



GE VERNOVA

GE Power India Limited

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05 June 2025

To,
The Manager Listing,
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051

To,
The Manager Listing,
BSE Ltd.
P.J. Towers, Dalal Street,
Mumbai - 400 001

Symbol: **GEPIL**

Scrip Code: **532309**

Sub.: Transcript of Earnings call held on 30 May 2025

Dear Sir/Madam,

Further to our letter dated 30 May 2025 relating to the Audio recording of the earnings call held on 30 May 2025, please find enclosed a copy of its transcript.

Thanking you,
Yours truly,

For GE Power India Limited

Kamna Tiwari
Company Secretary and Compliance Officer

Enc.- As above



GE VERNOVA

“GE Power India Limited
Q4 FY 2024-25
Earnings Conference Call”
30 May 2025



GE VERNOVA



Management: Mr. Puneet Bhatla – Managing Director

Mr. Aashish Ghai – Whole Time Director and Chief
Financial Officer

Mr. Roshan Singh – Senior Sales Staff Manager-
Functional Management

Moderator: Ladies and gentlemen, good day, and welcome to the Earnings Conference Call in respect of, Inter Alia, the financial results for the financial year and quarter ended on March 31, 2025, hosted by GE Power India Limited.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on a touchstone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Puneet Bhatla, Managing Director of GE Power India Limited. Thank you, and over to you, sir.

Puneet Bhatla: Thank you. Good evening, dear investors, and good evening to all of you. Thank you for joining today's call, where we will discuss our performance for the fourth quarter and the full year ended March 2025. We believe you all have reviewed our results and investor presentation, which are available on our website as well as on all the stock exchanges.

I'm joined today by our CFO, Mr. Aashish Ghai, to update you on our performance across the business and to address any queries you may have.

Before we discuss the quarterly and the annual performance, we would like to briefly touch upon the broader economic context. The global economy today stands at a critical juncture. In the last year, we have witnessed a series of unprecedented shocks that have tested the resilience of economies across the world through 2024. Global growth remains stable, but modest and below potential.

Now we are seeing a shift in the landscape. The introduction of new tariff measures by U.S. and the subsequent responses from major trading partners have added a fresh layer of uncertainty. Trade policies are evolving rapidly, and the wide range of outcomes remains possible.

In the face of ongoing structural shifts, heightened uncertainty and persistently weak growth, the path forward must focus on restoring confidence, strengthening stability and addressing global imbalances. Above all, we need policies that can sustainably lift growth and support long-term economic resilience.

Looking ahead, while global growth is expected to moderately -- to moderate slightly from an estimated 3.3% in 2024 to 2.8% in 2025, it is projected to regain momentum, rising to 3% in 2026, reflecting continued resilience and the potential for the steady recovery in the medium term.

This represents a cumulative downgrade of 0.8% points compared to January 2025 world economic outlook projections of 3.3% for both the years. Global projection remains below the historical average of 3.7% seen during 2000 -- 2019. The revisions are broad-based as per countries and reflect direct and indirect effects on the new trade measures, heightened uncertainty and deteriorating sentiment.

But on the positive side, the global inflation outlook continues to improve. Headline inflation is forecast to ease to 4.3% in 2025 and further to 3.6% in 2026, reflecting a progress towards stabilization, even if full normalization to pre-pandemic level is still underway.

Within global context, India's economy continues to demonstrate robust growth. India's real GDP rate is projected 0.2% in 2025 and 6.3% in 2026. The growth outlook for India is described as relatively more stable compared to some economies supported by private consumption, particularly from the rural sector.

In the month of March 2025, India's power consumption increased by nearly 7% to 148.48 billion units as compared to the previous year. The highest supply in a day also rose from 221.63 gigawatts in March 2024 to 235.22 gigawatts in March 2025. Peak power demand is expected to touch 277 gigawatts in summer of 2025.

Coal demand in India continues to rise steadily, reaffirming its position as world's second largest coal consumer. In 2024 alone, demand grew by about 5.5% or nearly 14 million tonnes, marking a new all-time high record. This growth was driven by strong economic activity, which boosted coal use both in power as well as industry sector.

The power sector accounted for nearly 3/4 of the total coal demand saw coal-based generation rise by about 5%, in line with the growing electricity needs. A major factor behind this rise was intense and the prolonged heatwave in the month of May and June, which significantly pushed up the power demand.

That being said, this rapid growth came with the environmental cost. India's energy related carbon dioxide emission grew by 3.5% in 2024, the highest among major economies, highlighting the pressing need for stronger emission control measures.

Now coming down to GEPIL. As we enter the new year, we are pleased to report that the business strategy we outlined earlier focused on new growth areas and reducing exposures to working capital, long gestation projects is starting to deliver results with losses narrowing and revenue streams getting stabilized.

Coming to our business performance. I am pleased to report that we have had yet another strong quarter, showing signs that our efforts are moving in the right

direction. Operational excellence resulted in 12 points increase on actual margins in the core deals.

As many of you would be aware, in the first half of the year, we took some bold decisive steps to create lasting value for our shareholders. This included the strategic sale of our Hydro business and Gas business. As a result, the standalone network of our company stands today at INR233 crores versus INR57 crores as on March 31, 2024.

As we work towards stabilizing our business and building a strong order book across 4 key growth areas, core services, upgrade services, FGDs and our Durgapur operation, it becomes all more important for us to enhance shareholder value and expect greater investor interest. I'm happy to report that the company just received its highest-ever order intake in this current financial year from continuing operations since the financial year 2019-20. Please refer to the presentation on our website or stock exchange for further details.

The company is supported by a healthy backlog of about 2 years now with the order intake of more than 2x due to the continued operations as compared to the previous year. I would specifically like to call out our team effort in the geographical expansions. We have received orders from 5 countries so far, Saudi, Turkey, Australia, UAE and Malaysia intervention to about 6 gigawatts of the installed base.

With the renewed operational rigor and sharper focus on the financial discipline, we are entering the new financial year with confidence and focus with our product offerings in the renovation and modernization of steam turbines. We have supported our customers by -- for a reduction of about 0.8 MMT per year of carbon dioxide by decreasing the efficiency of the assets by 5.5%. Further, our De-NOx offering will support the customer with a total saving of about 6,000 metric tons per year of NOx upon completion of the projects.

Thank you for your patience. And now I will hand it over to Aashish, who will share the financial update with you. Over to you, Aashish.

Aashish Ghai:

Good evening, everyone. Thank you for joining the Earning's call today. And I would like to add data points to the commercial updates, which Puneet has shared followed by the financial performance of your Company.

During the current quarter, your company got orders worth INR 285 crores compared to INR 232 crores in the corresponding period of last year. This marks a 22% increase quarter-over-quarter from the preceding period.

And for the complete financial year, we have booked orders worth INR 2,183 crores, like Puneet just mentioned, vis-a-vis INR 1,171 crores in the previous year.

This is almost a 2x growth year-over-year that we have seen. Puneet also mentioned that this is the highest since 2019-20. So I think that goes back to the commercial team and the teams who have worked on it.

Amongst the orders booked in this year, the key ones are FGD EP order, which we booked from Jaypee Bina & Nigrie, Vindychal Steam Turbine upgrade from NTPC and Wanakbori Steam Turbine upgrade from Gujarat State Electricity Corporation Limited.

We also booked orders worth INR 548 crores in Core services pillar of our strategy in FY 2024-25 versus INR 501 crores last year. These orders provide a sustainable runway for future revenues.

As at March 31, 2025, your Company, like Puneet mentioned, has an order backlog of INR 2,662 crores, , which stood at INR 1,587 crores as at March 31, 2024. Thus, your Company is trending towards growing and healthy backlog with better margins.

Coming to the financials. We are seeing a steady and favorable shift in sales mix where we continue to progress on execution of FGD EPC contracts and convert it to sales, while the high calorie businesses like Core services are increasing.

In the current quarter, we reported a revenue of INR 266 crores, 8% increase compared to INR 247 crores in the corresponding period of last year. Revenue for the financial year 2024-25 sustained at INR 1,047 crores versus INR 1,039 crores in the previous year.

However, important to note that the mix is moving towards the services business with around 2/3 of the sales coming from it. We also saw a strong focus on execution and profitability with better margins, better portfolio mix and focused efforts resulting in operational performance of the company.

The minority shareholders supported with the approval towards slump sale of Hydro and Gas business undertaking. And as a result, like we estimated and informed, your Company was successful in completing these transactions. We completed the Hydro business transfer, resulting in gain of INR 219 crores in the P&L as on March 31, 2025. We also completed the Gas business undertaking slump sale on September 30, 2024, earlier in the current year.

Profit before tax for the quarter stood at INR 189 crores positive against profit of INR 23 crores in the same period of last year. The exceptional gain from the closure of the Hydro business undertaking transaction amounted to INR 219 crores as mentioned above.

And when I compare the profit before tax for the full year, it stood at INR 224 crores in the year against a loss of INR 177 crores in previous year. The exceptional gain from slump sale of Hydro and Gas business amounted to INR 262 crores in the current year.

I'm also happy to share the cash performance of your Company which has a surplus net cash position of INR 433 crores in the balance sheet as on March 31, 2025, and we are in net investment position.

Before I open the forum for Q&A, I want to emphasize again that your Company is on track on the strategy announced at the beginning of the current year and has consistently conveyed that this is a long-term transformation to sustain a healthy top line, profitable and cash surplus business, and we are going strong on it, one quarter at a time.

We are now open for the Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. We will take a first question from the line of Lavish from Sushil Finance.

Lavish: I think it has been around 15 quarters our company has not performed well. And the conditions in India, I think, are very nice as compared to other companies. So where are we lacking? Can you throw some light on it?

Puneet Bhatla: Thanks, Lavish, for this question. My response to your question would be that we are going very strong with respect to the strategy, which we have already decided at the start of the year, where the 4-pillar strategy was discussed and shared with all of you.

We are very strong on the core services. You have seen the results that we have grown by about 2x. One area where we think a little bit of a confusion was there at one point of time in the financial year, wherein some news was there with respect to the FGD. Now those clouds are also cleared, and the information which has been passed on from the Ministry of Environment and Forest is that the FGDs are going to stay, which is one of the third pillar of our strategy.

So there was a bit of a slowness, a bit of the shift in the tendering, etc.. We are moving strong on that also because now the clouds and the policy decisions have been made quite clear moving ahead. And we have also been declared L1 in one of the FGD projects, which is FGD. So that brings the confidence back to us on the FGD pillar itself.

Lavish: And also, if you can throw any light that the parent company, GE Vernova, will infuse some money. Or...

Puneet Bhatla: So Lavish, we are a legal entity, and we would like to speak only on our behalf. So maybe I'll answer it this way.

Aashish Ghai: Maybe I can add, Puneet. Thanks. So Lavish, you see -- I mentioned a couple of data points, and I'll repeat it. The net worth of your company as on March 31, 2025, stands at INR 233 crores positive. The cash position of your company stands at INR 433 crores positive.

So if you look at the balance sheet post carve-out of Hydro and Gas, I think it is a much stronger balance sheet from what we were an year before. And also, of course, it is backed by the operational and the commercial performance of the year.

So at this point of time, GEPIL is moving forward with the strategy that we have announced, and we would continue to build on that. So that is the position right now. I think the balance sheet supports what we are doing, and we would continue to give our 100% on that.

Lavish: But as a shareholder, we all want that balance sheet reflects in stock price.

Aashish Ghai: We can't really comment on the stock price. We don't control that. Yes. But we totally take your point. As a shareholder, you would want that capital appreciation for sure.

Moderator: Next question is from the line of Rahul Kapur from Goldstone Capital.

Rahul Kapur: My question -- the first question is with regards to the Q4 performance and the gross margins are just about 23%, which obviously resulted in a negative EBITDA. Can you throw some light on why the gross margins are as low as 23%? And can we expect better gross margins in the quarters ahead?

Aashish Ghai: Yes, I can answer that, Rahul. Thanks for asking that question. So quarter 4, particularly, we have seen some prolongation and provisions on the FGD EPC sites which are ongoing, which we have baked in, in this quarter. So that is one of the key reasons for what you see.

What we have also been actually able to do in the first 9 months of the year is also collect a lot of claims on account of either the fire insurance, which happened earlier or price variation clause, which we have not seen in this particular quarter. So you will also see, if you look at the other income particular row from the financials. So it has been the lowest in the year.

So we don't have that recovery of the losses that we have done, but just the booking of the regular prolongation provision in the quarter. So that is one thing which is putting the quarter under pressure by around INR 30 crores. So that's

why you see a INR 30 crores negative profit from continuing operation before exceptional items.

To your point, on shall we be seeing better margins or better operational margins going forward, again, we do not -- or we refrain from providing any projections or futuristic statements. However, what I would assure you is that, what we have seen in this year is that our top line, there is a good portfolio mix change towards services. Our top line has seen 20% change from the historical new build FGD EPC project to the services project.

So we have seen that change already. And with the commercial performance that we have delivered in this year, we should see more of sales coming from the new strategy, which is the fourth pillar, and majorly backed by Core and Upgrades. So we should see more of the top line coming from there, and those are our high calories. So I would stop it there, but I would not be able to give you any particular response on the futuristic margins.

Rahul Kapur:

I see. But I'm sure while bidding for a new project, there will be some kind of gross margins you would be looking at while bidding for a new project. Any idea -- any ballpark figure as what kind of gross margins generally you look at while bidding for a new project? Yes, sorry. Were you able to hear me?

Aashish Ghai:

Yes, I heard your question. So this is Aashish again. First, there are no standard margins, it is always deal by deal assessment. -- If we see a strategic advantage, we are ready to price the deal low in order to, say take a fresh market entry.

So for strategic deals, we are more flexible versus OEM deals which are our own fleet where we are aggressive on pricing compared to OEM or strategic deals.

So it is very different in all 4 pillars. And even within the pillar, it is very different depending on what kind of deal it is. So there is no standard answer to that. But what I can share with you is that our backlog, which I mentioned of INR 2,662 crores as on March 31, 2025, it is a healthier backlog and we have improved by 200 basis points, in fact, 200 basis points from where we started the year.

We started the year at INR 1,587 crores of order backlog, and we are anyway strongly closing it at INR 2,662, which is a lot higher. So we are growing. And this growth in backlog has come along with 200 basis points of improved margin on that backlog. So that information, just to assure or to give you some confidence, I can share if that helps you, Rahul.

Rahul Kapur:

Okay, okay. My next question is about your Durgapur facility. Any color on the utilization levels? And can we expect some better utilization there? And if not, then what's the plans ahead for that facility?

Aashish Ghai: Yes. Fair point, fair concern. We share that concern as well. And we have been giving -- that update almost every quarter. So last 2 quarters, we have said around 160,000 to 165,000 hours of utilization is what we expect of Durgapur delivering in FY 2024-25.

We have closed the year at 165,000. So the utilization for the current year is as per the plan, which was 165,000, and our capacity was around 242,000. So 2/3 we can say is what we have been able to utilize in this year.

Now having said that, of course, one, it is 1/3 underutilized and it's a fact, and that puts pressure on the P&L. And two, --we have last year launched the fourth pillar, as a Strategy with Durgapur growth, where we are focusing on the non coal area ie. pressure vessels and cryogenics, plus exports from India, focussing on Boiler and mills components, which did not exist a year back.

So we have booked INR 18 crores worth of orders in that pillar in financial year 2024-25, and we see a strong pipeline for that. Having said that, the utilization issues for Durgapur is not going to go away in a year or a quarter. So that remains to be seen, how best do we utilize that factory. So that is something we are trying to solve as well as we enter into FY 2025-26.

Puneet Bhatla: Rahul, just to add what Aashish has said. It's a journey. It will take over a few quarters to get over it. And as we move forward, we are seeing that there is more or less like 7% of the order increase from Durgapur perspective. So we are inching towards it. But yes, I would echo what Aashish has said, it's a journey.

Moderator: We'll take our next question from the line of Venkatraman, a Retail Investor.

Venkatraman: Sir, just I want to know through curiosity, is there any possibility we will change our name GE Power India Limited into GE Vernova, the asset company GE Vernova Transmission Distribution. Any chances there?

Aashish Ghai: We already have a differentiator Venkat Ji with GE Power and these things don't happen very often. With GE Vernova getting launched on April 2, 2024 as Day 1, they have made the necessary name changes in the entities.. So there are no plans for any name change as of now.

Venkatraman: Okay. Sir, now our company is debt-free company, right, debt free?

Aashish Ghai: Yes. Your company is debt-free company. In fact, I'm happy to share that as on March 31, 2025, we were in net investment position. We had invested in a nationalized bank with the FD of INR 264 crores. So it is in net cash surplus and investment position.

Moderator: As there are no further questions, I now hand the conference over to Mr. Puneet Bhatla for closing comments. Over to you, sir.

Puneet Bhatla: Thank you, everybody. Thank you for your patience, and thank you for your questions, and thanks to Aashish for supporting me on these questions.

So investors, as we have said earlier also, it's a journey which we have undertaken for the last 4, 5, 6 months from July '24 onwards, wherein we are changing our strategy and we are getting towards the high-calorie business. We have started seeing the results. We are inching towards that with the stronger results.

We would continue to move on to our strategy as we have discussed, decided so far and shared with you. Thanks for all your time. Thank you. Good evening.

Moderator: On behalf of GE Power India Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.