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May 31, 2023

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The Manager
Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, Bandra Kurla
Complex, Bandra (East)
MUMBAI 400 051

Code No. 522275

Symbol: GET&D

Dear Sir,

Sub: **Transcript - GE T&D India Limited Earnings Call for Investors held on May 25, 2023**

Please find enclosed a copy of the Transcript of earnings conference call with analysts/ institutional investors held on May 25, 2023 in respect of financial results for the financial year ended on March 31, 2023 (Audited) and for the quarter ended on that date.

You are requested to take note of the same.

Thanking you,

Yours faithfully,
For GE T&D India Limited

Anupriya Garg
Company Secretary & Compliance Officer



**“GE T&D India Limited Q4 & FY23 Earnings
Conference Call”**

May 25, 2023

MANAGEMENT: **MR. SANDEEP ZANZARIA – MANAGING DIRECTOR & CHIEF
EXECUTIVE OFFICER**
MR. SUSHIL KUMAR – CHIEF FINANCE OFFICER
MR. ABHISHEK SRIVASTAVA – HEAD, BUSINESS OPERATIONS
MR. ANSHUL MADAAN – COMMUNICATION LEADER
MS. ANUPRIYA GARG – COMPANY SECRETARY
MS. TANVI GUPTA – SENIOR FINANCE MANAGER



Moderator:

Ladies and gentlemen, good day and welcome to the GE T&D India Limited Q4 FY23 earnings conference call.

As a reminder, all participants' 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 “*” then “0” on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Tanvi Gupta from GE T&D. Thank you and over to you.

Tanvi Gupta:

Good afternoon everyone. We welcome you to the GE T&D India Limited Earnings Call for the 4th Quarter and Financial Year-Ending 31st March 2023.

I am Tanvi Gupta from the GE T&D Investor Relationship Team. We are delighted to have you all on this call. During the call, we will discuss the company's financial performance including operational highlights. We will share the key updates and address the questions you may have.

Before we begin, I would like to highlight an important note for today's call:

Firstly, as you are aware, we have recently declared the results for the 4th Quarter of the Financial Year Ended 31st March 2023. The said results are available on our website. Further, we have also prepared an earning presentation for the quarter which would be under discussion during this call. The said presentation has been mailed to you. . Also, I would like to take a moment to remind everyone that today's discussion may contain a few forward-looking statements which are subject to risks and uncertainties. These statements are based on our current expectations, and actual results may differ materially from those expressed or implied. We encourage you to refer to our public filings and disclosures for a comprehensive understanding of the practice that could impact the future performance.

With this, now let me introduce the GE T&D India Management Team available on this Call. Firstly, with immense pleasure, I would like to welcome Mr. Sandeep Zanzaria as the new Managing Director and CEO of GE T&D India Limited in today's call. Sandeep brings with him over 3 decades of experience in the power sector. He joined GE in 2017 as the regional commercial leader for GE Renewable Energy's Grid Solutions, South Asia where he was responsible for commercial strategy and order intake for the region. Prior to joining GE, he had various roles in commissioning, project management, engineering as well as commercial and business leadership at BHEL, Areva T&D, Alstom T&D, and Schneider Electric. His exceptional leadership and expertise will undoubtedly steer the company towards continued growth and success. Besides Sandeep, we have also been joined by Mr. Sushil Kumar – CFO of the company; Mr. Abhishek Srivastava – Head, Business Operations; Mr. Anshul Madaan – Communications Leader; and Ms. Anupriya Garg – Company Secretary of GE T&D India Limited.



We have a dedicated question & answer round towards the end of the presentation where you can ask your questions and seek clarification on any topic of interest.

Thank you once again for joining us today. Now I will hand over the call to Sandeep for his opening remarks. Over to you, Sandeep.

Sandeep Zanzaria:

Thanks to everyone for joining us today. We hope you and your families are healthy and safe. We are currently witnessing a positive trend in India's grid electrification market supported by the Government of India's emphasis on expanding electricity access and promoting renewable energy. This commitment has propelled the country's electrification efforts, driving significant advancements in this sector. There is a rising emphasis on clean energy and a collective determination to achieve the renewable energy target set by the Government of India, which is fueling investments and technological advancements. Furthermore, a growing focus can be seen on integration of smart grid technologies, digital systems, data analytics, and advanced monitoring capabilities which will ultimately improve grid infrastructure management enhancing reliability, efficiency, and overall quality of power.

Our company's expertise in innovative technologies and service is aligned perfectly with these evolving needs of the India's grid electrification sector. As a result, we have been receiving orders from prominent transmission players in both the public and private sector. This is evident from our order growth which has increased by 58% year on year in the 4th Quarter of Financial Year '22-23 and overall, by 26% annually compared to the previous fiscal year. In terms of financial performance, we have achieved improvement in operating profit both in the 4th Quarter and in the fiscal year. This improvement reflects our unwavering commitment to delivering values to our customers and shareholders. By operating leaner and more efficient businesses, we are continuously driving cost optimization and improvement in execution. Furthermore, we are pleased to report a significant reduction of our debt during the 4th Quarter of FY '22-23 strengthening our financial position and increasing stability. Our CFO, Sushil, will provide a detailed analysis on these financial numbers later in the call.

On the operational front, in the last financial year, we have commissioned a number of air-insulated and gas-insulated substations along with supplying critical equipment like the 765 kV transformer reactors for various substation projects for public and private utilities. These initiatives contribute significantly to the reinforcement of the Indian transmission infrastructure and meet the growing energy demands. Moreover, we have taken the lead in deploying automation technology, not only for India but also for neighboring countries. Our state-of-the-art automation and digital grid solutions have been widely adopted by utilities enhancing substations and control centers across the region. Notably, we have secured a significant contract for upgrade and automation of 39 substations in Nepal including the establishment of 6 master control centers and the replacement of existing control and relay equipments. This project showcases our expertise and dedication to improve the grid efficiency and the reliability.



Additionally, I am proud to highlight our recent participation in ELECRAMA hosted by IEEMA (Indian Electrical and Electronics Manufacturers' Association) where we had the opportunity to showcase our latest technologies in grid automation, sustainable grid solutions, high-voltage equipment, and digital substations. The positive response and feedback received from the industry experts and stakeholders further validate our position in the industry.

In conclusion, I would like to express our gratitude for your continued support and confidence in our company. This achievement we have witnessed during the financial year '22-23 demonstrates our dedication and strategic focus and we maintain unwavering determination to enhance our performance in the upcoming year.

Now, I hand it over to Abhishek for sharing the operational performance.

Abhishek Srivastava:

I will just take you all through some of the key operational highlights of commissionings that we have done in the past quarter.

Our pursuit for serving our customers with uninterrupted supplies and making and strengthening their network stronger, we delivered a few very critical substations for our customers. One of them was our 66 kV gas-insulated substation for the city of Delhi for Tata Power Delhi Distribution Limited. This was one of the critical supplies, and based on the expectation of the customer, we were able to commission it almost ahead of schedule on 31st of March as per the expectation. Equally focused approach even in the neighboring countries. In Bhutan, we were able to, based on the stress timelines commissioned 220 kV gas-insulated substation which is their first and has a very crucial role in terms of improving the stability of power for the Bhutan capital. Similarly, again, one of the critical substations for Delhi Transco, which was a 66 kV GIS substation at Gopalpur was commissioned on 31st of March. And then adding to the capacity in terms of commissioning of transformers and reactors, we served and helped our customers like Sterlite, Bhutan, Adani, and JP wherein almost close to 1,200 MVA of capacity was added. In addition to that, we had delivered the SCADA system for Odisha utility which is Tata Power South Odisha Distribution Limited wherein our project is helping them monitor close to 100 distribution substations and similarly additionally we are working for the other two utilities which is for the central Odisha and western Odisha.

I hand over to Sushil to take us forward through the financial.

Sushil Kumar:

Good afternoon everyone. In terms of financial performance, talking about our orders performance, in the Quarter 4 of the Financial Year, we achieved Rs. 8,706 million of orders which is 58% higher than the 4th quarter order booking in the last financial year. Overall, for the entire Financial Year '22-23, we booked orders of Rs. 27,359 million representing a 26% growth over the order booking in the last financial year.

Slide 7 of the earnings call presentation related to orders :



Key orders that were gained in the quarter four of the financial year mainly included upgradation and automation of 39 substations in Nepal located across 6 distant locations by Nepal Electricity Authority; order from a large private transmission company for supply of 765 kV 110 MVAR reactor for substation in Narendra & Pune; an order from Power Grid Corporation of India for supply of 765 kV reactor for their project in Narela; centralized remote protection substation automation system order from various private transmission companies like KEC, Techno, and Kalpataru; and 220 kV order gas-insulated substation from Shree Electrical and Cairn India.

Slide 8 of the earnings call presentation related P&L performance:

During the Quarter 4, we achieved a revenue of Rs. 7,031 million representing a 6.2% growth versus the Quarter 4 in the last financial year. However, there was a significant improvement in terms of operational execution and our EBITDA improved from a loss of Rs. 1,356 million in the last year to Rs. 316 million positive EBITDA in the current financial year Quarter 4 and this EBITDA represented about 4.5% of revenue. There was a corresponding improvement in the profit before tax and exceptional item as well. Overall, for the entire financial year, the revenues were at Rs. 27,732 million. This represented a 9.5% reduction versus the earlier financial year. However, again, a significant improvement in terms of EBITDA performance where we achieved about 4.9% EBITDA for the entire financial year at around Rs. 1,355 million.

On slide 9 of the earnings call presentation, we have given details of the breakup of orders, revenue, and backlog. During the entire financial year, our order booking, as I mentioned, was Rs. 27,359 million. Of this, 35% of orders were from the export market and 65% orders were from the domestic market. Out of the total revenue of Rs. 27,732 million, about 30% of revenue came from the export market and 70% revenue from the domestic market.

End of the financial year, we had a backlog of around Rs. 37,000 million of which 70% were from the private customers, 14% from State utilities, and 16% from Central utilities & PSU.

Now we will open up for questions.

Moderator:

We will now begin the question & answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.

Parikshit Kandpal:

Hi, Sandeep. Congratulations on your elevation as CEO & MD. My first question is on assuming this leadership role, what will be your top 2-3 priorities given the background that we had a very strong order inflows and order backlog for the period FY17, '19, and after that everything has been on a downhill. Though we have revived our profitability and there has also been a pickup in ordering, just wanted your sense over the next couple of years or 2-3 years given the strong demand, changing energy theme, and renewables, what will be your top 2-3 priorities in terms of growth and profitability?



Sandeep Zanzaria:

Top 2-3 priorities would be, again, whatever we have achieved in the last 1 year in terms of improvement in margin and also reduction of net debt, one thing would be continuing this effort and then improving this to come to a level which is more sustainable and also I would put it in a way that it is not like a sinusoidal wave but we have more consistent results. That would be one thing. Second would be the growth in the orders. Yes, we need to continue that momentum as well including as you said that we have good opportunities which are there because of the renewable and the government's target of achieving the net zero. Apart from that, I think also there is a huge opportunity of digitization which is also going to be playing a key role and introducing not a lot of but a few technologies which are available globally but also at least initially to start with to position ourselves in the market as a technology differentiator and then build upon that.

I would put this apart from the key 2 things. One would be maintaining the EHS which is like one of the most important things for us. And then second, also to keep on working for the talent upgradation and also for the upskilling of the people because the way technology is changing, we will also need to keep on changing much faster as the market expectation is also growing faster and faster.

Parikshit Kandpal:

My second question is on the scale of revenue currently at Rs. 700 crores that we have been averaging the last 3 quarters at Rs. 700 crores which is kind of a breakeven if I look at the PBT level. If the profitability has to be improved and the gross margins at around 30%, we need to ramp up this to almost Rs. 1,000 crores to really have some meaningful profits. Given that our order book has been gradually ramping up and it's at about Rs. 870 crores of inflow this quarter, when do you think this journey would be growing from hereon, can we reach that number of Rs. 1,000 crores kind of a quarterly inflow or revenue?

Sushil Kumar:

As you rightly mentioned, the order booking in the last couple of quarters has picked up. We achieved, in the last 6 months, close to an average of Rs. 8,000 million of order booking and our endeavor is to grow it further and also you would notice that one of the endeavors as we earlier highlighted was to be selective and win more profitable orders as well as to grow volume from the export segment. As this momentum continues, there is also an intent to increase the order booking further continuing with the theme of better profitability and mix. Reaching a revenue of Rs. 1,000 crores can take a bit of time because we don't just want to achieve a revenue which does not actually result in a profitability in the P&L, but endeavor is to definitely keep growing from hereon.

Parikshit Kandpal:

Sushil, if you can give some more clarity like are we present in segments like railways, industrials, and.... Utilities is a large segment, but within that like railways and transport, industrial segments, or in terms of product portfolio, what kind of opportunity do we have at play at railways like Vande Bharat kind of opportunities in the transportation segment? Do we have the product line like traction transformers there? How do we play that segment?



- Sandeep Zanzaria:** Parikshit, we are not present in the transportation segment but we are definitely present in the industrial segment. For example, a few of the orders what we have taken are from refineries, also from data centers. So, in the industrial segment, we are present but not in the transportation.
- Parikshit Kandpal:** Lastly, we did support some of the players like Kalpataru when they bid for utilities like Power Grid and all. They have received very strong orders this year in the domestic T&D space, but I don't think that is getting still reflected in our numbers though we may have given some bids so is there outside of already announced order book. Is there any significant large L1 which is sitting out and yet to be concluded?
- Sandeep Zanzaria:** No, presently we are not having any large L1 positions where the orders are yet to be concluded on us.
- Parikshit Kandpal:** Just on the Leh, Ladakh. There were some players who have win the bid who are doing the feasibility study. Are we going to bid for that HVDC line? Are we doing some studies there? How do we intend to tackle that or participate in that program?
- Sandeep Zanzaria:** In around the next 2 to 3 years, as per the Government of India, we have approximately 4 projects which are going to come up. Bhadla-Fatehpur which is NCC which is exactly similar to what Champa-Kurukshetra is, then Leh Ladakh which is a VSC project, and then we have Khavda - Akola and Barmer-Jabalpur. We are closely monitoring the situation because all the projects will be getting executed practically in similar timelines. We would be targeting on specific opportunities and then we would be bidding and then winning those opportunities rather than spreading ourselves thin on everything.
- Moderator:** The next question is from the line of Subhadip Mitra from Nuvama Wealth. Please go ahead.
- Subhadip Mitra:** My first question is on the back of the previous question on the HVDC market side. What we understand from a recent communication that came from Power Grid as well is that one of those lines is actually being rethought. I think the Khavda line is actually being rethought and may fall out of the HVDC basket. Do you see that in any manner hitting the overall addressable market for you? Because, it might still remain high voltage but is not on the DC side.
- Sandeep Zanzaria:** But in the last transmission committee minutes, what I have seen is Khavda -Akola project has been cleared by the transmission committee and of course we are also discussing that project with the CEA. At least, I am expecting that not to drop off because eventually when Khavda becomes a 30-gigawatt project, the evacuation of power will be very critical.
- Subhadip Mitra:** If I have to look at the Leh Ladakh line, what we understand is there are some projects that have been going on there but maybe GE T&D is not part of it. Are there any product gaps because of which we are not part of the Leh Ladakh site maybe something of that sort?



- Sandeep Zanzaria:** That's a business strategy. As Sushil said, that is a part of the selectivity. There are certain projects which we target and certain projects which because.... We do a risk analysis and then we decide whether to participate or not to participate. I think probably you would have seen that globally GE Grid Solutions have won a number of projects totalling to about 10 billion in Europe. VSC technology is not a challenge for us, but then we look at the overall risk perception of the project and then take a decision.
- Subhadip Mitra:** Secondly, with regard to the high-voltage CAM out there while the HVDC part of CAM is quite visible. Ex of HVDC, how would you look at the addressable market, let's say, over the next 2 to 3 years and what could be your target market share there?
- Sandeep Zanzaria:** I would say that the target market remains but TBCB remains the large part of the market and yes, definitely at certain places it would be a product target and at certain places it would be a project target depending upon the channel to the market. That's where we take the decision. Eventually, in TBCB, it depends who wins the bid and then we decide whether to go on the project route or on the product route along with the collaboration of the EPC player. That is basically a constantly moving strategy which keeps on changing depending upon the winner of the TBCB bid.
- Subhadip Mitra:** What I was trying to shoot for is I think we are all aware that of the overall Rs. 2,40,000 crores kind of CapEx number in transmission which CEA talks about, I was just trying to get a sense of within that Rs. 2,40,000 crores if one has to look at the addressable market for you, how would you look at that market panning out let's say on an annual basis and any estimated market share on that?
- Sandeep Zanzaria:** Out of that Rs. 40,000 crores, probably what I would look at that market relevant to us would be less than Rs. 20,000 crores. I think it will be in the range of close to about Rs. 15,000 crores because when CEA talks about Rs. 40,000 crores, that will include transmission lines and other aspects of the project as well. So, for us, the addressable market out of that Rs. 40,000 crores will be slightly lesser than Rs. 15,000 crores.
- Subhadip Mitra:** This is overall Rs. 15,000 crores spread over a period of maybe 4-5 years? Did I understand that correctly?
- Sandeep Zanzaria:** No, what basically I am saying is out of the Rs. 40,000 crores what you were saying, but close to about our assessment what we do from the total market addressable, of course, is close to about \$3 billion which is close to about Rs. 25,000 crores annually.
- Subhadip Mitra:** So, Rs. 25,000 crores annually is the number that we are looking at?
- Sandeep Zanzaria:** Yes.
- Moderator:** The next question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.



Mohit Kumar: Sir, my first question is do we have the capability to take up more than 1 HVDC project at a time and how much localization we have done in this country or HVDC?

Sandeep Zanzaria: This will also depend upon what is the time frame which the HVDC project execution is being demanded for. I am just giving an example that if suppose there are two projects which I have to run like a 36 or a 41 schedule, maybe two projects might not be possible. But if the timelines are extended, then there might be a possibility to do that. If I really look at the localization part, GE T&D was the first one in the country to have supplied an 800 kV HVDC transformer. Transformers are manufactured at our Vadodara plant. Also if you really look at the other aspects of it, there are certain components, of course, which are based like for example it might be a wall cooling system and to some extent, certain technology upgradation, etc., which come from outside, but otherwise, if I have to put in a ballpark number, it would be close to maybe about 40% to 50% depending upon the composition of the project and how much of it is localized.

Mohit Kumar: Sir, my second question is, of course, we are in the energy transition and anyways it will become higher and higher in the proportion in the grid. But do you think there is a gap in any of the product portfolio? Do you think we need to bring some of these products from maybe Europe to India to meet the demand in the Indian market and these products which may not be localized and you would like to localize?

Sandeep Zanzaria: Mohit, just to update, I think that almost everything manufactured in Europe for GE Grid Solutions, with the exception of 1 or 2 products, where the global requirement is so small that it needs a justification to have only 1 or 2 factories worldwide, is now manufactured by GE T&D in India. For example, if we consider transformers, instruments, GIS, control/relay panels, relays, circuit breakers, and gas-insulated switchgear, everything that is manufactured globally is produced in India. From a footprint point of view, we are close to manufacturing more than 95% of the total footprint in India. However, there are certain products, like G-cube, for which we currently have more demand in Europe. We are in discussions with many customers to promote G-cube and increase its acceptability. Once the acceptability of that product begins, we can establish a full-fledged factory without requiring any major investment. It would involve adding a product line rather than significant financial resources.

Mohit Kumar: My third question is what kind of products you have in the industrial segment, especially on the refineries and data centers or something if you can just elaborate? Is it primarily related to electrification or there is something else?

Sandeep Zanzaria: It is primarily related to transmission side only, for example, we have transformers, we have circuit breakers and control/relay panels and GIS; normal products which are used in a substation. Data centers or refineries for example, use highly power-intensive applications. Normally, for high power intensive applications, the connections would be either 220 kV or 400 kV and there they would be requiring a lot of transmission products as an input to the industry. That is where is our play is.



- Mohit Kumar:** The last question is how is the market outside India? In the sense, how is South Asia market looking like? And do we have an opportunity to participate in those markets? And a related question is, is there any export which can happen from the Indian market in the near future?
- Sandeep Zanzaria:** If you really look at our order portfolio, I think constantly if I am not mistaken, our order portfolio consists of about 30% or slightly more than 30% as the order composition which comes from the export market. In the smaller countries, the traction of renewable has just started and consistently, those countries are also investing in terms of upgrading their transmission infrastructure. That's a stable market or I would say a slightly growing market which is there and of course our endeavor is to get the Indian factories qualified for more and more export geographies. That's a constant effort which we keep on doing in most of the geographies.
- Moderator:** The next question is from the line of Raj Rishi, an individual investor. Please go ahead.
- Raj Rishi:** For the HVDC projects, I believe you have competition from Hitachi, Siemens, etc. How do you place yourself in terms of the offerings versus your competitors?
- Sandeep Zanzaria:** Raj, if I compare ourselves, for example, in the market today, at least in the Indian market, I would rate ourselves as in the number of installed base, we are the second largest player in the country. As far as the offerings are concerned, our offering is as good as any of our competitors' offerings whether it is Hitachi or whether it is Siemens.
- Raj Rishi:** A lot of restructuring is happening at your parent level. How will that affect this particular company?
- Sandeep Zanzaria:** The restructuring which is happening is basically that if you would have seen GE globally, earlier we were a conglomerate of 3 businesses which were healthcare, aviation, and the power business. Ultimately what's happening from 1st January '23 is healthcare has become a separate company, standalone on its own. It is expected by the end of this year, aviation and the power portfolio which is called GE Vernova will be again standalone companies. But apart from that, we don't expect anything because our portfolio and our technologies and everything remain in the same basket.
- Raj Rishi:** There was some talk about GE moving away from fossil fuel, etc. In your company, there is no reason for the parent to change hands, right?
- Sandeep Zanzaria:** No, GE T&D India Limited is purely on the grid side. We have no role to play in fossil fuel technologies and things like that.
- Moderator:** The next question is from the line of Aniket Mittal from SBI Mutual Fund. Please go ahead.
- Aniket Mittal:** Sir, the first question is just coming back to the Leh project. Typically, the HVDC projects for us having a good margin business and the project in Leh that's coming of it also an RTM one



wherein the developer that's building in can easily make cost escalations over there unlike let's say Bhadla-Fatehpur that's coming in, that would be on a TBCB basis. You did highlight on the risk part that you saw and you decided to participate. If you could just elaborate a bit more on that, that would be helpful.

Sandeep Zanzaria: Aniket, thanks for the question, but if you really look at even the normal transmission projects which come on TBCB route, in these also, for example, there are standard transformers, reactors, and other products as well where you have the risk of price escalations and things like that. So, mostly the developers who are participating in these projects, they know how to manage these risks. I will leave it to the developers how do they manage those risks, but I don't see any challenge in participating in a TBCB project for HVDC from an OEM perspective.

Aniket Mittal: But given that this is not even I could assume and like I said, typically we bid good margins in this business. Some of that benefit also trickles down into operating leverage. Just wanted to get a bit more clarity on what made us opt out over here.

Sandeep Zanzaria: As I said that the tenders have not yet come in, so we have not said that we have opted out. We have just said that as of today, we have not participated in the field study because the field study will require the specifications to be formed, etc., but we always have a right because once the tenders come out, then we can always participate in those tenders because those tenders based on the qualification requirement, we do quality. So, I have not said at any point of time that we are not going to participate in Leh Ladakh.

Aniket Mittal: The second question was on the gross margin front. If I look at the gross margins this quarter, they have come down sequentially a bit. Just if you could highlight a bit on that. And from let's say FY24 perspective, what is the steady state gross margins that we can build up?

Sushil Kumar: You are right. Q4 gross margin was around 26.5% and this was impacted by 2-3 factors. First was inflation on the electronic part, mainly semiconductor that we use for one of our businesses. And in a couple of projects, some customers have applied liquidity damages We intend to contest these liquidity damages with the customers. However, in a conservative approach, we have made a reserve or charge in the P&L for the quarter. And the third is the mix of projects that were traded in this quarter. As you are aware that last year, we took commodity price inflation impact on many of our projects and some of these projects have become now low margins and are getting traded in the current period. Overall if I put these 3 factors, there was an impact of around Rs. 250 million. However, if you look at the full year number, full year number we achieved was around 29% of gross margin significantly improving from 22.6% in the earlier financial year.

On the question on the next financial year, I will not give a guidance but we will say that our endeavor is always to improve the margins from hereon considering all the efforts whether it is



from mix of projects or better pricing and efficiency or productivity; we will take endeavor to improve it further.

Aniket Mittal: If I adjust for the 250 million, I think roughly that is 30% gross margin mark for this quarter as well.

Sushil Kumar: Yes, but I will request that let's look at the entire year and I will not call this out as exceptional because these are the business-related expenses. Technically if you would like to adjust for a comparison, fine, but overall 29% for the financial year which we will endeavor to improve.

Aniket Mittal: The other question was just to understand on the addressable market. I think you did mention that it stands at close to Rs. 25,000 crores for us for this year. What was it, let's say, last year versus this year and how do you see it growing, let's say, over the next 2 years?

Sandeep Zanzaria: I think the next year probably one of the factors what could be there is that in the last quarter, we will be seeing the general elections also happening. Probably, we will have to see that where do we land in terms of the next year market scenario because like the last quarter had a lot of projects which got divided between January to March. I think apart from that, but looking into the growth story of India in terms of renewable and in terms of requirement of transmission, we are pretty confident that the market is going to grow maybe at a pace close to about 7% to 10% every year, excluding HVDC.

Moderator: The next followup question is from the line of Subhadip Mitra from Nuvama Wealth. Please go ahead.

Subhadip Mitra: Like you gave us a sense on the gross margin part, I just wanted to get a sense that if I am to look at, let's say, the next 2- to 3-year scenario, on a normalized basis, is there any target range of, let's say, EBITDA margins that you would be shooting for?

Sushil Kumar: Subhadip, we don't give forward-looking guidance on a specific number target in these investor calls. And Sandeep talked about endeavor for increasing the orders; I talked about endeavor for increasing the gross margins and further improvement in the cost structures. These are the measures that will take to improve the profitability. But I will refrain from giving a number target.

Moderator: The next followup question is from the line of Aniket Mittal from SBI Mutual Fund. Please go ahead.

Aniket Mittal: Sir, I just had one question. You mentioned that apart from the utility side, you are also working on data centers and refinery. How large would that be, let's say, of your order book and revenue ex- utilities business?



Sandeep Zanzaria: The order intake in the data center market is not a very large part of our order book as of today. We have a few orders of GIS and automation which we have taken.

Aniket Mittal: And the same would be for refinery as well.

Sandeep Zanzaria: In the refineries sector, we have experienced substantial order intake, in years prior to the previous year. This is largely dependent on the investments made by refineries, particularly when there was a government directive for BS6 compliance, leading to expansion projects. During that time, we secured a significant portion of the market. Additionally, last year, we received a large order from Reliance Industries. So, our success in the oil & gas market depends on the market opportunities available, and we have achieved positive outcomes in the past.

Aniket Mittal: How much would that be of your current order book these two segments?

Sandeep Zanzaria: It would be close to maybe about 7% to 8% of the overall order intake what we have.

Moderator: As there are no further questions, I will now hand the conference over to Ms. Tanvi Gupta for closing comments.

Tanvi Gupta: Thank you all for participating in the GE T&D India Limited Earnings Call. We hope the insights provided by our speakers have been informative and valuable to you. We value the trust and support of our investors and analysts and we remain committed to bringing transparent communications and fostering strong relationship. If you have any further questions or require any additional information, please do not hesitate to reach out to me or communications leader, Anshul Madaan, at the mail ids available at our company's website. I once again thank you for your participation in today's call.

Moderator: On behalf of GE T&D India Limited, that concludes this conference. Thank you for joining us. You may now disconnect. Thank you.