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REF:TPTL:SE:

Date: October 30, 2026

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STOCK CODE: 544824	STOCK CODE: TRIVENIPT
Sub: Transcript of Analyst/ Investor Conference Call held on 26th October, 2026	

Dear Sir/Ma'am,

Pursuant to Regulation 46 of SEBI (LODR) Regulations, 2015, please find enclosed transcript of the Analyst/ Investor Conference Call held on 26th October, 2026 post announcement of unaudited financial results of the Company for the Q2 & H1 FY27 ended on September 30, 2026. The transcript is also available on the website of the Company at: www.trivenipowertransmission.com

You are requested to kindly take the same in your record

Thanking you,

Yours faithfully,

For Triveni Power Transmission Limited

RAKESH

KUMAR

YADAV

Rakesh Kumar Yadav

Company Secretary

M. No. A62974

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Triveni Power Transmission Limited

Q2 & H1 FY27 Earnings Conference Call Transcript

October 26, 2026

Moderator: Ladies and gentlemen, good day, and welcome to Triveni Power Transmission Limited Q2 and H1 FY27 Earnings Conference Call.

I now hand the conference over to Mr. Gavin Desa from CDR India. Thank you, and over to you.

Gavin Desa: Thank you Nirav. Good day everyone, and a warm welcome to everyone participating in Triveni Power Transmission's Q2 and H1 FY27 earnings call. We have with us today Mr. Tarun Sawhney, the Vice Chairman and Managing Director; Mr. Suresh Taneja, the Group CFO; Mr. Rajiv Rajpal, CEO; Mr. Raman Kumar, the CFO of TPTL as well as other members of senior management team.

I would now like to hand over to Mr. Tarun Sawhney to make his opening remarks. Over to you, Tarun.

Tarun Sawhney: Good afternoon everyone and thank you for joining us for the Q2 FY27 earnings call of Triveni Power Transmission Limited. This is our first results discussion following the listing of TPTL, and we're pleased to begin this journey with a resilient operating and financial performance. Q2 FY27 revenue grew by 6% YoY and improved significantly sequentially. For the first half, revenue grew by 18%YoY. Importantly, our portfolio is becoming more diversified with strong growth in aftermarket and defence, helping to balance the time-related modulation in our product business.

Profitability remained healthy. EBITDA margins were 36.1% in Q2FY27 and 35.7% in H1FY27. While the margins moderated year-on-year due to base effect, which I will describe later, it remained ahead sequentially reflecting the business mix and disciplined operating costs. We also generated positive free cash flow after capital expenditure in H1FY27, while continuing to invest in manufacturing capability, technology and new products.

From a market perspective, the broader domestic environment remains supportive. India's Q1 FY27 GDP grew at 7.8%, while industrial production grew 8% YoY in August with manufacturing up 9% and capital goods output up 16.9%. At the same time, the global environment remains a bit uncertain because of geopolitical and energy price risks. For us, this reinforces the importance of a diversified customer base, disciplined execution in digitisation and a strong aftermarket franchise.

A more relevant market definition for TPTL's gear business is the specialised global high-speed industrial gearbox market, catering to mission critical

applications, including compressors, turbines, pumps and other rotating equipment. External industry research estimates the combined OEM and aftermarket ecosystem at approximately \$1.1 billion in 2026, and the two segments expected to grow between 6% and 7% through 2033. Engineering capability, reliability, installed references and life cycle support are important, they essential to the competitive differentiators in this market.

India's FY27 Ministry of Defence allocation is ₹7.85 lakh crores. The capital outlay on Defence Services is ₹2.19 lakh crores, 21.8% above the fiscal '26 budget estimates. The government has earmarked ₹1.39 lakh crores for procurement for domestic defence industries. The policy direction towards indigenous procurement, capacity development is strategically favourable. However, defence programs have long deployment, approval and procurement cycles. So, we remain measured in translating the opportunity into near term revenue expectations.

Turning towards the Q2 and H1 financial performance now. Q2FY27 revenue grew 6%YoY and 60% sequentially. The product revenue was lower YoY because of customer delivery schedules and certain supply chain factors, but this was partially offset by strong growth in aftermarket and defence. For H1FY27, overall revenue increased by 18%, which better reflects the progress across the portfolio than a single quarter comparison.

The year-on-year margin comparison needs to be viewed in context of the revenue mix leading to higher material cost percentage and continued investments in people and manufacturing capabilities. However, we continue to focus on absolute profitability and increasing return on capital. It is important that we encourage our investors to look at four quarter rolling revenues or fiscal year revenues forecast and actual numbers because that will give a more appreciable understanding of the business as a whole rather than one quarter versus the other, because deliveries and dispatches can vary of products and all of our products have different margin expectations.

Looking at the business update, our Industrial Gearbox business remains anchored in the engineered to order high speed applications for turbines, compressors, pumps and other rotating equipment. The quarter saw timing related softness in product revenue, but our strategic focus was remained unchanged, deepening our global OEM relationships, expanding our international vendor approvals and broadening the application base to improve export participation over the short and medium term.

In fact, in the quarter under review, we had very significant orders that came in from a Middle Eastern customer and also from an African customer, which supports our efforts in terms of not just making it to AVLs, but then translating that into increasing businesses. Over subsequent quarters, I'm confident that this will translate into significant export revenues led by our OEMs and, of course, led by some of the strongest third-party customers that we now have the pleasure of serving.

From an aftermarket perspective, it continued to be a strong contributor. Q2FY27 aftermarket revenues was up about 41% YoY, and the H1FY27 was up 29%, contributing 27% to the revenue. The business is strategically important because it allows us to serve the installed base through replacements, upgrades, spares, refurbishment and field services, including equipment from multiple OEMs. This opportunity grows as our reference base and service reach expands. The challenge in front of us is how to expand the export aftermarket base, and there are significant efforts being made by the organisation, both in terms of hiring talent and also in terms of fostering and

developing third party relationships to ensure that we can expand that aftermarket business internationally. And this is crucial towards the growth of the organisation in the short and medium term basis.

As far as defence is concerned, defence revenue scaled meaningfully in the quarter from a low base. We are developing a broader indigenous platform spanning marine gearboxes, propulsion shafting, and many other ship-related products. Our approach combines in-house engineering and manufacturing with selective technology partnerships. Please note that given the nature of defence programs, the order placement and revenue recognition can and will remain lumpy, reflecting the prototype development, the qualification, the customer approvals and the overall procurement cycle.

However, our objective, and this is important to communicate, is to broad base the number of products, broad base the number of specific initiatives that the company gains orders from, as far as the defence vertical is concerned to allow us to mitigate the lumpiness of this business. And I think we're doing a reasonable job. Of course, it will take several quarters before this can be significantly meaningful, but I am confident given the placement of our business, the inauguration of our new defence facility and the production at said new defence facility that we will be able to accomplish that in over the next N number of quarters.

The order booking for Q2FY27 increased by 48% to ₹126 crores compared to the corresponding previous quarter and for H1FY27, it stood at ₹330 crores, a growth of 95% YoY. I think this was particularly important for the business. The closing order position on the 30th of September 2026 was ₹626 crores, up 57% from ₹398 crores a year earlier. I think this also showcases that despite the variances that we have, not just domestically, but globally in terms of the overall market environment, the business is actually gaining a lot of productive traction. And all of that, of course, will culminate in revenues in subsequent quarter. The closing order book position provides meaningful visibility in my eyes, although the revenue recognition, as I mentioned, will depend on customer schedules, on engineering approvals and on the execution profile of individual contracts.

Thus, the order book gives us a solid base, but we do not want to mechanically translate this into quarterly revenues, because our business is engineered to order, and the key variables are, as I mentioned, the customer schedules, the engineering releases and the overall manufacturing cycle, particularly as far as the defence program initiatives are concerned. We generated positive free cash flow after capital expenditure of approximately ₹13 crores in H1FY27, while continuing to invest in manufacturing infrastructure.

Core working capital days stood at 188 days as of September end versus 193 days in March. It has improved further by a couple of weeks since some overdue receivables have been realised during this quarter. However, given the engineered to order nature of the business, working capital can move with project milestones and the inventory buildup. Our focus is on milestone discipline, collections, and inventory management while preserving the flexibility to be able to execute the order book.

Our investment program is directed towards capability rather than adding generic capacity. Priorities include precision manufacturing, marine and defence capabilities, testing, engineering productivity and digital transformation and integration. We intend to remain disciplined on our timing and returns from these investments and currently have a balance sheet that allows us to fund the growth primarily through internal accruals. We are largely done with the

long-term Capex program, which I have spoken about in previous conference calls, which we undertook over the last three odd years.

During H1FY27, the total capital expenditure was ₹41 crores, which comprises capitalisation of ₹10 crores and capital work in progress of ₹31 crores. With the major capacity and capability investments largely completed, the incremental Capex in the near term and medium term is expected to be primarily balancing Capex, routine Capex and capacity enhancement, small capacity enhancements as and which may be required, which will not, and I repeat, not be substantial. I'm very happy to say that this entire program has now almost concluded, and we are seeing the benefits of that in terms of the recognition from our OEMs and customers of both the manufacturing facilities at TPTL.

We remain constructive on the medium term and the long-term and the short-term opportunity. The strength of our current order book, healthy domestic industrial environment, which is envisaged over the next few quarters and the initiatives to across our revenue streams to provide a strong foundation of growth with respect to our export markets is all underway and positive. At the same time, the engineered-to-order nature of our business can result in some quarter-to-quarter variability, as I had mentioned. And therefore, I encourage the analysis to be done really from an annual of four quarter basis to be able to get a better picture of our business.

In the Gears product business, our efforts are directed towards progressively widening the opportunity pool across applications and geographies. This is very very important. As far as the geographical expansion is concerned, we have had enormous success as far as Europe, Asia, and Africa are concerned. Our next port of the call is the United States, which is a very different market. In addition, I think the focus on aftermarket from our global enterprise and network is something that is extremely important by adding resources, not just in-house, but also adding partnerships through a network of agents across overseas territories and training said agents with respect to selling aftermarket solutions, which will add to near term revenues as well as to meaningful profitability.

As far as the product diversification is concerned, I think there has been a lot of development that has happened, especially over the last two quarters. Two-fold initiatives that I would like to point out. The first is with respect to research and development, where we expect over the next couple of quarters significant milestones to be achieved in terms of really setting the benchmark for global efficiency as far as our high-speed gearboxes are concerned. The second initiative that I can talk about is our entry into new industrial areas with a specific focus on getting qualification for space ventures and supporting gearboxes for the space environment.

Again, a very exciting development. And also, a second industrial area that we are keenly focused on developing product profiles is for data centres. And so the team is close to have developing solutions and then selling those solutions that opens up a significant opportunity. And certainly, we'll be the only person in India providing these solutions, not just domestically, but also globally.

As far as defence solutions are concerned, we have the potential to emerge as a meaningful additional pillar for the business. The objective is to build capacities and capabilities that address a larger share of the domestic requirements. Over time, positioning TPTL as a supplier for defence and marine products, rotating products of excellence as far as this nation is concerned. Overall, we expect all of these initiatives to result in a much more

diversified business portfolio of products, customers, geographies and end markets. Our focus remains on disciplined order intake and execution, sustainable cash generation and improving returns over the cycle rather than just pursuing growth at any cost.

To conclude, H1FY27 reflects the resilience and increasing breadth of TPTL's business model. We have a strong order book, multiple avenues for growth across Industrial Gears, aftermarket and Defence and marine, and our focus is now on translating these opportunities into disciplined execution over the short and medium term to create value for our customers and stakeholders.

Thank you very much and we're happy to take your questions.

Question-and-Answer Session

- Moderator:** Thank you very much. We'll now begin the question-and-answer session. The first question is from the line of Srinivasareddy from Yellow Investments Limited. Please go ahead.
- Srinivasareddy:** Thank you for the opportunity. My question is on our order book. Out of ₹626 crores of order book as of 30th September, how much is scheduled for the delivery in H2 FY27?
- Tarun Sawhney:** I'm afraid we don't split our order booking in terms of deliveries in terms of quarter-on-quarter. But by and large, what I'm happy to say is the gearbox product orders are primarily to be delivered in a six to eight months cycle. Our aftermarket orders are typically to be delivered in a three to six months cycle. The defence orders can vary. Some of them can be in about 12 odd months and some of them are of a longer duration.
- However, we do not divide our order book and give categorical numbers for that. However, we do believe that as of the end of this quarter for FY27, ₹156 crores is for FY27 from Gears and ₹81 crores is for Defence. That much I can share with you. We can't give you which quarter what will fall in.
- Srinivasareddy:** Yes. And how much of the delayed STG pump and Middle East product orders mentioned on the business update slide do we expect to finalise in H2?
- Tarun Sawhney:** So again, I'm afraid I can't offer you a number, but we certainly expect that to be finalised. Those orders are significant. They're important customers. There has been some delays. As you can understand, the Middle East is a little bit of a challenging situation right now. However, the investment thesis for our end customers remains unchanged.
- I do want to take this opportunity now that you've given me a leeway to let you know that my colleagues have attended actually a very important exhibition in Saudi Arabia just 30 days ago. And they see the market just as vibrant, despite the challenges that are happening in that country. So, we do anticipate not just in Saudi Arabia, but also in other countries in the Middle East that order finalisation, it may move between quarter-to-quarter, month-on-month. But certainly, it is not being put into any sort of cold storage or top shelf. It is just a matter of scheduling rather than anything else.
- Srinivasareddy:** Okay. And one final question. Our EBITDA margin has been moved from 45% to 36%. And in the managed commentary, you have mentioned like it is due to the drop in mix of the products and people cost. If the people cost increase now largely complete? Are more additions to happen in this year?

Tarun Sawhney: Yes. A few more additions will happen, but it is going to be small in terms of those additions. I would encourage you, since you've asked about EBITDA margin, which is a more complex question, it's not just about the HR cost. It is important to consider, though, our results at the end of the year, because there is a balancing. In certain quarters, you sell more product, fractionally less aftermarket solutions, and that has a way of changing the EBITDA margin. But the overall EBITDA margin that I would encourage you to look at either way rolling per quarter basis or at the end of the year. My preference would be at the end of the year.

Moderator: Thank you. The next question is from the line of Gaurav Shukla from Finvestors. Please go ahead.

Gaurav Shukla: After H1 FY27 revenue of ₹189 crores, what is the management's revenue growth outlook for FY27 and FY28 also? What portion of the expected growth is supported by confirmed orders?

Tarun Sawhney: I'm afraid we do not give specific numbers in terms of our forecasts. However, we do not give revenue or margin guidance. But what I can say is that the underlying indicators are absolutely encouraging. Our closing order position provides us with a very healthy base for the future execution. And beyond this existing order book, there are multiple vectors, which I've already explained in my briefing, that are underway and gives us confidence about the growth of this business.

So, the two things that I want to say is that, yes, there is movement between quarter-on-quarter. The outlook for H2 looks very positive to my mind. There were certain orders that were pushed out from Q2FY27 to Q3FY27. But I think that Q3FY27 and Q4FY27 looks extremely encouraging for all three segments of our business, for the product, for the aftermarket and for the defence part of our business.

As far as book and bill is concerned, we do have some amount of book and bill for H2 that is required to be able to meet our targets, our internal targets for H2. But I'm very confident in terms of our management review that, that has been secured with conversations or rather converting enquiry to order and then order to execution. So, we're very comfortable about that.

From a medium-term perspective, if I had to answer your question because I was expecting this kind of a question, our growth ambition is certainly to deliver growth over a medium-term basis, let me say five - seven years basis of over 25% year-on-year. I'm not talking about FY27 at all. I'm talking about the next five to seven years in terms of growth for this business.

Gaurav Shukla: Okay. Thank you. And one more question, Defence revenue grew 3.3x in Q2 and 4.7x in H1. What was the contribution from Defence in absolute revenue term? And how much additional revenue is expected from confirmed Defence and Marine orders in FY28?

Tarun Sawhney: Excellent question. Unfortunately, we only give our business revenues as one segment, and we do not branch it out. You will appreciate the fact that we have incubated this Defence business and due to the nature of our business, which is Precision Engineering, we have these multiple revenue streams. And defence is becoming more important as a growth area for the company, and we're providing investors with increased visibility about the performance parameters of strategic development.

At this time, segment reporting, we have determined that, that is not wise at this point to be able to encourage these businesses to grow. However, I think your point is noted. And at a particular point in the future, we will certainly consider that from a management commentary perspective.

Moderator:

Thank you, Gaurav. Next question is from the line of Ashish Golechha from Bee Ventures LLP Fund. Please go ahead.

Ashish Golechha:

Greetings. Very good set of numbers, and we really like the commentary. I'll say my questions, first question, and then I'll come on the second question. As per the presentation, you have highlighted that addressable market is ₹16,000 to 24,000 crores in Indian level proportion across NGP and NGD, and P75 and P76 submarines. I wanted to understand that what is TPTL's current prequalification or technical clearance status which DLD and shipyards like MDL, Garden Reach, CSL and HSL or our main propulsion gearboxes like CODAG, CODELAG and COGAG systems, was that auxiliary subsystems like shafting, fin stabilizers and plug of blocks? This is my first question.

Tarun Sawhney:

Okay. Excellent and very detailed question. I'm going to give it in summary, and I would encourage you to contact us offline if you would require a more detailed explanation across what we can give because we can offer you, of course, significant details. But if I answer you generally for the benefit of all the others on this call as well, as far as gearboxes and shafting and fin stabilizers are concerned, we have our project qualification across all tenders that are coming across from the Indian Navy and across all the shipyards. Now I think that is a position that the company is in through our own technologies as well as partnerships with some leading equipment suppliers globally. So, we have forged partnerships to qualify for each and every gearbox as well as shafting as well as stabilisation system order that comes across from all the shipyards.

And I think in specific technologies that you would like to discuss, I would encourage you to contact us offline. We'd be happy to take some of those questions.

Ashish Golechha:

As you know RENK Group AG Germany has opened a manufacturing plant at Hosur in Tamil Nadu as a RENK Gears Private Limited. Now I wanted to understand that you also would be knowing that RENK is also trying to do a collaboration with Elecon. They are basically targeting industrial high speed gear boxes and couplings for power, energy and process industry. Wanted to understand a few things. My question is a bit detailed. Are we witnessing tight competition or OEM relationship displacement in the 10 megawatt, 50 megawatt compressor and gas turbine gearbox segments or high margin drop in replacement aftermarket? And also wanted to understand how would TPTL preserve its vote in high value levels, marine propulsion rates? Thank you.

Tarun Sawhney:

Okay. Interesting question. This is not the first time that we've had any of our global competitors start business operations in India. I am aware that we have a competitor in the South of India, and we do see them from time-to-time. We do not see them across the board. It's not as if they've just started operations. They've been in the countries now for a few years. Our market share position has remained unchanged during this time. And I think that speaks to our value proposition to all of our OEMs more than anything else. I think, that probably answers part of your question.

Now with respect to their relationships with other gearbox manufacturers, I'm afraid I'm not privy to that. And we will see as and when those industrial relationships get forged. However, I don't think that it is a cause of concern to us because this is a global market that we're in. We expect to see competition,

not just domestically, but we expect to see competition globally. And we are global competitors for the same company that you've talked about.

Now with respect to compressor gears, very frankly speaking, the Indian compressor gear market is very small, extremely small. The real competition for compressors is Europe. And that is where we are now, not just on the AVL of the largest customers, but our OEMs are buying from us increasingly. And I see that as a massive growth market for TPTL. So, it is not the India market where we'll be competing in compressors, it is actually Europe where we will be competing in compressors going forward.

Ashish Golechha:

Okay. I wanted to understand when the competitor is also basically there, and we know that our motive is in high value naval marine propulsion bridge. So how would we go in that basically next three to five years? How would we preserve our, segment position, which we are basically currently leading in India? Thank you.

Tarun Sawhney:

Right. So marine propulsion actually is a new area for the company. It is our history within high-speed gearing. Your question, as I understand right now, is about marine gearbox propulsion. I'm glad that you've asked this question. Triveni is the only Indian gearbox company that is recognised across multiple platforms by the Navy and Coast Guard for having its own technologies. In the medium and smaller space, we're the only firm that has complete technology and we have won orders from our customers, being the Indian Navy and Coast Guard for these projects. I think this will continue to grow.

Very honestly speaking, I think it's a recognition of the technical capabilities that exist at TPTL. It is a reflection of the talent and the design capabilities that exist. Now for complex solutions for larger gearboxes, of course, that will be in partnership with global equipment providers, etc. and there, we will compete head on. Yes, the competition will be in terms of pricing. Yes, the competition will also be in terms of technology. But I think what we have achieved in a very short period of time is to become a complete domestic source, having complete technology. Never before by any company in India has their company had complete technology ab-initio as far as marine gearboxes are concerned, and we are marching in that direction.

Moderator:

Thank you. Ashish, next question is from the line of Sanjay Manyal from DAM Capital Advisors. Please go ahead.

Sanjay Manyal:

I have two questions. One is specifically on the order book side, given the fact that sort of historically order book used to be six to nine months when the gear and gearbox was a dominant part of our order book. And given that defence has become now dominant part, almost 60% of our order book now. How do we see sort of order booking going forward? This six to nine months of a delivery or the execution period will, I'm sure it will move up, but how do we see that moving up from six to nine months to what period?

And also at the same time, if you can give some colour on our export order book or the enquiries, how do we see the export part of the business going forward?

Tarun Sawhney:

Yes. Sanjay, excellent questions. Yes, of course, you're right. On a holistic basis, the six to nine odd months our average order book that has existed for the company for the last N number of years will change. It will increase based on defence. However, we will try our level best to inform our stakeholders all the changes relatively, because we are sharing what is defence order booking and what is gears order booking. As a result, the gears order booking is not

going to change, whether it be domestic or whether it be export gears order booking. The defence side could change. And the defence side will be longer than six to nine months.

And it depends. Some of the projects are in terms of that we are now tendering for multiple in nature, which will have deliveries over three, four, five years of substantial quantity in every year. And so the numbers of those projects should we be successful, will obviously be longer. That is our intention in terms of how we would share these numbers with you. Now I hope that sort of answered the first question.

As far as your second question is concerned, I'm glad you've asked that as well. We've had an excellent quarter under review. And in fact, in this quarter, we've had a 3x increase in our order booking for export orders, which was ₹12 crores and went up to ₹36 crores. And I think that that is just a real start. I think it is going to expand very, very significantly in coming quarter and add very meaningful growth to the business. The fact that we have TPTL GmbH in Switzerland, the fact that we have colleagues that are selling across Europe, Africa, other parts of Asia, that is having meaningful results and we are seeing that in hard numbers now.

Sanjay Manyal:

Right. Understood. Just one more question on the specifically on the margin side, given the fact that our long-term margin has been in around 30%, 35% or so. Now this, I believe, largely because of really large proportion of our business is aftermarket. Now given the fact that defence contribution is moving up significantly going forward, and I'm sure that aftermarket proportionately will come down, Do you think that this could be a margin dilutive thing going forward in the medium to long-term probably?

Tarun Sawhney:

In the medium to long-term, I do not expect it to be margin dilutive at all. We will try our level best to ensure there isn't lumpiness even in the short term. But certainly, in the medium to long-term, very happy that you asked. Again, I do not believe it to be margin dilutive. In fact, if anything, we would like to say that our growth ambition is to maintain our margins of 35% of EBITDA plus. And that is how we are structuring and creating this business.

In fact, the hiring that the previous gentleman asked about is very much part and parcel of this delivery of growth and profitability.

Sanjay Manyal:

Right. And if you can just give a share a Triveni Turbines contribution to our revenue in H1FY27 specifically, I think previous historically, this has been close to 25%, I believe. What has been the number for H1FY27?

Tarun Sawhney:

I'm afraid I don't have that number with me right now, Sanjay. You can contact us offline, and we can see if we can share it with you.

Sanjay Manyal:

Okay. Thank you very much.

Moderator:

Thank you. Next question is from the line of Kevin Gandhi from CapGrow Capital Advisors. Please go ahead.

Kevin Gandhi:

Thanks for taking my questions. I just wanted to understand your view on the entire Middle Eastern Capex reconstruction, because I feel the India's feedback on this are actually getting the orders. So, are we seeing any delay? And when can we actually expect substantial growth in the order book in coming from the Middle Eastern Capex?

Tarun Sawhney:

I think it's very important to understand how Indian capital goods companies are going to benefit from the growth in CapEx in the Middle East and the broader MENA area, frankly speaking. I would like to take that question from a MENA perspective. The turbulence that we've seen in the last three calendar quarters has been significant. I will not shy away from that. It has certainly been significant. It has created shock waves, frankly speaking, globally, not just with respect to India. However, our business has progressed, some bit albeit a little delayed, but it has certainly progressed.

The fact that we are participating in exhibitions in this area, in these countries that we are getting orders from customers. Our OEMs in Europe are placing orders from important Middle Eastern customers. ADNOC, for example, has placed even more orders from us in terms of pumps as well as compressors. We're seeing that growth in development. When that switch turns on in terms of full-fledged commitment to capital expansion is a million-dollar question.

I think I'm not in a position to be able to answer that. We've been encouraging our OEMs as well as our end customers to give us some idea. They remain bullish. They remain positive, but they have stayed clear of giving a definitive goal in terms of when they will really ramp up. I think what is clear is there is a need for significant capital investment in that part of the world. I think that clarity is really upon us. For TPTL, it's very encouraging because it will be for pumps, it will be for gas turbines, it will be for compressors, it will be for steam turbines, it will be for test benches, it will be across the board for all the prime movement that we work with.

But having said that, it's difficult to sort of pinpoint when that cycle will really ramp up. It's not as if it is absent. And by no means do I want you to walk away feeling that those orders are not coming. They're certainly coming. It's not as if it's a trickle. It's a steady stream. But I do believe that the market really warrants quite a lot more Capex.

Moderator:

Thank you. Next question is from the line of Mahir Shah from Banyan Tree Advisors. Please go ahead.

Mahir Shah:

Good afternoon. Thanks for the opportunity. Can you just comment on the global industry for high-speed gearboxes? How many players will be there and what will be the market share of the largest players? And are these larger incumbent players actively focusing on this segment because it's still growing by 6% to 7%? Yeah. That would be the first part of my question.

Tarun Sawhney:

Sure. I would encourage you to read the information memorandum that TPTL published. It's available on the stock exchanges websites which gives a recent survey that we have conducted with respect to the global market space. That would what kind of work you through who are on our global competitors. What is the kind of market share that they have. Some of their financial information and data is present.

But since you ask this question on the earnings call, let me offer you a very brief answer. We have between seven to nine competitors, not including China globally that we come across for our export orders. The majority of them are European based companies. The largest company would have a market share of about 15% odd from a global perspective. So, it's a reasonably diversified market space, but it has few companies. The aftermarket portion of the market is, of course, far more diverse with a lot of smaller operators across the world offering just in time solutions, etc. And that is a very interesting market space that we are, of course, looking at as far as TPTL is concerned.

I think there has been a lot of focus on growing the gearbox market. And I think with data centres and space becoming more significant market opportunities that did not exist even 24 months ago, literally. I think the market could possibly grow at a faster pace than what we have projected. We have taken numbers of a study that we have commissioned. That study was approximately a year old, and therefore, it considered the market at that point in time. We will, of course, undertake a further study in the next calendar year, and that will perhaps hopefully point towards a higher growth rate for the market.

But as far as research and development, as far as growing the market is concerned, I'm happy to report that there's been a lot of attention that's been given to this product category.

Mahir Shah:

Sure. The second part would be, if I'm not wrong, our current market share globally in the high-speed gearbox segment would be low single digits. So, what would be our ambition to grow from here in the medium to long-term? What is the kind of market share that we can gain, say, in the next five to seven years? What's the ambition for you as a company, and what are some of the competitive advantages which can lead us to gain market share. I think one of the factors which you mentioned was shorter delivery cycles. So, we just wanted to understand what leads us to have shorter delivery cycles compared to our global peers.

Tarun Sawhney:

Okay. As I mentioned a little bit earlier in this conversation, our focus, our growth ambition is to deliver sustained CAGR of over 25% over the next five to seven years, at least. So, you could do the mathematics of where we are and where we would be compared to where the market is growing rather than we work it out for you.

The second part of your question is very interesting. Our manufacturing cycles are faster because of our investments in inventory. In addition to that, our digital transformation that we've undertaken, we continue to enhance our productivity and especially in terms of our delivery days, coupled with other strategic initiatives. So, it's a combination of three or four strategic initiatives that allows us to produce faster than our global competitors. We also have manufacturing capability as we have invested significantly at low costs in terms of adding manufacturing capacity that adds further to our delivery cycles. That's point one.

The second is supply chain relationships. I think those are very crucial in terms of being able to roll out product and deliver product faster. And lastly, it's about HR talent that allows us the capability to be able to not just quote faster, not just manufacture faster and maintain our lower cost advantage versus our competitors. The ability for us to be able to work multiple shifts, three shifts, etc., during the work week, including weekends, etc., that type of flexibility is unparalleled when we compare it to our Western European and North American competitors and that is the most significant reason.

Moderator:

Thank you. Mahir, Next question is from the line of Komal from Ratnabali Investment. Please go ahead.

Komal:

Good morning. I just wanted to understand about the oil and gas segment. We believe that our next set of high-speed gear orders are expected to come in whenever there is Capex in oil and gas. Given that where the crude oil prices are, do you expect that to be big and substantial enough over the next two, three years?

- Tarun Sawhney:** Very short answer to your question, yes, absolutely. Oil at \$120 is a ripe opportunity for people, not just in the oil and gas segment, but in the entire segment covered by the American Petroleum Institute. It has downstream effects on all the petrochemical related industries as well as far as their Capex cycles are concerned.
- Komal:** So just to complete this question, have we qualified for that American Petroleum, whatever standards are there? And have we got empanelled with, say, in the likes of ADNOC, etc.?
- Tarun Sawhney:** So American Petroleum Institute, or API for short, is a manufacturing standard that is required by a variety of companies in the oil and gas and petrochemical and fertilizer, for example, segments and other segments as well. Yes, we manufacture and have manufactured to those norms consistently for many, many years, multiple decades. So, we have great comfort in terms of all of those compliances that have no issues at all as far as that is concerned. And as far as ADNOC is concerned, yes, we are qualified. We are on the area.
- Komal:** And coming back to the Marine and Defence segment, our technology partner has been Lufkin, which has done globally well in this segment. So how have we benchmarked against them? How big is their different segment as a percentage of their overall revenue? Do we seek to become as large as them? Is the market opportunity global for us? Just some thoughts around what we have learned from Lufkin and what our aspirations are?
- Tarun Sawhney:** So I'm afraid I don't know what Lufkin is a part of a much larger industrial conglomerate, Baker Hughes, and I'm not privy to the revenue numbers, etc., for segments. So, I can't answer your question on that front. But yes, we have partnered with them for some marine gearboxes. And I think that's a very encouraging partnership for the long-term and one that I hope to grow. My benchmark is not following what a European or American company is doing because as far as defence is concerned, it is much more from a domestic perspective.
- For us, our targeted strategy has to be to occupy the largest market share for all of our products as far as the defence segment is concerned, very similar to our position in high speed. That is the vision and strategy of that particular business.
- Moderator:** Thank you. Next question is from the line of Divij Punjabi from Banyan Tree Advisors. Please go ahead.
- Divij Punjabi:** Thanks. I had two questions. One was, I just wanted to understand with the current defence capacity that is there, what kind of revenue can be done? The other one is, again, related to defence. In the segments that we are competing in, how are the products currently being procured? Are they being imported, or is it being done by our domestic players? Just wanted to get some more idea on that.
- Tarun Sawhney:** The answer to your first question in terms of overall capacity, we operate a multimodal facility. It really depends on the selection of products that we win and we are manufacturing from time-to-time. We don't have an exact number to give you in terms of overall capacity in rupee terms, but that is something that we will certainly work out as this business grows. We don't see any, as I mentioned, further CapEx that's required either in defence or in our gears business that have any significance for the short term at least. And therefore, we don't really require anything as far as our growth targets are concerned. I

know this is a bit of a nebulous answer. It's just that we have not given and shared a single figure for our defence factory at this particular point in time.

Your second question was respect to the import, frankly speaking, under the various DPPs, the move is towards Make in India, Make for India as well. And if I had to go back a decade or two decades, all of these products were being imported. And certainly, the hot sections of all of these products that we were making were being imported and put some minor work happening with domestic partners. When I look at marine gearboxes or look at shaft lines, which are totally imported, some small shaft lines will be manufactured by one company in India. But nothing with respect to the larger segment. Same thing with fin stabilizers, etc. You had the vast majority of these items being imported, but the focus now is about make in India.

The focus now is also to buy from India. And that's what really assists the growth of this business for Triveni, for the TPTL. I hope that kind of answers your question.

Divij Punjabi:

Sure. And just one more follow-up on the data centre side. Can you help us understand what kind of demand is coming from data centres and, roughly what percentage of the order book would it be contributing to?

Tarun Sawhney:

So firstly, we have to have a product that goes in for that or for data centres, which we're hopeful to have in place during this quarter. As that happens, we will then work with our OEMs to be able to ascertain what that new market share is and what that segment is. But we all read papers, we all understand what's happening in North America, what's happening in Europe, what's happening in other parts of the world as far as growth in data centres is concerned. It's a very mind-blowing numbers, etc. We hope to be part and parcel of that ecosystem. As and when we have more data, we'll be able to come back to you with actual numbers.

Moderator:

Thank you. Next question is from the line of Neil from Negen Capital. Please go ahead.

Neil Bahal:

Hi, good afternoon. A lot of the questions have already been answered. I think I have one question right now is around the Capex around the gearbox, that ₹700 crores that we were going to do, is it largely done? That is the first part of the question.

Tarun Sawhney:

Yes, it is almost all complete.

Tarun Sawhney:

I just wanted to point out ₹700 crores was not the Capex. ₹340 crores was the Capex. The Gears revenue target...

Neil Bahal:

Revenue potential, yes, sorry, revenue potential.

Tarun Sawhney:

Correct. It didn't come across clearly. Could you ask your second question again, please?

Neil Bahal:

Do we expect our utilisation levels to reach towards full capacity utilisation by, let's say, FY29 or maybe FY30?

Tarun Sawhney:

Again, that kind of alludes to giving projections, which I'm shying away from. Let me just say that even before we come even close to that number, when we come into that vicinity of say, let's say 80%, we will then have to start looking at further Capex of expansion. And that would be the next trigger. If your question is what is the trigger for the next cycle of Capex, it would be when we

are at about 80%, 85% capacity utilisation when we start looking at the next phase of Capex. And we're not there as yet. Towards the question of when we will be there, I would prefer not to answer that question.

- Neil Bahal:** Understood. One small question also on the gearbox, the Gears business is that on a quarter-on-quarter basis, our order book has actually increased, right?
- Tarun Sawhney:** Correct.
- Neil Bahal:** Is it up 15%QoQ?
- Tarun Sawhney:** Yes, correct.
- Neil Bahal:** But there is some movement. There is no degrowth on this flatlining?
- Tarun Sawhney:** No, no, not at all. I'll be honest, And now that you've asked the question, I can share with you that I was disappointed with the growth personally. And a lot of it has to do with what's happening around the world, etc. But there is no question of degrowth at all. In fact, it's very encouraging. And I myself in my trips of meeting our OEM customers, I'm very encouraged with the type of growth that they have in their business and the filter down effect on us.
- Neil Bahal:** Understood. So large part of this second quarter growth in order book has come from Gears. In fact, all of it has come from Gears, nothing from Defence, right? You expect Defence also to start pitching in from next couple of quarters and beyond?
- Tarun Sawhney:** That is certainly my hope. So, again, I think the defence order book is going to be lumpy because we try and win select projects. When those projects get actually finalised so that we can recognise it as a part of our order book, we have no control over at all. And so, the short answer to your question is yes.
- Moderator:** Thank you, Neil. Next question is from the line of Maulik Chaudhari from Monarch Network Capital. Please go ahead.
- Maulik Chaudhari:** Thank you for giving me the opportunity. I just have one data keeping question. If you can bifurcate your order inflows into product aftermarket and defence for the quarter, for the Q2 and the Q1?
- Suresh Taneja:** Yes. I've got the figures for H1FY27. This is not really quarter wise. In terms of product, the total order booking is ₹132 crores. Aftermarket is ₹64 crores and difference is ₹135 crores.
- Tarun Sawhney:** That's for H1.
- Maulik Chaudhari:** Domestic and export?
- Tarun Sawhney:** No. The only export revenue that we have given is on the product side, which as I mentioned earlier, was ₹12 crores in Q1FY27 and ₹36 crores in Q2FY27. We do not give it for any other segments.
- Maulik Chaudhari:** Okay. Thank you.
- Moderator:** Thank you. Next question is from the line of Siddharth Shah from SRS Capital. Please go ahead.

Siddharth Shah: I just wanted to ask more about your international aftermarket expansion. And is that kind of a necessary requirement to grow our direct exports business to either first get into aftermarkets for customers and show some product experience and technical expertise or to have their aftermarket in place before they'll even purchase orders from us?

Tarun Sawhney: No, not at all. In fact, I'm glad you asked that question. It does not impact our sale of original equipment at all, zero. It is really a very profitable segment for the company. The reason we want to do this is because it also allows us to develop much stronger relationships with the third-party users, the eventual users of our gearboxes. Let me just explain to you how it works domestically. Part of the reason of our market share is almost all industries across India have a Triveni gearbox. And we work with them on not just our gearboxes, but the majority is on other people's gearboxes that historically purchased from around the world.

Now having that type of relationship means that when they come about to order new gearboxes, their preference always remains with Triveni to given not just the product quality, but also the service quality that we have provided on aftermarket solutions. You must remember that our aftermarket solutions domestically, the vast majority, overwhelming majority is on third party gearboxes, not Triveni gearboxes.

Now to transpose that strategy on an international market is essential if we want to keep pace with our margin profile as well and enhance our margin profile potentially. It is also a low hanging fruit because a lot of this work happens by smaller outfits in countries around the world. Not only the strategy is to help us develop third party relationships, but it is also then to capture a business that is very frankly speaking, not being addressed by our global competitors.

Siddharth Shah: Got it. That's very helpful. And my second question is, you spoke about space and data centres. And at least from my understanding is we have a very strong portfolio and up to, say, about 50 megawatts. Will we have to kind of work in that 50 to 100 kind of range to tap into these markets?

Tarun Sawhney: No. So, we don't have a limitation as far as our gearbox technologies are concerned. It's just that after a certain point, it becomes direct drive. This is with your very large turbine. So as far as compressors are concerned, we work with the entire breadth of compressors. With gas turbines, we work with all geared gas turbines. Same thing with all steam turbines. So, we don't have any technology limitations as far as high-speed gearing is concerned.

As you can imagine, this is to provide a change in ratio from what is driving to what is being driven. That is the concept of a high-speed gearbox. Above a certain range, especially when you look at, let's say, gas turbines and steam turbines above 100MW, they are direct drive. So, they are coupled directly with the alternator because the rotors function at the same speed. And so, there is no need for a gearbox to be added into that powertrain.

And to transpose that question to space and data centres, no, these are much smaller. These are not larger. They're well within this range.

Moderator: Thank you. Siddharth, Next question is from the line of Ravi Purohit from Securities Investment Management. Please go ahead.

Ravi Purohit: All my questions have been answered. Just one question. In the March quarter, we had mentioned about getting an order for this axial compressor

test gearbox or it's more like a test rig or gearbox. Can you just kind of help us understand, because I think you mentioned about it being a very premier order for us in that con call. But subsequent to that, I think we've never discussed it. So, if you could just throw some light on that to me.

- Tarun Sawhney:** Sure. I'll ask our CEO, Rajiv Rajpal, to comment on that gearbox. Rajiv?
- Rajiv Rajpal:** Yes. We have got orders from multinational companies operating in India in testing and significant growth we're expecting in order book from those companies going forward as well. I hope I have answered your question.
- Ravi Purohit:** Is this a testing that we are going to build or are we supplying comp the gearbox?
- Tarun Sawhney:** It's an essential component. A test rig is an essential component. I think part of the test rig.
- Ravi Purohit:** The test rig, so we are not building a test rig, right? The test rig is being built by the MNC or is it built by a...
- Tarun Sawhney:** It's by somebody else.
- Ravi Purohit:** Okay. And we will be providing the gearbox set basically for the test rigs.
- Tarun Sawhney:** Exactly.
- Rajiv Rajpal:** We are also gaining a little extended scope including gearbox as part of the test rig. But the whole test rig as VCMD mentioned is built by the multinational company.
- Ravi Purohit:** Okay. And how significant is this opportunity? As in -- I am assuming this is for engines being tested, right? So how significant and how frequent are gearbox or parts of gearboxes kind of required in these test rigs?
- Tarun Sawhney:** So, I don't have a market number to share with you, but the gearbox is a central piece of equipment, mission critical piece of equipment for any test gearbox, and it's used not just for propulsion, for power generation, for space, for all host of different applications, as you can imagine.
- Moderator:** Thank you. Ravi, Next follow-up question is from the line of Gaurav Shukla from Finvestors. Please go ahead.
- Gaurav Shukla:** After ₹340 crores Capex, in gearbox we have ₹700 crores. And full peak capacity, what is the full peak capacity after this extension?
- Tarun Sawhney:** So, the ₹340 crores CapEx is not just for gearboxes, but it is also for our defence facility. The total combined Capex offers us production of approximately ₹700 crores based on the mix, frankly speaking, of just gearboxes. And it also offers us a significant revenue from our defence capability. However, I'm unable to share a number with you at this point in time just for defence. The ₹340 crores, let me repeat, was for both, it was evenly split between gears and defence.
- Gaurav Shukla:** Okay. And in FY27, how much capacity we will utilise? As you said, after 80% capacity utilisation, we will go for Capex. Now in how much capacity we are utilising?

Tarun Sawhney: No, I didn't say that. I said at about 80%, we start thinking about it. About the next level, 80%, 85%. And it really depends. It depends because we have good visibility in terms of the markets and what orders we're getting. But to answer your specific question for FY27, I'm afraid we don't give forward looking estimates. So, I'm afraid I cannot answer that question.

Gaurav Shukla: Okay. Thank you.

Moderator: Thank you. And I'll hand the conference over to the management for closing comments.

Tarun Sawhney: Ladies and gentlemen, thank you very much for joining us for the Q2 FY27 earnings conference call for Triveni Power Transmission Limited. It's a great pleasure and honour for me to host this first earnings conference call for the company that as you may have heard me say the company is positioned for fantastic growth domestically and internationally. There's a tremendous amount of work that has been happening in-house in terms of capacity building, in terms of research and development, new product development, which really showcases the business potential, not just for this fiscal year, but also for subsequent quarters beyond that as well.

I'm excited to come back to you in three months and six months' time and tell you about all the developments that have been made. And the hope, of course, is that the global climate will continue to improve as it has in Q2 and be much better and more productive. Thank you very much, and have a good day.

Moderator: Thank you very much. On behalf of Triveni Power Transmission Limited, that concludes this conference. Thank you all for joining us.

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