

Crompton Greaves Limited
Q4 FY 2015 Results Conference Call
May 28, 2015

Moderator: Good Day, Ladies and Gentlemen. Thank you for standing by and Welcome to the Conference Call of Crompton Greaves to discuss the company's Fourth Quarter and Financial Year 2015 Results and the way forward. As a reminder, all participants' lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end. Now without any further delay, I would like to hand over the proceedings to Mr. Laurent Demortier — Managing Director and CEO, from Crompton Greaves Limited. Thank you. And over to you, sir.

Laurent Demortier: Thank you very much. Good Evening ladies and gentlemen, and thank you for joining us for this 4th Quarter and Annual Results Ending 2015 Investor Conference Call. I think before reviewing our performance I do want to confirm information that CG Board of Director has released today. The Board of Director has received non-binding proposals on reputed international entities with significant interest in the Power sector for acquiring the European North America and Indonesia activities of the Power segment division of CGL. We have received firm offers first for the Canadian Power and QEI US, transportation, Automation business. This is an important step in our strategy to focus the group on a profitable B2B activity. This move will give us a balanced portfolio in Power, Automation and Industrial and a strong performance base I focused more information on those transaction in the Q&A session.

Back to the result, I think India region for 2015 orders reached Rs.4,707 crore. The growth has been particularly strong on Q4 and this on all businesses as being the Consumer business had a record growth of 19% Industrial 10% and Power 80%. Export from India grew significantly for the year at 1,199 crores which represent growth of 31% growth versus last year. I take this opportunity to highlight two of the major orders received this year, in this quarter 119 crore from NTPC and 85 crores from PGCL both for 765 kV Power Transformer. Standalone revenue was reached 7,837 crore 3.5% increase compared to last year. For the quarter it was 4.4% growth 2,148 crores and the backlog at the end of March represent 3,497 crores or more than nine month of operation. Our standalone PAT 731 crore or 9.3% which represent a 40% growth versus last year.

Our international business orders remain stable at 5,690 crores growth particularly strong in Middle East 29% growth at 995 crores, Europe grew at 7% and Americas at 8%. Indonesia experienced degrowth of 20% but I think it is functional affected related to some of the events that happen in the country for this year this will be compensated in this quarter. It is worth to note automation revenue has reached a record level for our business in international it take worth 49 crores a 14% growth compared to last year. This year we had 45 crores net exceptional income which has been recorded.

This quarter we have recorded exceptional 242 crores of cost which cover several exceptional items. I am just going to summarize those items one is the currency variation impact on our loans to our international entities for 44 crores. VRS provisions of 7 crores for cost restructuring of our India operation where we have decided to streamline the organization in preparation to the consumer demerger. 22 crores provisions for litigation for a case back in 2006 for which the case has been settled and for which the provisions has been made at that made was not sufficient. Another provision, I think I have discussed of 82 crores mainly for projects the completion of our projects for Alergia from our unit in Hungry and at the same time we did provision we decided to review all the outstanding claim and based on our understanding at this point of time we decided to make an additional provision of 65 crores this expand to 242 crores that you had noticed in publication. Q4 result confirm I think for me

the rebound of India market and the strength of Industrial, Automation, Power and Consumer Offering. After the decision announce today to divest most of our international Power system activities and the cost reduction we launched across the regions the company will be able to deliver more consistent and higher result by producing on profitable and far going business. Having said that, I will now open the floor for questions.

Moderator: Thank you very much. Participants, with this we are going to start the Q&A interactive session. Should you wish to ask any questions, you may please press '0' and '1' on your telephone keypad and wait for your name to be announced. A repeat, participants should you wish to ask any question, you may please press the '0' and '1' on your telephone keypad and wait for your name to be announced. We have the first question from Mr. Sanjeev from Sharekhan, your line is unmuted, you may go ahead and ask your question.

Sanjeev: Sir if you can just throw some light on the announcement that you have done regarding non-bidding interest that you have got, first. The second is long-term borrowing we have seen 634 crore consumer durable capital employed has gone negative so something if you can clarify on that?

Laurent Demortier: Okay. Madhav, can you clarify on the borrowing?

Madhav: Yeah, sure. Thanks, Sanjeev for your question. During the month of March we have borrowed a sum of 700 crores which as you would have realize would go as part of the consumer demerger that is basically the cost of a compensation pronounciation by CG certain of its brands in favor of the consumer business and that liability gets reflected in the capital employed in the consumer business which in turn becomes negative because of the 700 crores of debt so this debt basically will move out of the consumer business. Laurent, you want to talk about the first one?

Laurent Demortier: Yeah, okay. I think just do not want to repeat the announcement that has been made I think we have the serious proposals and the assets in both are the one related to the Power system business both in Europe, U.S. and Indonesia.

Sanjeev: And if you can give us numbers that or a inflow in order book and breakup the normally that you give?

Laurent Demortier: Yes, we can give you.

Madhav: Sure. If you can take out the numbers please. First I will give you the India numbers. Power systems in India for the quarter order intake is 992 crore, reflecting growth of 80% over the corresponding quarter. IES business got an order intake of 459 crores in the quarter that is a growth of 10%. Total order in-take in India is 1,452 crores that reflects a growth 49.4% of the corresponding quarter of the last year. Coming to non-India, order intake for the quarter Power systems 1,051 crores Industrial system 87 crores. Total order intake for all India is 1,159 quarter. For total CG as a whole power system has got an order of 2,044 crore in this quarter. Industrial system has got an order of 547 crores in the quarter and CG as a whole for the quarter Power and Industrials has received orders of 2,590 crores.

Sanjeev: Order backlog sir?

Madhav: Sure. The order backlog as on date as of 31st of March first I will give you India numbers Power system is that 2,967 crore, Industrial system is at 530 crores, total order backlog in India as of date is 3,497 crores. Coming to non-India the power system has got a backlog of 3,951 crores, Industrial system has got a backlog of 130 crores, total backlog non-India as on date is 4,082 crores. Power system as a whole of CG as on date has got a backlog of 6,918 crores and Industrial system has got a backlog of 661 crores. Total backlog of CG in Power and Industrial as on date is 7,579 crores.

Moderator: Thank you very much. We have the next question from Ms. Amit Sinha from Macquarie Capital, your line is unmuted, you may go ahead and ask your question.

Inder: Hi, this is Inder here from Macquarie, thanks for the opportunity. My question is regarding this intention to sell our international operations. Can you give some idea as to how advance these proposals are these only initial interest or have we kind of gone ahead and done some negotiations with these guys and there seems to me much more clarity in terms of timeline when this can be closed?

Laurent Demortier: I think on this first of all, this proposal as we said constitute some indication which means that we had discussions with the parties. We also mentioned that some of the unit we are taking about we are in the advance discussion we are just in the closing mode especially for QEI in the U.S. and so I think in terms of timing we are looking for some compression by Q4.

Inder: So you mean by Q4 all division will begin or at least one QEI should be completed.

Laurent Demortier: All transaction should be completed by Q4.

Inder: One more question related to that again I know it will be very difficult for you to share any sense on value but ball park would all these transaction will allow us to recover all type of liabilities that we have or the outstanding debt that we have or we would still require to take some outstanding liability on our books.

Laurent Demortier: This is too early to answer this question.

Inder: Okay. My last question is on this provision that we have taken almost to the tune of around 200 odd crores ex of FOREX. How does that places Crompton in terms of potential more hits coming through in the next few quarters or are we at this point of time factored in all possible cause that we can foresee.

Laurent Demortier: Okay. Madhav, can you answer?

Madhav: Yeah, sure. Thank you, sir. If you look at the exception that we have taken one is pertaining to the VRS 7.49 crores. This is basically people who are in Kanjur we relocated some other facilities to Ahmednagar so, we did reallocation people obviously will realize it is not a recurring thing. Secondly, if you look at a litigation claim this was a claim of entity called CG Hungary which we had acquired in 2006 so this was a case which along with the acquisition this case we were contesting for quite some time. If you probably recollect four years back we had made a provision of around 600 euros for that case has come to fruition and we have taken the required provision there. So that is not going to be a recurring cost anyway, right. Now third, as Laurent has expect in the last quarter there was some cost pertaining to Algerian project which have been taken here and as we explained we thought to have review all the outstanding places and based on understanding at this point of time we decided to make a provision of 9 euro million around 65 crores.

Inder: Yeah, so does that mean from quarter one the international operations would be able to EBIT or PBT breakeven kind of situation or that is still uncertain?

Laurent Demortier: That is too early to answer the question.

Moderator: Thank you very much. We have the next question from Renu Baid from B&K Securities, your line is unmuted, you may go ahead and ask your question.

Renu Baid: Sir, my first question is on the sale you have mentioned different geographies within the power segment where we have sale proposals. We can understand Europe, U.S. has been some trouble areas but Indonesian entities were profit making and doing well so what has been the thinking process to hive off or probably potentially look at sale of this business as well.

Laurent Demortier: I think this was the idea has been to refocus the group on India both in terms of market geographical market but also industrial base so I think based on our size we felt that this was the right thing to do. We also believe that some of the companies might be in a better position to leverage those assets worldwide so that has been the main thinking behind.

Renu Baid: But as in just a thought and hind sight all the acquisitions that we have done over the last five-seven years it means we are probably going back where we were after learning or getting certain technical qualifications or technologies?

Laurent Demortier: I think if you talk about capacity I think capacity improved in both Automation industrial and Power. Our technology has significantly improved I just mentioned the 335 kV order we received in India which is going to be made in India by operation so, I think we have improved both in industrial in Automation and in Power and this should put us in a total different league than where we were four years ago.

Renu Baid: Okay, so essentially from here on I mean looking at the next three to four years what else that in terms of business positioning vis-à-vis other domestic peers for the local Indian market and business from India to "Make in India"?

Laurent Demortier: I think our focus is going to be increase our market share in India and to increase our export in all segment which should position us I think in industrial in one of the leader for this in this market. In HV segment we already are the number one leader in high voltage in 765 and we will confirm that both in power transformer in the break also and in the I think in the consumer I think will not go matter that space but I think this is also the fast growing segment and then in Automation we have several new projects we have been launching for our new offices in Bangalore in India to leverage on the smart city initiative that are currently launched in India.

Renu: Sure. And sir my second question is on the international business side in the current quarter if we see adjusting for the currency level sales apparently have shown good healthy growth almost double-digit growth in revenue. So are we actually seeing this execution run rate being sustained and maintained in the international business despite weaker order book?

Laurent Demortier: Yes, I think we have pretty good growth in international as I said in Automation we had more than 40% growth due to success of offering on Smart Grid on the meeting size. We had also a good growth in industrial activities where we are have launch new generation of hydro generator on the major projects of innovation in the renewable sector in Europe and I think on the Power segment after all delivering so the volume size so I think we are more in steady state both here and there in our international operations.

Renu Baid: Correct and within the automation revenue what was the sales what was the share of Automation sales in the fourth quarter?

Laurent Demortier: Madhav?

Madhav: Sorry, I did not get your question.

Renu Baid: Sir, for the full year our Automation revenue grew 40% at 849 crores so how was this and looking for the fourth quarter?

Madhav: One second, just me a second, yeah. Okay, sales for Automation, you are looking for Q4 or for the whole year?

Renu Baid: Q4.

Madhav: Okay. Automation is 267 crores in the quarter.

Moderator: Thank you very much. We have the next question from Mr. Pulkit from Goldman Sachs, your line is unmuted, you may go ahead and ask your question.

Pulkit Patni: Sure, thanks a lot for taking my question. My first question if so if I understand correctly, if you were to have this conversation one year from now then CG as a business would only have a domestic power and domestic industrial business along with obviously the demerge consumer business. We do not intend having any international business. Is that understanding correct?

Laurent Demortier: No, I think it is quite incorrect. I think looking one year from now I think this business will be 50% India 50% non-India to make things clear. So first demerger of consumer obviously the international operation that I remind you automations quite significant in Europe, the industrial business where we have buyer business in Europe plus the motor business the large motor business in Eastern Europe and we have a lot of activities in Middle East and selling Middle East Africa so, we have a 50%-50% we have a good portion of this activity in EMEA Europe Middle East and Africa and India.

Pulkit Patni: Sure, sir so basically only the international power business is what we are looking at selling right now?

Laurent Demortier: This is go forward that is exactly what we are looking at only the power system business.

Pulkit Patni: Okay, understood. Second thing, book keeping question, if we look at our EBITDA margins for individual segments. The other segment negative EBIT margin looks pretty high in this particular year so, I would trying to understand, could you just highlight what exactly is there in the other segment EBIT margin?

Laurent Demortier: One of the major impact is the Jalgoan operation that I think Madhav can confirm.

Madhav: See the losses which we have reflected in the other segment is primarily coming out of a distribution franchise in Jalgoan as you aware that we have a distribution franchise where we buy power for MSCBCL and pass on to the consumers. Under the contract there is an increase in the cost of power purchase but the increase in tariff for the consumer has not been yet approved by the regulator so that is why the reason there is an impact in the P&L in the quarter.

Moderator: Thank you very much. We have the next question from Sumit Kishore from JP Morgan, your line is unmuted, you may go ahead and ask your question.

Sumit Kishore: Sir my follow-up question on the Jalgoan operation. So the losses that we saw in the fourth quarter I mean what is the timeline for the regulators to approve the traffic because this can be assisting for in the coming quarters.

Madhav: Sumit, this is Madhav there is a process for getting the tariff raise and that one has to make an application to the regulator based on certain amount of purchase in a given period of time so there are certain process there and this is the first incidence of power purchase cost rates as well far as we are concerned here. So we have made the necessary request for tariffs raise and we are waiting for the revert so once we get the revert we will know we will be able to tell you something.

Sumit Kishore: Okay. So basically when you get revert there will be a retrospective application.

Madhav: We will have to wait to what the regulator says.

Sumit Kishore: Sir my second question could you give a fee order book for exports from India?

Madhav: Yeah, sure, I will give you that, that is not a problem. The order book that I have for export is 869 crores from India.

Sumit Kishore: And this is largely power?

Madhav: They are largely power and in the sales.

Sumit Kishore: Sir my third question, I was just trying to understand the reason behind the announcement of receipt of non-binding proposal from interested parties to acquire parts overseas business and overseas received few days and if it is just a proposal why announce it on the exchange. You know you do not announce any interest from parties when they show interest to acquire your business normally on the exchange so why announce it now were there received a couple of days back?

Laurent Demortier: Okay, I think we have with us Mr. Hariharan, CFO, of Avantha who is going to reply.

B. Hariharan: Hi this is Hariharan here, I think the reason why we have announced is that these are all you know firm indicative offers and we have been in discussion with them for the last couple of months so though the offers might have come recently. We have praised it in the board and we feel that it is important for us to announce it to the market in view of the transparency and you know whatever our grey lines are there so that is reason why we have announced and we are confident that these offers can be converted into bidding offers in a reasonable period of time maybe two months to three months and we expect that we will be in a position to look at concluding this deals maybe by the third or fourth quarter.

Sumit Kishore: Okay, that answers my question. Why the segmental EBIT so much higher than the actual EBIT that we saw see in the P&L for standalone numbers even after including other income. So in standalone the PBIT is Rs.1,611 million but in the segmental EBIT it is Rs.2,001 million is this because of exchange loss that you have adjusted there?

B. Hariharan: Sorry, if you can explain me the question a little bit more please?

Sumit Kishore: So in the standalone results you know you have given the segmental EBITDA numbers the total segmental PBIT is Rs. 2,100 million 200.1 crore. If I look at the P&L the PBIT is 1,611 million 161 crores there is a 40 crore difference.

B. Hariharan: Yeah, there is a technology.

Sumit Kishore: Okay. So another I mean generally happening in the last year why did not you report an exchange gain of 93 crore as an exceptional item and report a loss of 44 crore as exceptional item now.

B. Hariharan: See if you look at the results Submit basically this not an exceptional item it has been reported as an exchange gain oblique loss may not reporting as an exceptional item.

Moderator: Thank you very much. I would like to repeat, participants should you have any more questions, please press '0' and '1' on your telephone keypad. And I would request all the investors to kindly ask only two questions so that we can complete the other queues as well. We have the next question from Mr. Girish Nair from BNP Paribas, your line is unmuted, you may go ahead and ask your question.

Girish Nair: I just wanted to understand. How much of these exceptional items are cash and which are non-cash? Is everything non-cash or...

Laurent Demortier: Okay. Madhav?

Madhav: Hi, Girish. If you look at the VRS which we have done that is a cash item rest of the items are non-cash in this balance sheet.

Girish Nair: Okay, sure And secondly, I just wanted to understand, could you explain me I did not understand the FOREX loss probably so what I understand is you have given certain loans to your overseas subsidiaries in foreign currency and so what does the loss mean is it just the translation loss because ultimately when these loans will be repaid you will definitely get it back, right?

Madhav: Yeah, I mean Girish, as per the accounting standards the loans that you give to the overseas subsidiaries or overseas companies that we have done a mark to market on those loans so you would realize that the euro has sharply depreciated against the dollar that converting those euro loans into INR give you lesser number of INR so that is the amount that is provided here and the real effect will come on the date of actual movement of money and that project when we will have see what happens but basically more an interest in the books just to make a mark to market.

Girish Nair: And then finally, I just wanted a small question the other income in the consolidated statement less than the other income reported in standalone how do we explain that?

Madhav: Sorry, can I understand your question again please.

Girish Nair: Yeah, the other income that you have reported in your consolidated statements that is lower than the other income reported in your standalone operations.

Madhav: Yeah, that is right, that is finally the effect of the exchange. Exchange difference which has affected the other income.

Girish Nair: Okay. So the other income is negative in the overseas operate.

Madhav: That is correct, we have not exchanged the pressure.

Moderator: Thank you very much. We have the next question from Mr. Ashish from Morgan Stanley, your line is unmuted, you may go ahead and ask your question.

Ashish: My first is on the unallocable expenditure in the standalone P&L where is there in the segmental it has gone up from 17 crores last year to around 39 crores this year. What is there actually?

Management: Yeah, Ashish there has been as you know provision by the government to make a mandatory CSR expenditure. The CSR expenditure gets reported in the unallocable cost and that is key driver of the driven in cost.

Ashish: Sir is it possible to quantify that?

Management: It is as per the law we are supposed to spend 2% of the last three years average annual PBT.

Ashish: Okay, fine, I got that. And secondly sir, on this on the debt that we have raised in the standalone business I understand it is towards that transaction with a consumer company. So firstly I wanted to understand what all rides will the consumer business have and will CG in the new form will they have any access to the Cropmton brand?

Management: If you would go through the scheme of the merger that we have filed with stock exchanges and SEBI which has been approved by the SEBI the new companies occurs the company will use the consumer brand under specific categories and sell their products, okay. And since CG will be reducing its voice for this brand we are getting a compensation for that.

Ashish: No, sir, I understand that but for let's say the industrial business of CG what brand you can continue to use that for other business ex-consumer?

Management: We are still working that out we are from time to time to think about this and plan our long see end of the day Power and Steel are going to be very long-term businesses we need to rethink on the branding strategy for these business these are more now becoming consumer focusing businesses so need to be we will work on that and over a period of time we will be able to define it very clearly.

Ashish: Madhav, my apologies to hop into it. But what I want to understand will CG have any access okay the Crompton brand as things stands today or is it completely transfer to the customers?

Madhav: After a period of time for the de-merger we will not have access to the Crompton brand.

Ashish: Okay, fine, yeah, that is what I wanted to understand. And sir just lastly, on the cash balances as well even while we have raised so much of debt for the transaction our cash balances have not gone up either our investments have gone up so...

Madhav: Well if you look at I am sure you are only looking at the cash and bank balances. If you look at the current investments that we have in the balance sheet which are nothing but mutual bund that we invest part of them on a short-term basis. The overall cash balances are higher than the last year.

Ashish: No, but they are very marginally higher while we have raised a debt of 600 crores actually.

Madhav: We have raised a debt of 700 crores and there are inventory receivables everything else there is investment. We also paid to money to overseas subsidies to pay down the loan which is why if you at only standalone balance sheet you will not get the full picture. Hope I have answered your question, Ashish?

Ashish: Actually what I am trying to understand if the loan was raised in standalone it should be reflected somewhere on the asset side as well which is what I am unable to reconcile where the 700 should reflected on that side?

Madhav: Ashish, if you look at the balance sheet the balance sheet is reconcile, right. So the question is the cash growth from here to the old subsidiary which comes at the loans and advances we then use the money to pay down the debt, debt you know is always overseas, okay we are not looking at the full balance sheet just not the cash one that you can look at.

Moderator: Thank you very much. We have the next question from Deepak from Elara Capital, your line is unmuted, you may go ahead and ask your question.

Deepak: Yeah, my first quarter is on just continuing from the previous question the non-current investments in the parent company is up by 200 crores so what exactly is the nature of this investment?

Madhav: We give money to overseas subsidiaries firstly, as primarily as loans and advances, we than get converted into equity so, we have converted a part of loans and advances into equity and that is why the amount has gone up.

Deepak: And my second question, actually I did not understood in the earlier one of the questions you replied that why the capital allocation towards consumer business is negative what exactly is that in the parent company.

Madhav: See basically we have borrowed a sum of 700 crores which is appearing in the balance sheet of CG India, okay. Now this amount under scheme of demerger this loan will get passed on to the consumer company the demerge consumer company, okay. So when you report the segmental reporting loan pertains to the consumer business this will go out of the assets so your capital employed goes down to that extent which why it becomes negative here.

Deepak: Okay. And my last question in the opening remarks Mr. Demortier mentioned about the he is seeing some kind of rebound in India in the fourth quarter. So what exactly and which are the user see where he is seeing this kind of rebound and also any traction that he is seeing on the railway side.

Laurent Demortier: Okay, this is picking so when I mentioned it was because obviously our intake has been stronger in all our businesses and more than what we were expecting and suddenly notch higher any of the previous quarter. So the thrust area has been the infra high voltage the transmission sector in India where I think PGCIL has been re-launching and launch several bids where we have that is we have been taken and it is a real increase investment for acceleration investment from that side. Second, is in the CAPEX market in the motor business we have seen a very large growth on our LTRI so this small growth business in India which is basically serving all the slowed OEM for machinery so I think that is also a second sign. The railway business has been stable so we have not seen yet any significant growth but I think it is going to come. As you know we are just an equipment supplier of this segment so usually we come at the end. I believe that the growth would be more at the end of next or at the beginning of next year in this on the railway sector. Consumer has been very good I think we have been doing better in the market in consumer but still we have seen a good quarter it is a good seasons anyway this was good season and then we have also been able to launch some new product in the Automation field that help us to open new business in India so....

Deepak: Yeah, within consumer how was the growth in lightening, pumps, fans, separately?

Laurent Demortier: The biggest growth was I think fan was I think 17% I just go and check and pump 17% so both the fan and pump has been fastest growing business I think in this year.

Deepak: My last question is on if you can comment on capacity utilization in various factors in India and overseas on an average or plant wise?

Laurent Demortier: I think capacity utilization in India was around 70% or 71% and I think international has been in the same range.

Moderator: Thank you very much. We have the next question from Harvind from Axis Capital, your line is unmuted, you may go ahead and ask your question.

Bhavin: My question is on the sale of the business. So if you can help us on the thought process because historically what we have been saying is CG Power business would not have been what it is today had me not acquire the international business so if you can answer my question once the international businesses have been sold how will it impact on a) the technology front b) on the export side and if you can also specifically answer the GIS technology housing **(Inaudible) 42:36** so how will impact the domestic operation?

Laurent Demortier: Okay. So a lot of question so I would try to answer that, I think again this transaction is only on the Power system as you know in power systems we are overwhelming size of the both transformer and I think the first thinking has been that we believe that some of the company might be better position to get more out of operation outside because of so that was the first reason we are not able to get the same profitability in those unit and what we could have been in India. The second thinking in terms of technology yes, when we acquired those business five years to six years ago or even in 2005 almost 10 years showing fact a significant work which has been done and I think we have upgraded all our technology I just mentioned the 765 kV order we got here in India specifically a product that was coming from those nature. I think on the so I think today we have same technology almost everywhere. In terms of GIS I think this activity this production is mainly in your production we will see in India we have a unique technology on the AIS which is not developed anywhere else and we have the new buyer of the products on some exchange the partner for them in this area.

Bhavin: Also, how will the export get impacted you said 2,000 was the exports from...

Laurent Demortier: When I mention the export number is export in India factory outside so I think this export is not going to be affected at all as we sell directly to customers India. Our first area for export is Africa and Latin America and this will continue there is no impact on any divestiture of assets outside India on this activity.

Bhavin: Okay. The entities which are getting sold this is such international part system what it he equity investment by the standalone entity and what is the debt given to these entities as on March 2015?

Madhav: Lets us just read the press release this function release has been given. There has been a non-binding offer received by the board that is being evaluated. So I would not saying the entities are being sold so firstly that is the difference. Secondly, once the board takes the decision we will announce it and that point of time I will be able to give us some concrete numbers.

Bhavin: Okay. So from the standalone entity what is the total debt to the international operations as a whole?

Madhav: See the investment that we have made in international operations are in both forms equity as well as debt and that I also meant for Automation business and Driver and Automation Sweden business and rotating machine Hungry business this is a composite pack of investments and loans and advances. So once we have firm decision by the board which we can announce it at that point of time I can tell you what is the amount and what is the effect.

Bhavin: No, I am looking at the total. In the current 1,500 odd crores is showing at the loans and advances in the standalone balance sheet.

Madhav: Yeah, so if you look at the standalone balance sheet one is if you will not look at the non-current investment, okay that is almost 1,000 crores and we have short-term loans and advances around which is around 1,500 for the total of 2,500 crores we would be approximately 1,200-1,300 crores would be on account of the loans and advances to the overseas entity.

Bhavin: Two last questions, housekeeping questions, the sale of Avantha power have we received cash?

Madhav: Okay, what we have understood from Avantha power is that the execution of the first transaction is was not completed as on 31st March and second transaction anyway is in progress.

Bhavin: Okay. Because the reason I am asking is when I look at the notes took on the Adani Power they have said the total consideration paid is about 1,000 crores so I was trying to understand if cash has flown through Crompton Greaves?

Madhav: So why do not I request Mr. Hariharan to answer this question. Here is here.

B. Hariharan: As per the Avantha Power transaction is concerned, as per the one unit sale is concerned you know we have signed definitely document the sale is not through as yet because the buyer as to get few government approvals to do the share transfer so that is as but there is a definitive document has been signed. The second unit which we are selling to another party where we have gone only a term sheet signed which is still not converted into a binding document which we had expected in the next 30 days' time. So once the deal gets completed the funding comes then what our proportion whole shareholding of Crompton in Avantha Power that punch will move back into Crompton. So I think it will take another three months to four months' time.

Bhavin: Okay, fine. My last question is a housekeeping question, the 3,200 crores revenues of consumer attrition if you can break-up into fans, lightening in the other business? And also if you can share the market share of various divisions?

B. Hariharan: I can give you the breakup of the 3,400 crores of consumer business and Laurent can then talk about market shares. Fans is around 1,380 crores, appliance is 200 crores, lightening, 950 crores approximately, and pumps is another 650 crores approximately. Laurent, can help him with the market share please?

Laurent Demortier: I don't have the latest data for this quarter but I think fan historically around 23%, appliances is 11%, lightening is 10% and pump we are in around 17% range. I do not have the latest update so I think we can discuss that next when we will meet face to face.

Bhavin: Sure, right. Just last one, what is the depreciation in consumer business?

Madhav: Depreciation in consumer business very good question, I wish anyway depreciation is only 10 crores to the consumer business.

Moderator: Thank you very much. So we will take one last question for the session today and that will be from Mr. Satyam from Motilal Oswal, your line is unmuted, you may go ahead and ask your question.

Satyam: Actually I have two questions. One is basically I wanted to understand the investment that have been made in the overseas business both in terms of advances and equity in FY-15? And the second question is pertaining to the exports from India so, in the past you had mentioned about the HT Motors factory and the drives factory obtaining pre-qualifications from many companies and I think we have even commissioned some switch gear factory both in GIS and expanding the IMU factory. So just wanted to understand the traction that we see and the ramp-up as far as the pre-qualifications are concerned.

Laurent Demortier: I rotate the table here but we have receive this recently another point in terms of cement manufacturer in the world that has now amalgamated a factor for all expense in the world this has been slightly small it was the **(Inaudible) 51:20** single. We have won I think all the certification have been earnings right now here in India being positive we are exporting a lot of product now especially in Europe and in the list but I think we can so this is going on I would say as per the plan. You have another question?

Satyam: Okay, sorry just a follow-up on this as far as HT Motors and drives are concerned can we get the export numbers for FY-15? And what are the target that you have for FY-16 and FY-17?

Laurent Demortier: We do not have the detail this is the total number for...

Madhav: We can send back to you. And to answer your next question on the loans and advances given during the year overseas entities approximate amount is around 350 crores.

Moderator: Thank you very much. With this I would like to hand it over back to the management for any final or closing comments. Over to you, Mr. Demortier.

Laurent Demortier: Thank you very much and thank you for call attending. I think just a conclusion I think the next quarter are going to be interesting after the **(Inaudible) 52:49** of our investment and again I really look forward to fast growing and positive net profit. Thank you.

Madhav: Thank you.

Moderator: Thank you once again. I would like to thank all the investors for joining us today. Hope you all have spent a useful time. With this we conclude the session. Wish you all a great evening ahead. Thank you very much.