GE VERNOVA

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19 May 2026

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: GVPIL	Scrip Code: 532309

Sub.: Transcript of Earnings call held on 12 May 2026

Dear Sir/Madam,

Further to our letter dated 12 May 2026 relating to the Audio recording of the Earnings call held on 12 May 2026, please find enclosed a copy of its transcript.

Thanking you,
Yours truly,

For GE Power India Limited

Puneet Bhatla
Digitally signed by Puneet Bhatla
DN: cn=Puneet Bhatla c=IN o=Personal
Reason:
Location:
Date: 2026-05-19 18:34+05:30

Puneet Bhatla
Managing Director
DIN: 09536236

Enc.- As above

"GE Power India Limited

Q4 FY 2025-26 Earnings Conference Call"

12th May 2026

MANAGEMENT:	**MR. PUNEET BHATLA – MANAGING DIRECTOR – GE POWER INDIA LIMITED** **MR. AASHISH GHAI – WHOLE TIME DIRECTOR & CHIEF FINANCIAL OFFICER - GE POWER INDIA LIMITED** **MR. VIMLESH SINGH – SERVICES COMMERCIAL LEADER - GE POWER INDIA LIMITED** **MR. ROSHAN SINGH – SENIOR SALES STAFF MANAGER-FUNCTIONAL MANAGEMENT - GE POWER INDIA LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the GE Power India Limited Q4 FY'26 Investors Conference Call.

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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Puneet Bhatla. Thank you and over to you, sir.

Puneet Bhatla: Thank you. Good Morning all, whosoever are there over the globe, in case somebody is joining us from the other side of the world. And thank you for joining us for the GE Power India Limited Q4 and the full year FY'26 Earnings call. I would like to extend a warm welcome to our investors, analysts and all the stakeholders.

Our financial results for the quarter and the full year have been released and are available on the stock exchanges and on our website. Joining me on this call is our Chief Financial Officer, Mr. Aashish Ghai, who will take you through the financial performance in details after my remarks.

Let me begin with a brief perspective on the business environment. India's power sector continues to be supported by structurally strong demand driven by industrial growth, urbanization and the need for reliable base load power. At the same time, customers are increasingly focused on plant availability, efficiency improvement, emission compliances and life cycle cost optimization.

This continues to create opportunities for the service-led offerings, upgrades and the targeted performance improvement solutions. Coal-based power generation remains critical for ensuring base load reliability and the grid stability, even as the renewable energy capacity continues to expand rapidly.

India's approach to energy transition is calibrated, balancing sustainability goals with the energy security. In the environmental and the compliance landscape, there has been a recalibration of emission norms, particularly around the flue gas desulfurization. The revised framework prioritizes the installation in the high-impact area while excluding certain categories of plants, thereby taking a more practical and a phased implementation approach.

While this may impact the near-term ordering, but for affordable, reliable and sustainable electricity need, such solutions would remain in the need for the upgrade's perspective. Against this backdrop, FY'26 has been a year of steady operation and the strategic progress for GE Power India Limited.

Over the course of year, we remained focused on strengthening the company as more service-led, execution-driven and financially disciplined business. Our emphasis continued to be higher margin, shorter cycle and lower working capital intensive opportunities and selective approach to others that do not meet our return and the cash flow thresholds.

This disciplined strategy has supported better business quality, improved execution consistency and the stronger cash flow visibility. During the year, we saw encouraging momentum across our core services and upgrade portfolio. Better project selection, tighter execution and sustained cost discipline contributed to improved operating performance.

At the same time, we continued to expand our offerings across both GE Power India and non-GE Power India installed thermal bases, supporting a healthy flow of service-led orders. Core orders, the backbone have risen by 32% from FY24-25, with the revenue for the same period witnessed 12% upside and for this year 15% above the budget for the core services.

As of March 31, 2026, our order book stood at INR1,628 crores, which remains healthy and provides the visibility for close to 2 years of execution from continuing operations. Importantly, this order book is now increasingly aligned with our strategic priorities, with a higher share of service-led, margin-accretive opportunities.

During FY26, we also made meaningful progress in strengthening our balance sheet. Resolution of legacy receivables has been a key focus area, and we have seen encouraging movement through the structured settlements and the improved collection. The settlement of Bharat Heavy Electricals Limited has significantly enhanced cash flow visibility.

While the amicable closure of matters with Jaiprakash Power Ventures Limited has reduced uncertainties and strengthened our financial position. This year, on the portfolio front, we have taken decisive steps to simplify and sharpen our business model. Following the earlier exit from hydro and gas businesses, we are on track for the demerger of Durgapur manufacturing facility to JSW Energy.

This transition marks a significant shift towards an asset-light, service-led structure, reducing fixed cost exposure while ensuring continued access to manufacturing and the service capabilities through appropriate commercial arrangements. As a result of these actions, combined with disciplined cash management, our financial position has improved materially.

Our net worth has strengthened, and we are now operating with more efficient capital structure, better aligned with the nature of our business going forward. From a growth perspective, we have also made steady progress in diversifying our order inflows. During the year, we have expanded our presence across multiple international markets, including Saudi, Turkey, Australia, UAE, Malaysia, Indonesia and Morocco.

These engagements support the service across a meaningful installed base and reinforce our positioning as a reliable and preferred partner in thermal services and solutions. Operationally, the year also saw several important milestones across the business. In new build boiler, we achieved contract closure with BHEL, which I just mentioned, completed three PG tests for the key units and reached synchronization and the facility closure milestones across multiple projects.

In AQCS and FGD, we have received seven operational acceptances and completed completion of facilities for four units. In the services, we continued to invest in capability building and delivered first-time products, generator repairs, turbine upgrade control system solutions.

This year, we have had a pleasure of receiving orders for 18 new first-of-its-kind products, which is remarkable. Our automation and control business also secured an executed multiple orders across the domestic and the international market. The team is highly skilled in executing the projects for DCS, turbine controls, generator excitation, generator health monitoring with various product lines like ALSPA, Mark VIe, etc.

Looking ahead, our priority remains clear driving disciplined execution, accelerating cash conversion and sustaining profitability. We will continue to focus on strengthening our core service franchise, improving margins and maintaining financial discipline. With a streamlined portfolio, improved profitability and order book position, we have closed 2026 on a positive note and are well-positioned to build on this momentum as we move forward.

We are pleased to also announce that the board has recommended dividend payout of 70% of the face value, which is subject to the approval of the shareholders of the company at the ensuing Annual General Meeting. Thanks for your patience and belief in us for last 4 years when the company could not declare the dividend in those tough periods.

With that, I will now hand it over to Aashish, who will walk you through the financial performance in much more detail. Thank you. Over to Aashish.

Aashish Ghai: Thank you, Puneet. Good morning, everyone. Thank you for taking time to join today's earnings call. And once again, congratulations to all the investors for the strong financial performance for the quarter and year ended March 31, 2026. I would share a few insights in that context.

Starting with the commercial update, during the quarter, your company secured orders worth INR 254 crores compared to INR 285 crores in the corresponding period of the previous year. Please note prior year's figure includes O&M orders worth INR 52 crores. But notably, your company's pivot to margin and cash accretive core services business is on the right track, with orders increasing by 22% quarter-over-quarter from INR 207 crores to INR 253 crores.

And for the complete financial year, your company has booked orders worth INR 877 crores in current financial year compared to INR 2,183 crores in the previous financial year. There is a steep decline, which is contributed by FGD-EP orders of Jaypee Bina and Nigrie worth INR 775 crores, which we booked last year and also two large complex upgrade orders of Vindhyachal and Wanakbori worth INR 591 crores again booked in the previous financial year. But again, on the core services, which, as Puneet mentioned rightly, is the backbone of the current and the future strategy of the company.

We have successfully delivered a strong year-over-year 32% growth, which reflects the continued strength of our strategy execution and market positioning in that portfolio. As of March 31, 2026, your Company has an order backlog of INR 1,628 crores, down from INR 2,662 crores 12 months back as on March 31, 2025. This reduction is driven by the termination of two FGD EP contracts of Jaypee Bina and Nigrie.

Coming to the financial performance. Revenue for the quarter ended March 2026 stood at INR 316 crores driven by upgrade volumes in the quarter, which is up from INR 266 crores in the corresponding quarter last year. This marks a 19% quarter-over-quarter

Revenue for the full financial year stood at INR 1,269 crores, which is up from INR 1,047 crores. This marks an impressive 21% increase driven by strong performance across Core Services and Upgrades, which grew by 14% and 24% respectively YoY.

Profit before tax and exceptional items from continuing operations for the quarter stood at INR 119 crores compared to loss of INR 15 crores in the quarter ended 31st March 2025. This reflects the sustained efforts in improving the operating performance across the business and transition to a healthier project and portfolio mix. The steep quarter-quarter profitability increase is also complemented by certain one-off items like reversal of ECL provision for BHEL, which is around INR44 crores.

I would also like to update our investors that pursuant to the settlement agreement signed with BHEL earlier this year, the company has successfully received INR 343 crores in the financial year 25-26. With receipt of the above-stated amount, all the obligation from your company in respect to the projects covered under the settlement agreement stand closed, and both parties have fully released and discharged each other against any and all future claims.

Profit before tax and exceptional items from continuing operations for the full year stood at INR 340 crores compared to INR 22 crores in the previous financial year. This substantial increase also comes from operational excellence, but at the same time, it's complemented by certain one-off items like reversal of ECL provision for BHEL, which was around INR116 crores, Solapur extension of time and LD settlement around INR 22 crores, and insurance claims from Solapur and Sipat fire incident, which was around INR 18 crores.

There have been certain one-off gains in the financial year which augmented the strong performance. However, I'm happy to share that excluding the one-offs, your company delivered 11% EBITDA at the entity level in the current financial year, reflected solely by the operational performance.

With an exceptional performance in the financial year, your company has recommended an exceptional dividend of INR 7 per equity share, which is 70% of the face value, subject to approval of the shareholders at the ensuing AGM, which is the highest dividend recommended in the last 10 years at least of the company.

Your company took certain critical actions in this financial year, such as signing of settlements with BHEL and Jaypee, plus signing of demerger transaction for Durgapur with JSW Energy. These actions are decisive and reflect our commitment to continue to reduce financial exposure, optimize operational cost, and march towards sustained profitability at the back of core services business and disciplined execution.

And the quarter-over-quarter profitability in this financial year is a testament to the effectiveness of this strategy. Despite the challenges posed by the limitations on FGD installations, we have managed to maintain a solid financial footing from operations. Our ability to secure key core orders positions us well for the year ahead.

Before I open the forum for Q&A, I humbly want to convey to you all that GEPIL's management remains fully committed to drive sustainable growth in strategic areas like core services, focusing on generating consistent profits and cash flow.

We have made a significant progress in our financial turnaround journey over the course of this year, and the results delivered reflect the strength of our execution. As we enter the new financial year, we remain focused on sustaining this momentum and continuing to strengthen the business across key operating and financial parameters.

I, on personal note, would also like to thank all our investors for their continued support and trust that you have shown in us during the last 2 years. Your trust motivates the management to drive the results and turnaround like the one we are witnessing in the company. I enjoyed every opportunity of engaging with you all through the quarterly calls, and I wish you all the very best.

Thank you for joining the call once again, and I now open the forum for Q&A.

Moderator: Thank you. We will now begin the question-and-answer session. We will take the first question from the line of Rahil Dasani from MAPL. Please go ahead.

Rahil Dasani: Yes, good morning, sir. First of all, congrats on consistently showing such strong numbers. I'm a bit new to the company, so just some basic questions to begin with. We are seeing that all the gas turbine manufacturers are having these large orders, and these turbines also need the HRSG systems, and we have mentioned about these systems a few times over the year.

So if you can please share more on the same and what do we do here exactly? I believe GE used to manufacture for the same in the Durgapur facility. So if you can just give me a broad outline as to what are we doing here?

Puneet Bhatla: Thanks, Rahil, for taking time and connecting onto the earnings call. Yes, you are right that there is a sort of a spurt and there is a spike of the gas plants in the global arena. But as per the business objects for the GEPIL today, we are not in the gas turbines firstly. Secondly, you're asking for the tail side of a gas plant while you're talking of the HRSGs and others. So, these also belongs to gas business. GEPIL is focused only on the steam or the thermal business. So that's not your company which is at this point of time working at.

Rahil Dasani: Okay. But I believe the HRSG systems are also used in thermal as a part of the combined cycle turbine, right, along with the normal steam turbine?

Puneet Bhatla: So a gas plant normally has a gas turbine, if it is a combined cycle, a gas turbine, an HRSG, and a steam turbine. This all entails the gas business of GE Vernova, and it's not in the objects for GEPIL at this point of time.

Rahil Dasani: Got it, got it. And if I were to ask this as to how much of the core services order book is executable for us in FY '27?

Puneet Bhatla: Ashish if you can give these numbers.

Aashish Ghai: So typically these are short cycle orders which gets complete within 12 months. So the order in hand that you see as on, say, 31st March 2026, expect around 85% to 90% of that to be executed in FY'26-'27.

Rahil Dasani: Got it, got it. And a much broader question regarding the maintenance, upgrades, decarbonization, and all-site repair of old plants. How should we understand the overall market size or demand for that as of date, considering if I look at the BHEL order book, we have seen in the last 3 years what kind of rise they have seen for the thermal plants after a long 10 years of waiting? So as of date, according to you, how is this market shaping up? How big of a demand are we seeing here annually for our sort of services and yes?

Puneet Bhatla: So Rahil, it's a good observation which you have made, and I think there is a lot of focus which is coming on the thermal power stations. And when we are talking of the thermal power station, its reliability, its PLF, and its availability, all becoming very important to cater to the need of the economy. With that it means when the PLFs are increasing, the machines are doing a heavy, and more duty, and when they are doing the more duty, the requirement for the services business will keep on increasing.

Unfortunately, it cannot be predicted when a machine is going to fail, but if you have seen, you have observed the order book position for the core for last many years, We have been consistently improving it year after year, and this year also I think we have improved it to 32% more orders intake or something like that.

Rahil Dasani: 32% of the market share. I didn't hear you clearly.

Puneet Bhatla: 32% core orders intake from the previous year. Market size, it will be about INR3,500 crores to INR4,000 crores as a target market.

Rahil Dasani: Got it, okay. Yes, I have a few more questions, but I'll get back in the queue. Thank you and congratulations again.

Moderator: Thank you. We will take the next question from the line of Tushar Deepak Bhai Bhavsar from Cognizance 4D. Please go ahead.

Tushar Bhavsar: I have a couple of questions. My first question is that, our order backlog have declined from INR 2,662 crores to INR 1,628 crores. So, when you say like 85% will be cleared off in the year. So, are we expecting like revenues of around INR 1,300 crores for the year '27?

My second question is, I see that we generated around INR 469 crores cash from operating activities from continued operation, but we have deployed INR 450 crores as a loan to some party. What is this loan about?

My third question is, once we exhaust this order backlog, how quickly we anticipate the backlog to grow? And are we increasing the core business or we are expanding it to other areas.

Aashish Ghai: So, I would answer it one by one. Your first and the third question are very interlinked. I'm going to take them together and then we'll talk about the operating cash and the loan which you have.

So yes, the order in hand have declined from previous year. And like I said in the beginning, there are 2 reasons to it. One, we have terminated one of the FGD-EP contract, which was worth INR 775 crores.

So that's one big driver of it. Number two, if you see the strategy of the company, which we launched in July 2024 and that is what we are implementing for the last few years.

As a result of that, at least for this year growth Puneet mentioned 32% in core orders in particular, but also over four years, the CAGR is 25%. So, I think that strategy is proving to be quite effective in terms of the growth. But at the same time, there is new build, when I say new build, I'm talking about the greenfield projects or FGD EPC solution projects. Those are on the project closeout mode, meaning that it would consistently go down and down because we are closing out those projects.

So, you will see reduction in order in hand. That's the nature of or that's the effective strategy itself. What remains important is that in the portfolio where we are spending the commercial efforts, where we are going to continue our business and our future performance is at the back of those, that portfolio, which is Core services, how are we doing there? And I can tell you that order in hand for core services alone has increased by around 40% year-over-year.

So, what is declining is the new build orders backlog, which is the strategy of the company anyways, but what is increasing is the core orders backlog. So that message is important. So, to your third point, yes, we expect and we are working towards growth in core services.

At this point of the time, I think Puneet in the previous question to Mr. Rahil answered that there is around INR 4,000 crores of targeted fleet which we are working on, and currently we have roughly 18% of the market share there. Our endeavor is to grow that market share, stabilize for the next year or so, and then think of expanding if we have to in other areas. For now, we remain committed on the strategy we had announced and we are delivering on that one.

Coming to the last point, which you said about the operating cash and the loan. INR 450 crores loan that you see is a loan or lending to our cash pool account. Any surplus cash which we have, we either have two options, either to lent to cash pool or invest in FDs for the working capital surplus with the commercial bank. Our cash pool arrangement, which is benchmarked with HSBC, we lend that money and earn interest on that, which is reflected in the other income of the financials.

So that is the surplus working capital cash which is lent to be used as and when we require by the company. So that is the INR 450 crores that you see in the balance sheet. I hope you have received your answers.

Tushar Bhavsar: Yes, maybe I do, I do. Thank you.

Puneet Bhatla: Maybe I can add something onto this, Mr. Tushar. I'll just remind you with respect to the strategy which we have changed or which we have painted about 1.5 years back, when we got into our service-led strategy we understand that the headline for the order intake will be remaining muted, but I think this is in line with the strategy which we have taken. And this was taken because we always believe that the relevant metric at this stage for us is the earnings quality rather than the order backlog. And I would even like to extend it historically, There are several examples which were largely focusing on the EC, but they could not translate into the shareholder value because of the weak margins or the long cycle and the uncertainty. And for that, just to remind everybody that we took a conscious call about 1.5 years back or 2 years back and get into a quick short cycle highly accretive margin opportunities on which we are working. And I think we have been consistent on that.

Tushar Bhavsar: Thank you, sir.

Moderator: Thank you**.** We will take the next question from the line of Milind Karmarkar from Dalal & Broacha portfolio managers.

Milind Karmarkar: Hi, thank you very much for taking my question**.** I had a couple of questions. Basically, wanted to understand how large is the opportunity for you in core services globally, and while, you know, trying for this opportunity, do we get help from our parent? That was my first question. The second question was that also wanted to understand more about this INR450 crores being lent via HSBC. What kind of yield do we get on this and how safe is this type of lending? So these were the two questions which I have.

Puneet Bhatla: I could not take the last time when you mentioned with respect to the promoters. What was that line?

Milind Karmarkar: So, what I was saying was that in your endeavour to basically focus on core services globally, do we get some kind of a help from our parent.

Puneet Bhatla: So Milind. We are a part of the big GE Vernova and GEPIL as a legal entity has got a mandate or a perimeter for the India region. So, for a larger perspective, we are only focused on the India. But then we are also focusing on 13 other countries specifically for the boilers in Vietnam or Saudi or Turkey or Indonesia etc.

With respect to the global or the promoter support, yes, we have got the support with respect to the IP. But you should also take a pride into this that your company within the overall global GE Vernova perspective is the only company which is working on the GEPIL as well as non-GEPIL fleet.

Milind Karmarkar: Yes. Only one more addition here was that when it comes to non-GE, are we restricted to Eurasia or we can sort of service anywhere in the world?

Puneet Bhatla: No, our perimeter remains only India region for GEPIL and non-GEPIL assets.

Milind Karmarkar: Only India. Okay got it. Thank you.

Puneet Bhatla: So your second question. Maybe I will hand it over to Ashish.

Aashish Ghai: Yes Mr. Karmarkar. So, your second question was to throw more light on the INR 450 crores. So what we do and we have been doing for almost all our working capital surplus cash, we have a common pool entity within the promoter group. And we lend or we borrow. So in our testing times, we borrowed significant money from that pool.

And now when we are a cash surplus, we are lending to that entity. So, we have from our shareholders, an approval for both lending as well as borrowing from that entity and that lending and borrowing rates are competitive and benchmarked within nationalized commercial bank.

In this case, we have benchmarked it with HSBC, which is also mentioned, we kind of disclose it in the AGM every year. The range, then you have two points, one on the rate and two on the safety of this lending. So, the rates vary, of course, as the time goes as also the benchmark rates change, but it remains in the range of 5.5 to 6.35% during the year

And it is, like I said, if it is benchmarked, we typically get 0.25% higher, typically higher than what we get in the commercial bank. So, that's what we get here. Now, in terms of the safety, these lending is reviewed, approved by not just the management, but by the board of the company and well audited by the auditors also when they come.

And we, at our end, we do a thorough financial health check of this company every year. So, this is also the entity where do other businesses also, the balance sheet of that company is very healthy. The net worth and the cash position of that company is healthy. So from a safety standpoint, I think it's a very healthy company. And every year, we perform the financial health of the entity.

We have been doing it for decades now. And I mean, since beginning, let's say, when GE took over and we have operational benefits of that and also financially very competitive pricing with a safe house when we need it. So, that's what is the working surplus cash positioning that we do in the company.

Milind Karmarkar: Thank you very much and all the best.

Moderator: We will take the next question from the line of Sunny Shah, an Individual Investor. Please go ahead.

Sunny Shah: First of all, congratulations to the management for walking out and delivering good numbers. So I have a set of 3 questions, if I may ask one by one. So as what I read about the government mandate regarding the FGD that any coal plant having 250-plus gigawatt capacity must install the FGD. So in that sense in terms of desulpurization what scale do we see at GE Power given the fact that we have a technology backing from the parent? And if the opportunity is so, what is the broad range or a ballpark range of margin expectation in such kind of orders?

Puneet Bhatla: Sunny, I'll hand it over to my commercial leader for FGD. Roshan Singh.

Roshan Singh: Right. Good morning. So, your question is, what is the business currently as per the government mandate on the FGD part. If you see the recent notification what government has notified last year, July 25, that is, they have categorized installation of FGD, which was category A and category B and category C. It was with respect to the population of the cities.

Before 11th of July notification, it was mandated that all three categories will have to compulsorily install the FGD. However, post this notification, what has happened, category C, which is more than 50% of the install base that is more than 200 gigawatt, which was supposed to be like FGD ready by certain date. has been taken out.

Then the government said category A has to necessarily install, which was like 10% of the total install base and category B has an option. So, that is how category B has an option means they have to review the applicability, then submit to the government.

And if they go ahead for FGD, then there is not a pass through of tariff under certain conditions. So, that is how category B portion has also come out in practical terms. Only category A left it is hardly 8 gigawatts, which is supposed to install the FGD with respect to the notification of 11th June 2025. And to which the progress is quite slow. Majorly plants are from Tamil Nadu and Maharashtra and one or two plants in Central India. Am I able to answer you?

Sunny Shah: Yes, fair enough. So, you are saying that mandate effectively has not much of weightage in the business sense for us, unless obviously it is being done proactively by the power bank itself.

Roshan Singh: Yes, correct.

Sunny Shah: So I'll come to the last question. We have a net cash of INR 880 crores in the books. So, I mean, what are we planning? Are we planning to use it in terms of working capital, but at the same time, we have moved from a high capital intensive to a low capital intensive and high margin business is what I would understand as per the last one-and-a-half-year talk, which we are having with the management. So, what are we trying to plan with this INR880 crores?

Puneet Bhatla: So, Sunny, I think a good observation, but let me be very honest and transparent with you. The company is fully aware of the situation and continue to evaluate the effective and the efficient deployment of this for growth. Our perimeter for the growth would be towards the focus area i.e. Services.

Moderator: Sorry to interrupt in between, sir. Your voice is broken.

Puneet Bhatla: Maybe I will start from the start. Sunny, thanks for this question and probably I think this is something which I would like to answer and try to give you an understanding on to this aspect. This cash is into our continued evaluation so that we can effectively and efficiently deploy it towards our business growth and the operational strengthening, while also creating the shareholders' value.

But our strategy remains the same wherein which we have been saying for last many, many quarters that we would be focused on the service, which is high margin, short cycle, and cash accretive perimeter. And as we develop further onto this, we will keep you updated on the developments which are taking place onto this so that we also share it out with you. And most important for us is the shareholder value creation which we would like to use it into that. Aashish, anything that you would like to add onto this?

Aashish Ghai: No, I think you have answered, Puneet. Thank you.

Sunny Shah: Right. So, I'll come to the last question. I could understand that the shareholders' value in terms of either in the growth of the company or in whatever way is the focus. So, I'll come to my last and third question is if I were to ask you about, you know, GE Power's SWOT analysis in terms of, and more focus would be in terms of the opportunity and the threats?

And these opportunities and threats, let's say, could be highly probable and it could be a low probable thing. But if you could define something in terms of what opportunities lie and what are the threats, if maybe, you know, if you could dwell on that?

Puneet Bhatla: Maybe I'll start with the easier one, the opportunities. We are focused on the thermal business of the installed base, and as you would have been seen in the whatsoever is there in the media etc. The demand is constantly increasing as the economy is rising.

We, a service after-sales business, this demand is going to continuously help us. I see that this is one of the big opportunities for your company. On the threat side as the renewable is coming in, there could be a little bit of a slowness. But at the same time, let me give you a back-of-the-envelope calculation, Sunny. To even get a 100 gigawatt of renewable, you still require a 300 gigawatt of the embedded energy. And that embedded energy till the renewable comes in is only coming from the thermal now at this point of a time. You can call it as a threat, but again within this threat, there is an opportunity. So, I see it both ways.

Sunny Shah: Right. Thank you so much for patiently answering the questions. I mean, I'm done with my questions. Thank you so much.

Moderator: Thank you. We will take the next question from the line of Prateek Shrivastava from Nivesh Wisdom. Please go ahead.

Prateek Shrivastava: Yes, hello, sir. Again, thank you for taking my question and again congratulations on a wonderful set of numbers. My question is on the Durgapur JSW demerger. So, what are the specific regulatory approvals are pending and what is the realistic timeline for this?

Aashish Ghai: Yes, Mr. Shrivastava. So right now, where we are in the process is that we have filed with NCLT and in the due course there are certain approvals that are needed. Like creditors and shareholders' approval.

So, there are certain approvals and then of course ultimately NCLT and we also need NOCs from the government institutions like the tax institutions and the banks and all that. So all those are part of the procedure. The procedure is initiated after the filing of the petition with NCLT. The realistic timelines, well within 12 months is definitely there.

The target is to close within this calendar year, that's the target, but I can say that within 12 months from, say, 31st March of 2026 is definitely the expectation. The target remains three months ahead of that.

Prateek Shrivastava: Okay. And sir, how does it benefit GE and minority shareholders like us, this demerger?

Aashish Ghai: Sure, I can take that. I see a couple of benefit on the company's side, and when I say company, I the shareholders are part of the company, so I take, you know, all of us together. So, one big benefit is I believe it gives the flexibility to our shareholders, to our investors to remain invested in a large power asset of the country.

Durgapur is an asset of 660 acres. Now this is no small land, this is no small asset. However, the way we have, you know, transformed over the last 65 years, which is the aging of this asset, we are into services business now and we are ramping down on the new build business, and hence the asset was underutilized.

Now this is not just unfortunate for the company, this is also unfortunate for the country that a large asset is being underutilized. Now with this demerger, it gives you an opportunity that you can choose to remain invested in the asset because it is going and you would get, you know, the as per the entitlement ratio the shares in the resulting company and also the remaining business, which is GEPIL's core strategy backed by core services.

So, it would unlock the shareholders' value, which also Puneet talked about in the previous response. So, I think it gives you that flexibility, which is one. It unlocks value for that asset because it was underutilized. We tried to kind of, you know, we tried a few things to not only fill the factory but at least be some get some level of profits there, but we could not succeed honestly.

And we have seen quarter-over-quarter we have reported losses in that from that factory or from that business. So, it goes to a partner or it goes to a company which is very ambitious and which is growing on that and which would be effectively utilizing that factory a lot, and they have shared the plans for Durgapur, they have also shared the employment opportunity in Durgapur.

So, I think it is good for the country, good for the people in Durgapur, and also at the same time gives the shareholders an opportunity to remain invested or not remain invested as you feel like but definitely unlock a shareholders' value.

From our side, like from a management perspective, we are able to focus on the remainder business, we are able to focus and grow on the core services business and in turn deliver better growth and in turn deliver better results operationally, more importantly, and then of course as a function of operations, financially.

So that is the whole idea behind or that was the whole intent behind this demerger proposal which is put on the table. And I actually thank you for this question because it's important that our investors understand the intent of this demerger so that they can vote with the right level of information and intent when it comes to you for approval.

Prateek Shrivastava: Thank you, sir. So now that we are getting into core services, with this demerger, are we going to lose any manufacturing or fabrication capability which supports our core services contracts?

Aashish Ghai: So again, thank you for this question. Good question. So, the short answer is no, we will not. And the reason for that is that as for boiler, so firstly, why do we need the factory for core services? Do we even need the factory for core services? We need manufacturing capabilities, yes, for our boiler portfolio we need that.

There are components, well-identified components for which we need these, you know, the manufacturing capabilities. How are we making sure that as part of this demerger our core services is not getting impacted is by signing a long-term service agreement with JSW Energy. We have signed as part of the deal, we have signed a five-year contract with them, which can be extended as mutually convenient to both the parties.

But five-year contract with them under which we have reserved the right for, you know, at predetermined schedule and price, the rights for manufacturing, not for manufacturing, the manufacturing will be done by JSW itself and we will they will be our vendors for it, but we have kind of reserved the capacity so that our core services business is not impacted for the next five years.

Now five years is a long period where we will then develop an alternate supply chain. We have already started working on that even before the demerger. We are in making good progress there, but I think over the next 18 months, I would say, we would be in a very good shape to have developed an alternate supply chain that, you know, post the completion of this long-term agreement, we would be independent of by ourselves for core.

But for the next five years, we have secured the order intake or avoided any loss of order intake by signing this long-term agreement.

Prateek Shrivastava: Great, sir. And one final question is on EBITDA margin. You noted 37.6% in Q4 EBITDA margin, but that is due to this BHEL reversal that alone roughly is around 14 percentage point it contributes to that? So, excluding all these, you know, one-time settlement related charges, provision reversal, then and anything other one-time, what would be the underlying EBITDA margin and what we can take that as for FY'27 run rate, sir?

Aashish Ghai: Sure. So, for FY'25-'26, after all these one-offs, I said in the in my opening remark that the normalized EBITDA or the underlying after all these one-offs remains for at the entity level is at 11%. At the entity level for full financial year, I'm talking about.

The same at the quarter level is at 18% because you mentioned 37% for the quarter. So that remains at 18%. For the full financial year, that's 11%. This is at the entity level including discontinued operations of Durgapur perimeter. Now our efforts and our optimization initiative both on cost side and then improving the, you know, the health of our portfolio remains there.

So, I can safely say that the base is set and, you know, the efforts it should be, you know, at par if not more at least but at least at par for the for the future years. So, I would not I can't give you a range or something on the guidance for the future in terms of margins, but I can say that at least the base is set in this year.

Prateek Shrivastava: So, when you say at par, should I take like around 18% or 11%?

Aashish Ghai: No, 18% is for the quarter, sir. We're talking about the financial year, which is 11% for FY'25 - 26.

Prateek Shrivastava: Okay. So, you're guiding more for on the year front.

Aashish Ghai: Yes.

Prateek Shrivastava: Yes. Okay. Thank you, sir. Thank you very much.

Aashish Ghai: Thank you.

Moderator: Thank you. Before we take the next question, a final reminder to all the participants, if you wish to ask a question, please press star and one. We will take the next question from the line of Prateek Giri from Subh Labh Research. Please go ahead.

Prateek Giri: Hi, good morning, sir. I hope I'm audible. So, most of the questions are answered. I have just one clarificatory point. Sir, I just wanted to check in our reported revenue of probably INR 316 crores, if I have to arrive at the right number, I'll have to deduct INR 44 crores, right, the ECL reversal?

Aashish Ghai: Sorry, quarter or the year?

Prateek Giri: No, no, I'm talking about quarter, Q4'26.

Aashish Ghai: Okay, INR 316 crores, yes.

Prateek Giri: So out of that INR 316 crores, sir, I'll have to deduct INR 44 crores, which is probably the ECL reversal, right?

Aashish Ghai: Yes, around INR 41 crores with other benefits, but yes, in that range.

Prateek Giri: Got it, ballpark, understood. Sir, I was just wondering for how long it may continue further because probably for the last two, three quarters we have been commenting about it, but I was just wondering can FY'27 also will see these kinds of interruptions from previous ECL?

Aashish Ghai: So, no. You know, I kind of clarified this in my opening remark again, Mr. Giri, that with the last tranche in March with the amount that we have collected, we have fully honoured and executed our settlement agreement with BHEL.

And both the parties have duly discharged each other of all the other all the obligations under the settlement agreement and the agreement stand closed as on date. So, to your to your question, you know, BHEL agreement impact on ECL is done as of 31st March 2026.

Prateek Giri: Understood. Sir, I'm sorry I missed it probably in the opening remarks, but this is helpful. Thank you and congratulations again for the kind of performance you guys have delivered. Thank you.

Aashish Ghai: Thank you.

Moderator: Thank you. We will take the next question from the line of Abhay Jain from Zeiya. Please go ahead. Abhay, please proceed with your question.

As there is no response, ladies and gentlemen, this was the last question. I now hand the conference back to Mr. Puneet Bhatla for the closing comments. Thank you and over to you, sir.

Puneet Bhatla: Thanks everybody for sparing the time and being available on this earnings call. And as Aashish and myself said, thank you for your support to us and thank you for the sort of a conviction which you have shown in us. Company has come back onto the track.

I would like to close it with saying that we will continue to focus on the strengthening of our core services franchise, improving the margins, and maintaining the financial discipline. Looking ahead, our priority remains a clear driving of disciplined execution, accelerating cash conversion, and sustaining the profitability. With this, I thank you all once again. Thank you.

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