



**GE VERNOVA**

**GE Power India Limited**

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<https://www.gevernova.com/regions/in/ge-power-india-limited>

18 July 2024

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**

Subject: **Presentation for the Investor meet on 18 July 2024**

Dear Sir/Madam,

In furtherance to our letters dated 15 July 2024 and 17 July 2024 regarding investor meet scheduled on Thursday, 18 May 2024 at 04:30 p.m., please find enclosed the presentation to be made before the Investors/analysts for your information.

This intimation is being made pursuant to Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**Thanking you,  
Yours truly,  
For GE Power India Limited**

**Kamna Tiwari**

**Company Secretary and Compliance Officer**

# GE POWER INDIA LIMITED, INVESTOR MEET

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*Note: The independent Valuation report and the Fairness opinion can be availed by writing an email at [in.investor-relations@ge.com](mailto:in.investor-relations@ge.com)*

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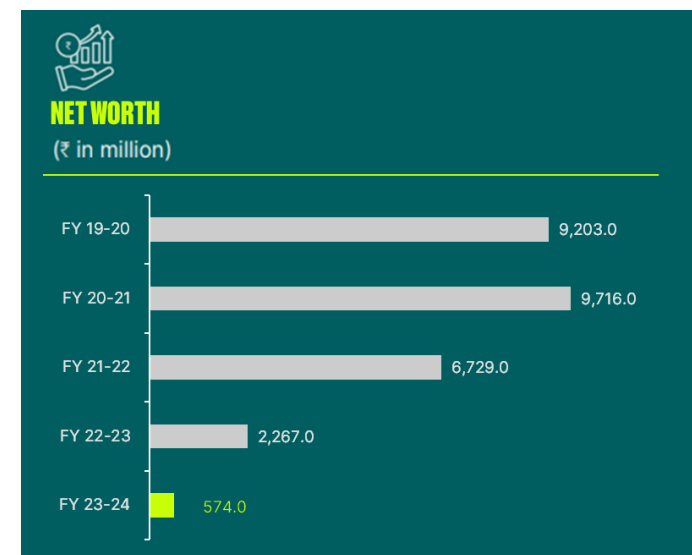
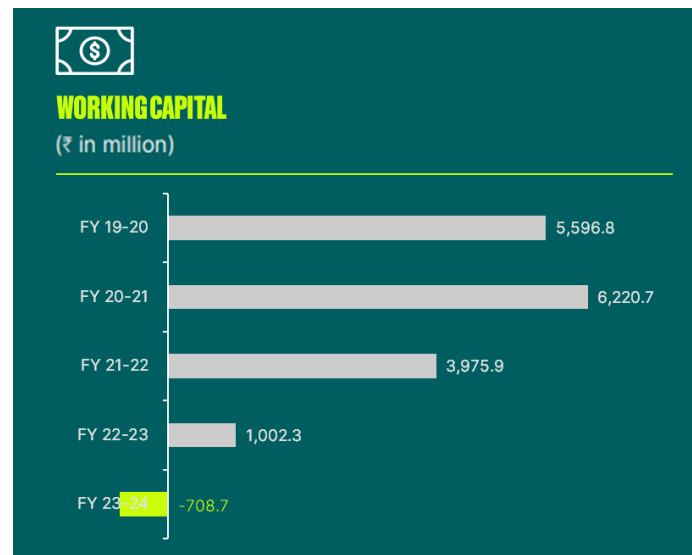
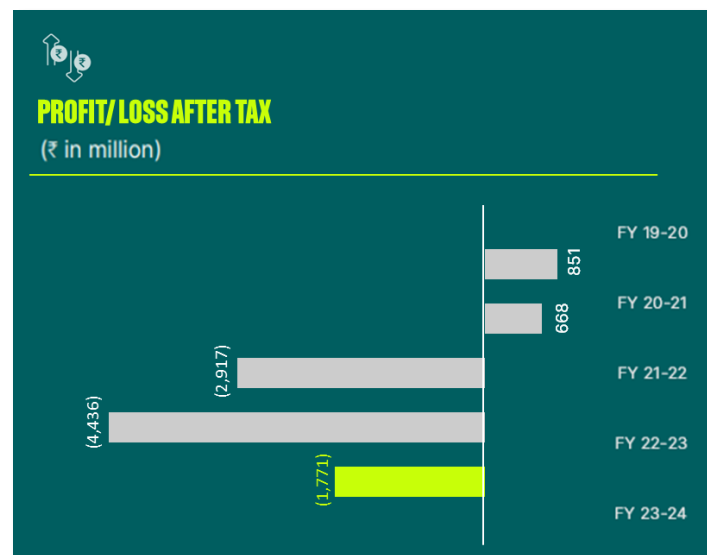
Recap

**09**

Annexures

# Context

Dynamics of GEPIL net worth, order backlog and working capital



	₹ in million					
Particulars	Sep'21	Mar'22	Sep'22	Mar'23	Sep'23	Mar'24
Net worth	8,873	6,729	5,012	2,267	271	574
Credit rating	A+ (neg)	A (neg)	A- (neg)	BBB+ (neg)	BBB (neg)	BBB (neg)

## KEY TAKEAWAY

Potential impact of negative net worth - working capital challenges for executing backlog and growth

# Business Strategy since year FY 2019-20

## Key messages

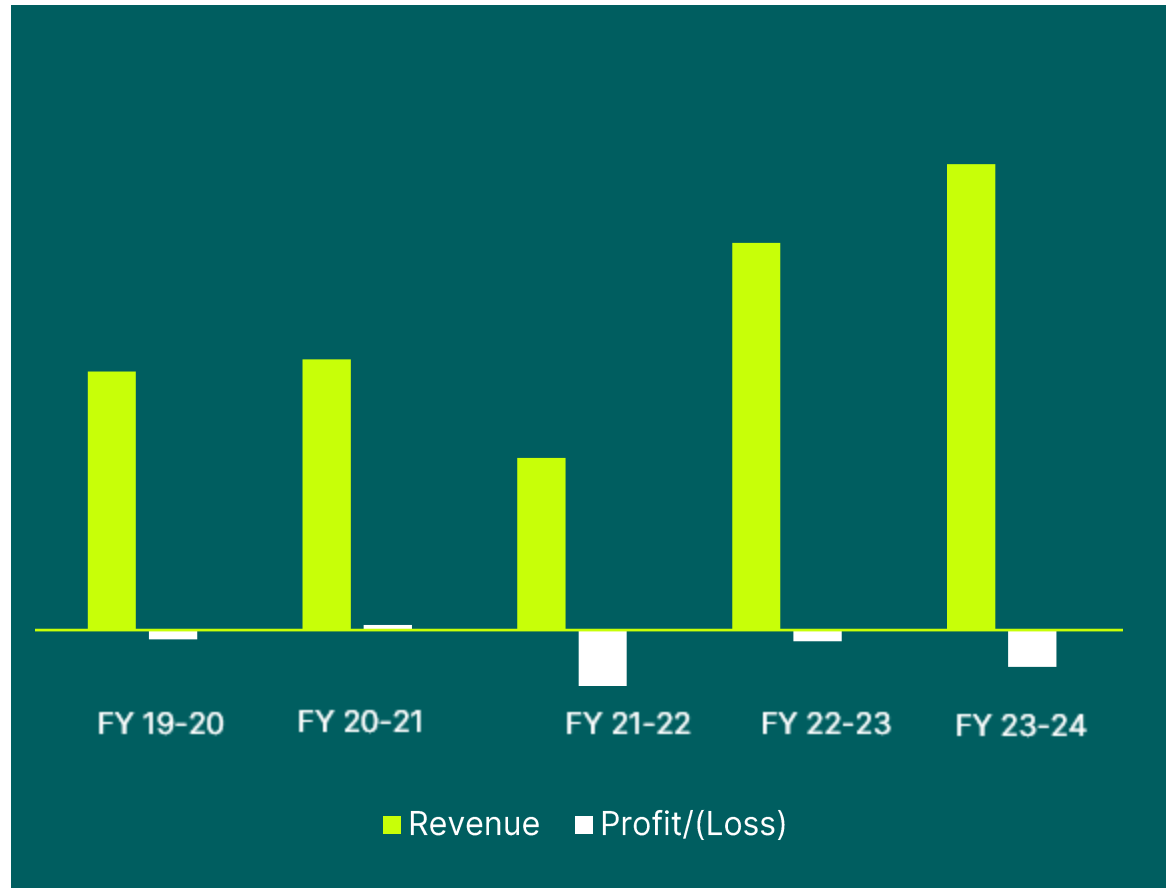


- Focus on high margin, cash accretive deals with faster cash conversion cycle
- De-risk EPC and focus on EP
- EPC has long gestation project cycles;
  - Hydro project cycle is ~ 10+ years
  - FGD EPC project cycle is ~5-8 years
  - FGD EP project cycle is ~3 years
- Growth in Services Core business through penetration in OEM fleet

# Key Dynamics

GEPIL Hydro

## Revenue & Profit/ (Losses)



## Challenges

- Aggregate cash consumption projection of ~4898 MINR in FY 25 and FY26.
- Long gestation bids with high risk commercial profile eg – Upper Silleru
- Significant delays in existing projects, locking 6,988 MINR of bank guarantee limits as of Mar'24
- Consistent margin deterioration plus skewed project cycle creating pressure on cash consumption and debt
- Owing to consistent underutilization of the factory, driven by significant project delays, we have shut down Hydro manufacturing facility in August 2018 which led to optimization in head count.

Impact on Net Worth (excluding applicable taxes)	In MINR
Consideration for Hydro	*
Net liability of Hydro (as at Mar'24)	2,140.9
<b>Total</b>	<b>2,140.9</b>

\* Re 1

De-Risk high working capital, long gestation projects | Day 1 positive impact INR 2,140.9 million

# Market update

## GEPIL Hydro

DESCRIPTION	HYDRO w/o PSP	PSP
Installed base (till date) (A)	47 GW	4.7 GW
Capacity addition as planned (2031-32) (b)	20 GW <i>(~15 GW- Under Construction 5 GW - planned to be ordered)</i>	22.3 GW <i>(7.7 GW- Under Construction 14.6 GW – plan to be ordered)</i>
Total installed base targeted (2031-32) (C)= (a)+ (b)	67 GW	27 GW

Source: [pib.gov.in](http://pib.gov.in)

### Major reasons for slippage :

- Geology, hydrology, topology
- Critical EM works
- Delays in various clearances
- Local issues, R&R etc
- Contractual disputes
- Enabling infrastructure
- Land acquisition

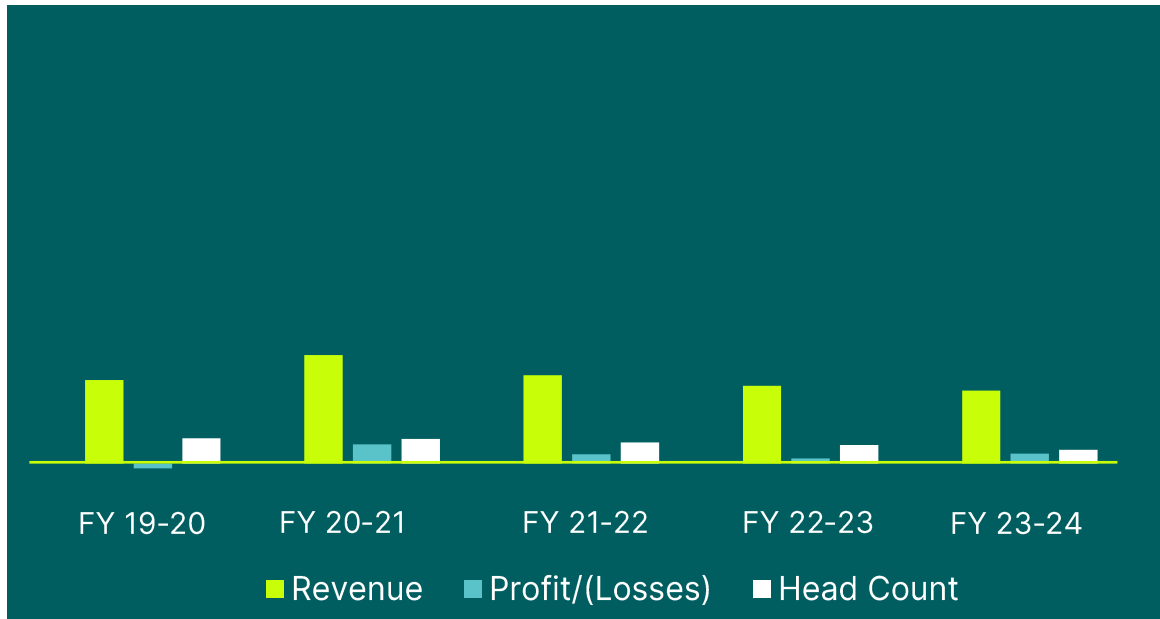
### Current challenges in the market:

- Price sensitive market, customers seek lowest cost/MW
- Streamlining the policy and acceleration of approval process from customers to move faster
- Continued delays and execution challenges on Tehri, Subansiri and Teesta VI projects
- Difficult to bid with imports from China

# Key Dynamics

## GEPIL Gas

### Revenue & Profit/ (Losses)



### Challenges

- Due to lack of consistent demand, we have optimized the head count by ~48% between March 2021 and March 2024
- Skillsets are limited to GEV technology
- Non-strategic and single customer is GEV, non-core to the overall competence of the Company
- Non scalable business: 5% revenue share in GEPIL and limited ability to drive demand

Impact on Net Worth (excluding applicable taxes)	In MINR
Consideration for Gas	438.6
Net liability of Gas (as at Mar'24)	380.0
<b>Total</b>	<b>818.6</b>

Non-strategic, non-scalable to GEPIL | Day 1 positive impact INR 818.6 million.



# GEPIL strategy

## Core service



Products: Parts , Service and Repair of Boiler, Turbine, Generator, Air Quality Control Systems

Products:

Customers:

NTPC & Other Central Utility , State Utility, IPPs on BHEL, Siemens , Chinese OEM and GEV fleets

## Service upgrades



Upgrades of Boiler , Turbine & Air Quality Control Systems

NTPC & Other Central Utility , State Utility, IPPs

## FGDs Brownfield, Equipment



Supply of Flue-gas Desulphurization Equipment

Central Utility, State Utility, IPPs

## Durgapur parts



Supply of Boiler pressure parts, Piping Mills & Auxiliaries , Firing Systems to specific countries outside India. Supply of Non Coal - pressure vessels and cryogenic vessels in India

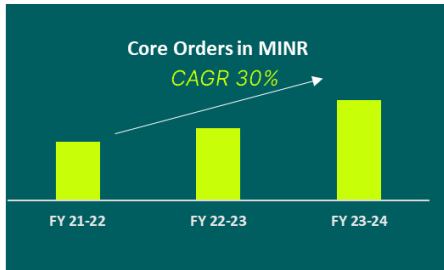
For Pressure vessels and cryogenic : L&T, Various EPCs, Linde , Others  
Geo exp: MENAT, APAC, SSA\*

Annual Market Size

← ~INR 18,000 crores →  
GEPIL to pursue margin and cash accretive opportunities

# Recent wins

## Core service



### Generators

- Harduganj Generator Rotor
- JITPL Spares and Overhaul

### Turbine

- Solapur L-1 Blade set
- MRPL Noble Parts

### Boiler

- Birsingpur Burner & Wind Box
- Barh – Pressure parts

### AQCS

- EID Parry – spares

### PAC

- Ind Bharath AVR spares

## Service upgrades



### Projects

- R&M LMZ ST (Wanakbori 1&2)  
2,434 MINR

### Customer

- GSECL
- 60+ GW pipeline by the Govt of India

### Differentiator

- Performance/ technical solutions

## FGDs

### Brownfield, Equipment



### Projects

- FGD Eqt. for Brownfield – total  
1.7GW / 4# units – Bina: 2,844  
MINR + Nigrie: 4,905 MINR

### Customer

- Jaiprakash Power Ventures  
Ltd
- 97 GW yet to be ordered FY  
24-25 onwards

### Differentiator

- Value based Engg Solution

## Durgapur parts



### Under Execution (MINR75 )

- SS Pressure Vessel (delivery in  
Aug'24)
- Equipment for Steel Plant
- Export order received

### Customer

- L&T Hydrocarbon Ltd
- Primetals
- Dubai Electricity & Water  
Authority, Indonesia

### Readiness

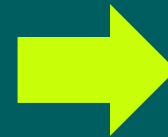
- Shop approval for Cryogenic  
vessels extended by 3 years  
from Govt Authorities (PESO)

GEPIL offerings to focus on profitable segments with faster cash conversion cycle

# Recap

Business strategy since FY 2019-20

- Focus on high margin, cash accretive deals with faster cash conversion cycle
- De-risk EPC and focus on EP
- EPC has long gestation project cycles;
  - Hydro project cycle is ~ 10+ years
  - FGD EPC project cycle is ~5-8 years
  - FGD EP project cycle is ~3 years
- Growth in Services Core business through penetration in OEM fleet



**Higher profitability**



**Lower project duration**



**Higher free cash flow**

# Q&A



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# ANNEXURES

# Key extracts of Slump Sale

GEPIL Hydro



- Net liability of INR 2,140.9 million as on March 31, 2024.
- The business is projected to consume cash by ~INR 4,897.7 million over the next two years, which is creating a pressure on cash consumption and debt position.
- The Board has decided to sell it to GE Power Electronics (India) Private Limited, (“Purchaser”) at INR 1/-, despite the lossmaking nature of the Hydro Business, resulting in purchase consideration being at a premium of INR 1,001.9 million over the fair market value as determined by the independent valuer.
- This sale will improve the net worth of the Company by INR 2,140.9 million excluding all applicable taxes.
- The transaction will also reduce the Company’s non-fund credit lines exposure to the extent of INR 6,988 million.
- Subject to prior consents as stipulated in disclosures under Regulation 30 of SEBI, the slump sale of Hydro Business is estimated to be completed in the last quarter of FY 2024-25.
- The Company’s strategy aims to prioritize a long-term sustainable and profitable business.

# Key extracts of Slump Sale

GEPIL Gas



- Net liability of INR 380.0 million as on March 31, 2024.
- The Board has decided to sell the Gas Power Business to GE Renewable Energy Technologies Private Limited at INR 438.6 million, representing the fair market value as determined by the independent valuer.
- This sale will improve the net worth of the Company by INR 818.6 million (sum of net liabilities being carved out and consideration amount) excluding all applicable taxes.
- Subject to prior consents as stipulated in disclosures under Regulation 30 of SEBI, the slump sale of Hydro Business is estimated to be completed by September 2024.
- The Company's strategy aims to prioritize a long-term sustainable and profitable business.