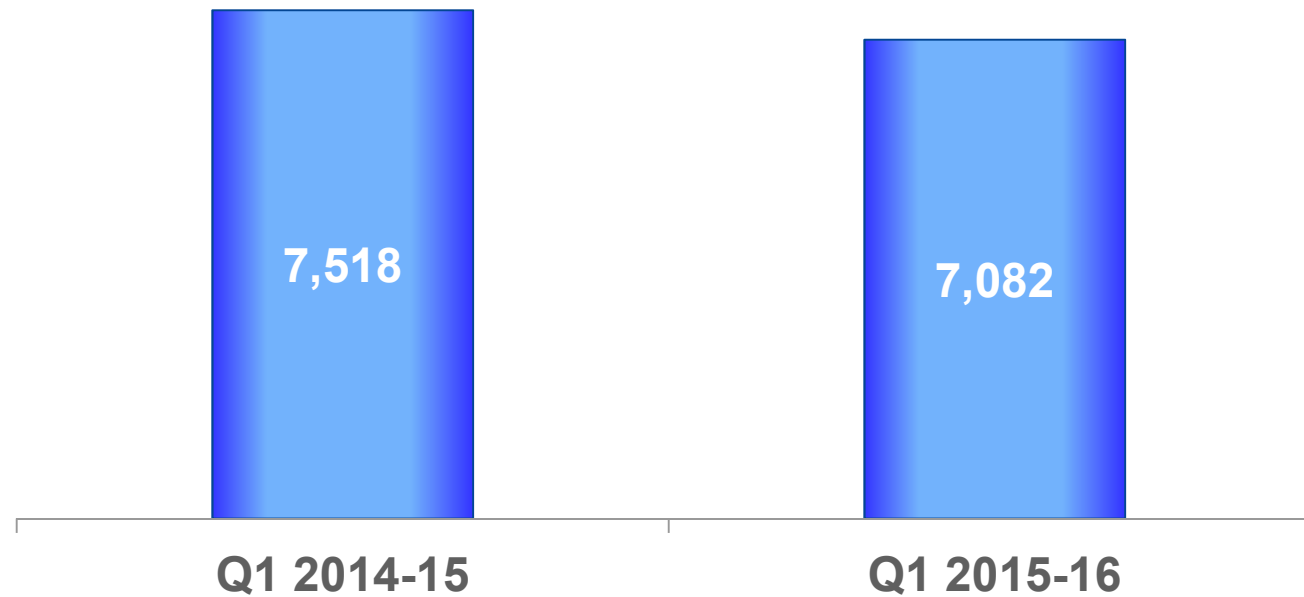
**Won several orders despite depressed market conditions**

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# Order Intake

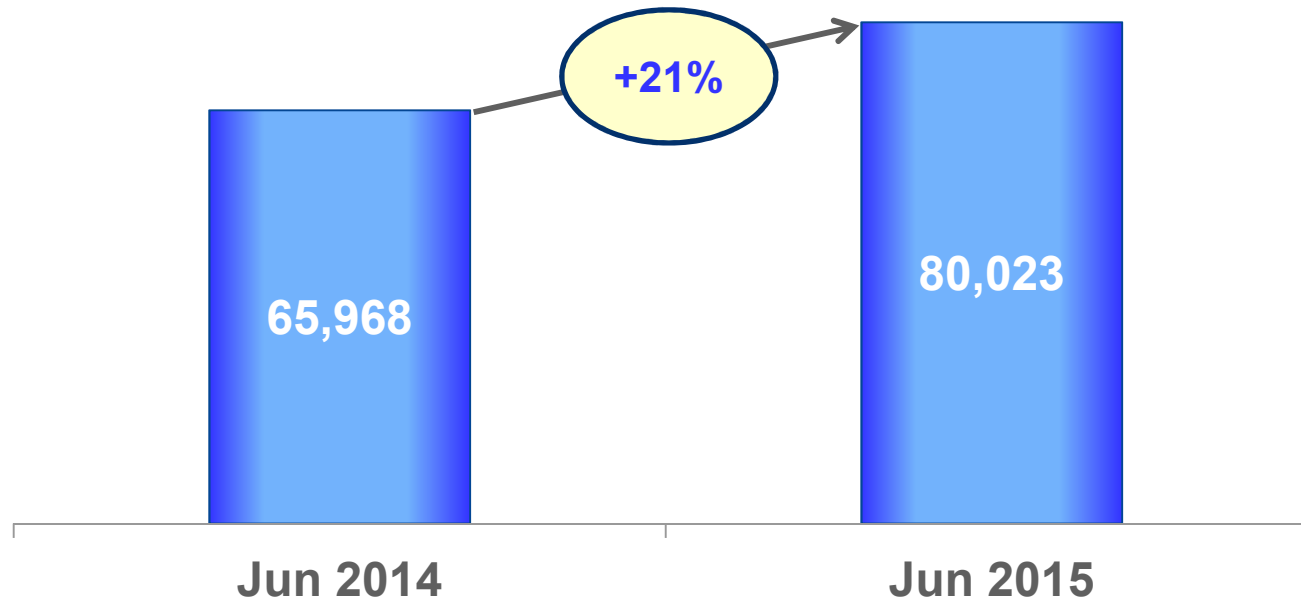
**MINR**



**Have been more selective in Orders/Margin**

# Order Backlog

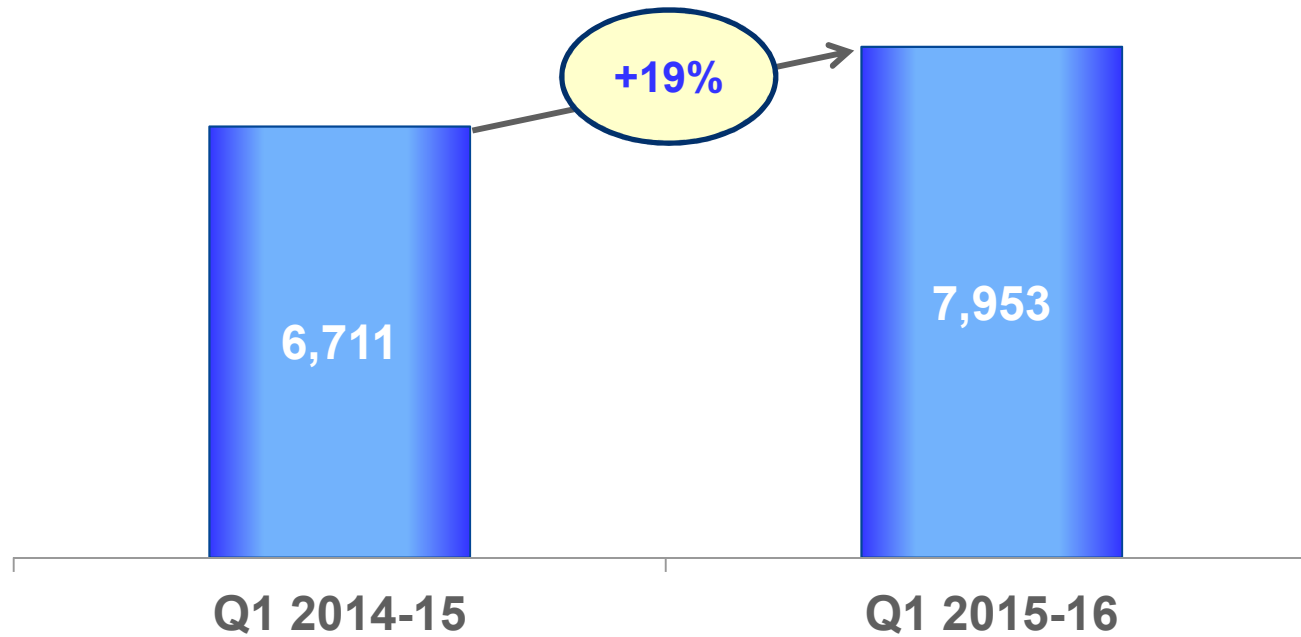
MINR



**Represent 24 months of sales**

# Sales

MINR

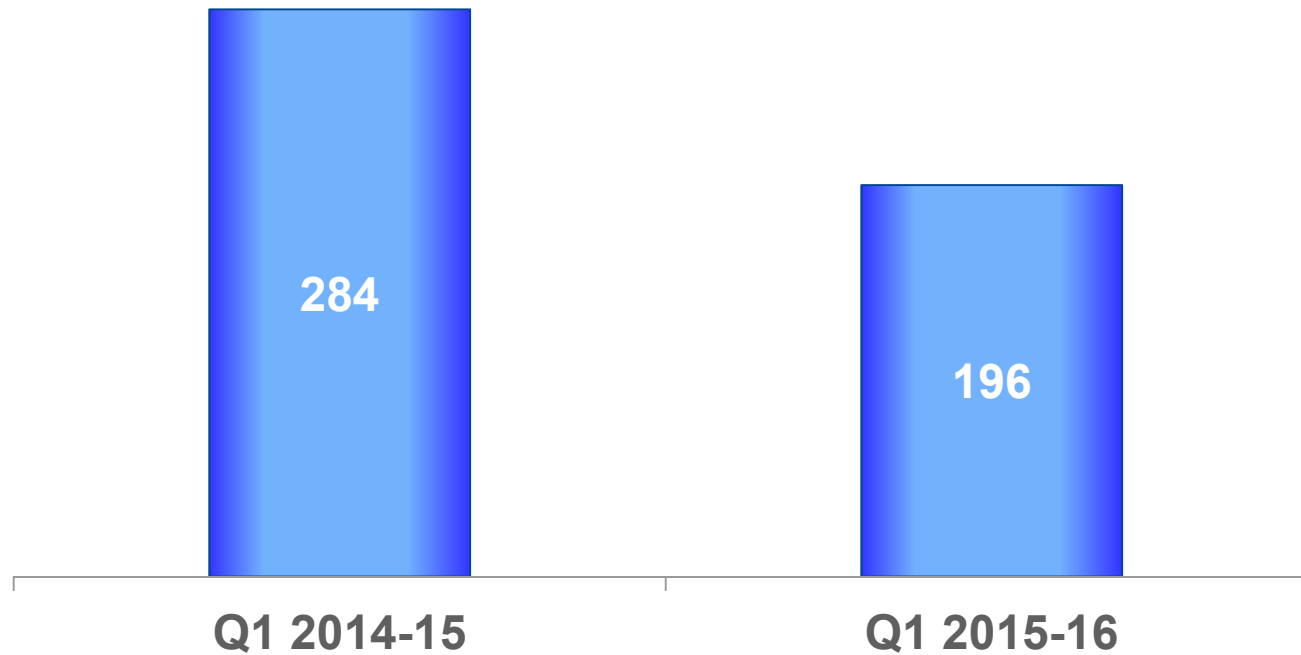


**Increase contributed by both projects and products**



# Profit After Tax

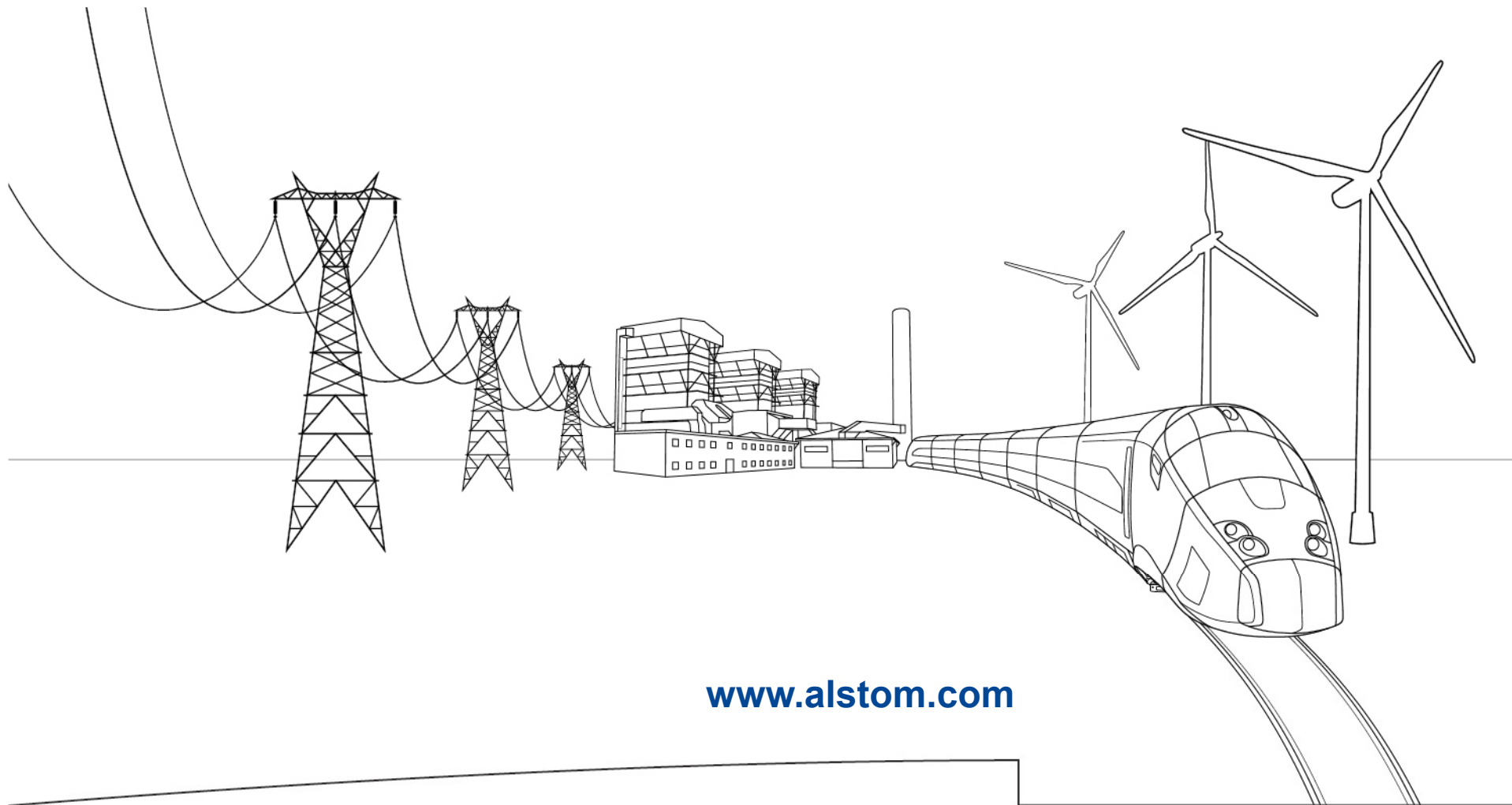
**MINR**



**Attributable to project mix**

# Key Data for the quarter ended 30th June, 2015

<b>MINR</b>	<b>Q1 2014-15</b>	<b>Q1 2015-16</b>	<b>Change △</b>
<b>Sales Revenue</b>	<b>6,711</b>	<b>7,953</b>	<b>+18.5%</b>
<b>Operating Profit</b>	<b>572</b>	<b>414</b>	<b>-27.6%</b>
<i>As % of Sales</i>	<i>8.5%</i>	<i>5.2%</i>	<i>-3.3pts</i>
<b>Profit After Tax</b>	<b>284</b>	<b>196</b>	<b>-31.0%</b>
<i>As % of Sales</i>	<i>4.2%</i>	<i>2.5%</i>	<i>-1.7pts</i>



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