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18 November 2022

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

Symbol: **GEPIL**

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

Scrip Code: **532309**

Sub.: Transcript of Earnings conference call held on 14 November 2022

Dear Sir/Madam,

Further to our letter dated 14 November 2022, please find enclosed a copy of the transcript of Earnings conference call held on 14 November 2022.

Thanking you,
Yours truly,

For GE Power India Limited

KAMNA TIWARI Digitally signed by KAMNA TIWARI Date: 2022.11.18 18:18:17 +05'30'

Kamna Tiwari
Company Secretary & Compliance Officer

Enc.- As above

"GE Power India Limited
Q2 FY2023 Earnings Conference Call"

November 14, 2022

MANAGEMENT: **MR. PRASHANT JAIN – MANAGING DIRECTOR – GE POWER INDIA LIMITED**
MR. YOGESH GUPTA – CHIEF FINANCIAL OFFICER & WHOLE TIME DIRECTOR – GE POWER INDIA LIMITED
MR. VINIT PANT – CHIEF COMMERCIAL OFFICER – GE POWER INDIA LIMITED
MR. RAJ RAMAN – EXECUTIVE - PROJECTS PORTFOLIO – GE POWER INDIA LIMITED
MR. VENKATESH RAO - GE POWER INDIA LIMITED

Moderator: Ladies and gentlemen good day and welcome to GE Power India Limited's earnings conference call for Q2 of FY2023. 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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Prashant Jain, Managing Director, GE Power India Limited. Thank you and over to you Sir!

Prashant Jain: Thank you. Very good evening, everyone. A warm welcome to all of you and thank you for joining us in the Q2 and first half 2022-2023 earnings call. I also welcome my team who has joined me to discuss the financial and operating performance of the company. I have Mr. Yogesh Gupta, our CFO and Whole Time Director, Mr. Vinit Pant our Chief Commercial Officer, Mr. Raj Raman our Executive - Projects Portfolio, Mr. Venkatesh Rao and my team with me.

I would like to begin with a brief on the global economic situation. The global economy is going through a turbulent time as economists across the world are predicting recession following significant consumer demand slowdown. In a bid to battle the soaring inflation the central banks of major economies have raised benchmark interest rates in the last two quarters. Though these are indications of inflation cooling down following actions taken by the central banks it has impacted the consumer demand as evident from international trade data. Apart from inflation another major concern is rise in global carbon dioxide emissions. COP27 has predicted 1% increase in CO2 emissions with India's growth projected at 6% for 2022. After the pandemic the fossil fuel consumption has grown with major spikes seen in coal usage. The Indian economy despite global uncertainties is recovering. From the energy sector the global economy is going through one of the worst crisis. The major impact is on Europe' synergy crisis as Europe has top five natural gas for consumption during winter and in fact experts are claiming that Europe's energy crisis could well lead to emerging economies to suffer blackouts as they are unable to afford premium that Europe is paying for securing natural gas. India is not significantly impacted on the power sector but it is a topic that will affect the global energy situation. On the other front globally most of the nations have resumed coal based energy generation after the Ukraine crisis followed by global energy meltdown. This is a big reversal considering all the major countries are going to phase out coal-based energy generation by 2028.

Talking about Indian economy and power sector, though the global economy is feeling the pain of recession, the Indian economy is an outlier with the consumer demand still robust.

The cooling of crude oil and commodity prices has turned out really well for Indian corporate sector and the companies have shown resilience, margin recovery and optimism about hiring and growth for the remaining part of the fiscal year. On the energy sector front the transition to renewable energy power generation has slowed down as the country resumed higher dependence on coal power generation to meet the peak demand. Though the pace of growth of renewable capacities is high with almost 7 to 8 gigawatt of capacity addition it is not able to meet the peak demand especially with LNG prices rising globally. The gas-based power projects have become unaffordable or existing ones are running far below their capacity. As per the recent statement of India's Coal Minister the country has no intention of ditching coal and it will continue to use coal until at least 2040. This is a big positive news for companies like GEPIL who are still trying to support coal-based power generation and emission improvements. As per the last data available, power generation data reflects significance of thermal power plants. The overall power generation in India has surged 11.9% from a year ago and coal based generation was up 12.8%, so that is the general scenario and the market we are seeing. I would hand over to Vinit to give you a business update and the order update. Vinit over to you.

Vinit Pant: Thank you Prashant and good evening everyone. I will take you through the slide on the business uptake for this quarter. So I will start by saying that this has been a good quarter for us both in terms of the progress we have made on the strategy part where our focus has been on three main pillars to grow services, and to have a right mix of EP and EPC projects, and also grow industrial and private customers, so we have achieved success on all these three pillars in this quarter which you will see in the top part of the slide. We have a significant order this quarter for FGD, so still services is at 47% in the order mix. EPC versus non-EPC we have 100% we have done non-EPC project which is again aligned with our strategy and we have a higher intake of private and industrial orders at 82%. So on these three counts we are aligned to our strategy in this quarter. As far as orders are concerned again it has been a good quarter, our order intake has gone up to 2.5x times of what we achieved in the same quarter last year. I will talk about the FGD order which we have got this quarter from Adani this is for that Udupi project, value is about Rs.1.31 billion, so again this order is perfectly aligned with our strategy where we want to focus on cash accretive deals, which gives us good margins and positive cash flows so this is perfectly aligned with that strategy and this is a significant order for us which we have booked in this quarter for FGD. Also I would like to point out that for services again our orders are up 42% if we compare with the same quarter last year and we also have improved profitability of orders. From ESP upgrade part we have booked an order this quarter from an industrial customer which is Trident Limited which is the paper and pulp industry. So this is also a breakthrough order for us and again it is aligned with our strategy to grow further in the industrial market. Overall we have a very robust pipeline of active opportunities both for FGD and services going forward and we think we should really build up on this going forward. As far as the backlog is concerned it stands at around Rs.40.9 billion at the end of Q2 and here I would like to make a point that to an extent we have reversed the trend in this quarter and we have been holding on to this backlog, the backlog is not really going down. So this is what I have for you on this slide and now I will hand over to Yogesh for the finance part. Over to you Yogesh.

Yogesh Gupta: Thank you Vinit. Good evening all and thank you very much for joining today to discuss our financial performance for Q2 of FY2022-23. The revenue for Q2 stood at Rs.427.8 Crores down from Rs.732.1 Crores in the corresponding period of last year due to lower order intake in the past few years and cost update for percentage of completion projects.

Moving on to our profits, this quarter we have had a loss before tax of Rs.112.6 Crores against a profit of Rs.50.8 Crores in the corresponding period of last year. This came primarily due to lower volume, project cost escalations, inflation and execution challenges at site and Solapur fire incident which required a provision of Rs.78.7 Crores. This provision has been made and would be reversed as and when we get the insurance claim accepted and approved by the insurance company.

Moving on we will look at the order intake numbers which just Vinit has shared we have received orders worth Rs.248.3 Crores against Rs.97 Crores in the corresponding period of last year and we have a healthy backlog and the service revenue continues to grow based on the healthy order intake that we have had. This is it from my side on the revenue and profit. I would now like to now hand over to Raj and Venkatesh for an update on FGD portfolio.

Raj Raman: Thank you Yogesh. Good evening everyone. I would like to kind of walk you through a few updates on the FGD portfolio execution status at this point of the time. From the left you will see two bar graphs which basically represent the revenues which we have so far accomplished and the cash which we have against that received and this is an important aspect which I would like to kind of take a few minutes and dwell upon. The fact being we have more than 83% revenues versus the cash which is at least 64% almost 20% points lesser than that. This drives one important aspect around the payment terms which are in the current part of the portfolio of NTPC which is we are executing at this point of time where the payment terms are back loaded and they kind of come to us in the latter part of the cycle of project cycle. This has been one major aspect around this and that plays out. I will come back on the challenges part of it. I want to also highlight one key accomplishment which we had in terms of the Unchahar project the completion of Facilities which we achieved in the month of August and this has been a major accomplishment for the customer as well as for your teams in this quarter.

Coming over to the challenges which we are currently seeing and these are not only affecting your company but across the entire market or the players who are there currently at this point of time. Sub-contractor financial health which has been significantly impacted by multiple COVID waves which is creating definitely challenges in terms of workforce availability position of that on timely basis on various sites compounded by some of the supply chains which we are currently in a stage where we are commissioning them and we need support, some of them are critical suppliers based out of China. The COVID rotational lockdowns, etc. and the travel restrictions are definitely compounding some of the availability of timely business, support to resolve these commissioning challenges at this point of time. Compounded by the fact that we donot have a good clarity at this point of time on the COVID relief and your company continues to pursue this with NTPC and as well as the highest level within the Ministry of Power which we are taking it up in a very intense and rigorous manner. Going forward our focus will continue to see that we don't have anymore margin degradation at this point of time on this GE portfolio, complete the milestones on a continuous basis and complete the performance guarantee test for the Unchahar stage 4. We have a significant number of milestones which are lined up in FY2023 and FY2024 in future quarters. That is all from my side. I will hand over to Prashant back.

Prashant Jain: Thank you Raj. So to summarize we are moving in the right direction of the strategy with the business mix of developing industrial customers, growing more service business like FGD and EPC projects to give us the portfolio. The second area that we wanted to touch upon was the execution lever. It is important we will continue to focus as Raj just mentioned ensuring that we deliver the operations. The third point that I wanted to highlight which we have also mentioned in the notes about Durgapur. We are right sizing the factory and in this November to December quarter we will be launching and executing upon the VRS scheme for the workers and that is for the contract workforce and that part is in continuation with strategy to right size the factory for them that we see going forward. All in all good mix and order intake we see some turnaround there. Operation challenges that we have gotten control, continue to focus on yields and last but not the least right size Durgapur to ensure we are able to have the right size of the operations as we move into the next year. So with that thank you and we will open up for questions.

Moderator: Thank you. Ladies and gentlemen we will now begin the question and answer session. We will wait for a moment while the question queue assembles. The first question is from the line of Ramesh an individual investor. Kindly proceed.

Ramesh: Sir a very good evening. Sir I could not see this kind of disclosure in your website for our company?

Prashant Jain: Mr. Ramesh I think the voice is not clear if you could repeat the question. The orders that we have booked in the quarter we are disclosing and we have announced that today.

Ramesh: Have you disclosed your orders this Adani power order?

Prashant Jain: Yes it is in the list that you see. It is what you see in the page as well which Vinit explained yes.

Ramesh: Yes I could see in PPT but not in GE website. I have gone through the GE website and I could not see like when you have disclosed this particular order.

Prashant Jain: In my view, this was not crossing the materiality threshold by itself so there is no obligation to disclose but, nevertheless.

Ramesh: Okay.

Moderator: Thank you. The next question is from the line of Hina Parekh an Individual Investor. Kindly proceed.

Hina Parekh: Sir we have seen a good order win for FGD in this quarter by when can we see this translating into revenue for the company?

Prashant Jain: So this is a short term cycle order typically the first three to four months is a very low activity which is largely engineering and then the fourth and five month onwards the supply starts so we will start seeing the revenue in fourth to fifth month onwards.

Hina Parekh: Okay and can we say we have reached the top of the cost escalation matrix or do you see a more upside on the cost side for services and FGD business?

Prashant Jain: Can you repeat the question Ms. Hina.

Hina Parekh: So we say that we have reached the top of the cost escalation matrix or like do you see a more upside on the cost side for services and FGD business?

Prashant Jain: So on services we have been fairly doing well on the execution of the margins. We have not seen so far margin deterioration or cost escalation in the services that portfolio has been quite profitable and has been constantly delivering upside so it is robust. On the FGD yes we have seen cost escalations in the past and in the current quarter as well we have taken a cost escalation which is what Yogesh was explaining and in our expectation this is an update at the portfolio level and to the best of our knowledge for the next two to three quarters Raj you wish you want to add further on this one.

Raj Raman: Prashant I think you have kind of articulated it. Just Madam our goal and as Mr. Prashant said that we take the cost update so that we do not anticipate cost escalations and see more stability going forward overall.

Vinit Pant: I will just add that return of experience from the projects under execution has been factored in the new bids/orders and the lessons learned have been incorporated .

Hina Parekh: Okay. Thank you so much.

Moderator: Thank you. The next question is from the line of Mandira S an Individual Investor. Kindly proceed.

Mandira S: How do you see India postponing your coal phase out?

Prashant Jain: Look in my view the government has not been adding new coal projects in the last three to four years but this year we are seeing already projects are being awarded for new coal-fired power plants. In the earlier projections the coal power electricity in 2021-22 is in the range of 72%, which translates into roughly 800 to 900 million metric tonnes of coal consumption for electricity generation. As per the CEA projections by 2030 assuming that renewable energy would have added 500 gigawatt capacity to the grid coal-fired power plants would still be producing 50% of electricity in 2030 and that 50% of electricity would still mean roughly 250 gigawatts of coal-fired power plants under operation and the coal consumption in 2030 to be more or less similar or slightly higher than the coal consumption today so in the earlier plan as well there was a focus on high renewable capacity addition but so to say the existing coal-fired power plants were required to continue to support the country into 2030. What has changed in the last year is that the government is now realizing that the capacity addition of renewable energy is not adequate to meet the grid demand, now because of that there is an additional 25 to 40 gigawatt of new coal-fired power plants that will be ordered. I do not see that there was a phase out until 2030-40 either in the previous case. Now in the case after the current change however an emphasis on ordering new coal-fired power plants has started in the last year, so now we see projects being ordered on the new coal which is a big change in the market from previous year, so coal phase out in my view for India for the next 20 to 30 years is going to be a huge challenge it is not going to be easy because the new capacity we will continue to add on renewable energy but the existing coal-fired power plants probably will need to serve the country for at least 20 to 30 years. Now given an example in the current context if you see the electricity prices or utility prices in the Europe or US they have actually gone up three times to five times or even more because of the conflict and shortage of gas and so on and so forth; however, in India because largely there arepower plants, 70 to 80% which are relying on domestic coal and for electricity and all the coal-fired power plants in the country where they have long term coal linkage with Coal India Limited they have actually seen not significant inflation therefore in India we have been to an extent I would say insulated from the severe electricity cost escalation that the world is currently seeing either in the Europe or US, but it is because we have domestic coal reserves and domestic coal supply and for the power plants that have had long-term coal linkages with this coal plant where nothing has changed and therefore the largely utility electricity prices in this segment has not gone up that significantly so in a way that is a good thing for the country and also in my view for the customers who are really able to secure supply from their coal linkages.

Mandira S: Okay and my second question was are we working on any kind of order mix composition or will it depend on new build order that we receive every quarter?

Prashant Jain: The strategy that we are pursuing currently the biggest orders that we will see will come from the emission control which is FGD that is the demand that we see will continue at least for the next four to five years because the government has extended the emission control guideline by two years in which there are some delays but then orders are happening so we see that the orders will continue to be placed in the FGD for the next three to five years so we will see that we will continue to focus on mix of FGD orders in the portfolio, but services continues to be on a growth part I do not see a challenge there and we will continue to serve the service market. The core services is going stable, upgrades is a market which is not very stable **we see 1 or 2 projects and then we see a sudden drop.**

but we are seeing a large pipeline on the service upgrade and that we think will pick up as the customer realizes that with the coal plants we have to stay for longer and the need to invest into upgrading for safety, efficiency and emissions. Now the third part is the new built. In my view we see opportunities in the market and currently because of GE's announcement to exit from new-build coal GE is not participating in the coal new projects. Your company GE Power India Limited is going to selectively participate in the market where we are able to approach with the domestic technology or the technology which we have in GE Power India Limited so we are looking at a couple of boiler projects in the utility space that we would like to target in the current round of ordering but these are new built projects and they are not too many, if I say 7 gigawatts that would probably be maybe three to five projects so that part is the market space we will not participate as an EPC. We will participate as a technology provider. We will provide the boiler pressure parts to the EPC partners to be able to serve the end customers so directly as an EPC we would not participate in the new built but we will possibly provide technology support to the existing EPC partner.

Mandira S: Okay lastly regarding the Solapur fire incident in June have we received any kind of the update from insurance company and can we expect to recover the provision of 78.7 Crores for the same in the coming quarters?

Prashant Jain: Yes the insurance claim proceeding is underway considering the damage to the equipment currently the survey estimate has to be done on what are the components that can be reused and what are the components should be reconstructed so that survey is ongoing at this point in time and we are hoping that sometime in the next year we should come to a point where we should start invoicing and get the settlement with insurance as we continue to spend on the projects so we will have to spend the money to claim the insurance once the claim is settled. There are two parts to that one part is of course the insurance claim itself for the cost that we will have to incur to reload the absorber and the chimney we have given and the second part is the expected liquidated damages that we may incur interest we are not able to meet the deadline because of this we are delayed and from these two components the insurance part yes we are positive that as we get the final surveys and final cost estimate we will start incurring this cost and have a settlement with insurance we should be able to recover sometime early next financial year.

Mandira S: Okay thank you that is it from my side.

Moderator: The next question is from the line of Tara Kaur an individual investor. Kindly proceed.

Tara Kaur: Good evening Sir. Sir my first question is like since company is focusing on green energy service segment so what is the trend in the margins considering inflation factor are they sustainable?

Prashant Jain: So yes, in the service market we are able to pass the inflation to the customer. It is a short cycle business so the parts repairs are typically 6 to 8 months cash conversion and margin conversion and upgrades are the long-term projects which take about a year, year-and-a-half, maybe two years to execute but majority of the backlog is from core services business, parts, repairs and services and most of these projects we are able to pass the inflation to the customer so we do not see the inflationary risk affecting the service margins.

Tara Kaur: Okay can you provide the segregation of 14.9 billion of order backlog as of September 30, 2022 and what kind of growth do you expect across all the segments?

Prashant Jain: You want to understand the breakup of the backlog or breakup of the revenue?

Tara Kaur: Order back log.

Prashant Jain: Order back log is roughly 40 billion Yogesh want to give a sense.

Yogesh Gupta: Yes Prashant thank you. The backlog for the FGD order is in the range of about 28% to 32%, services will be 12 to 15% and our hydro business will be in the range of 55% to 60%, so these are the broad indications that we can give you like where do we stand vis-à-vis our order backlog and with regard of the growth of business Prashant I would request you to highlight on the growth aspect of these businesses, services is growing yes and FGD also as Prashant has explained.

Prashant Jain: I can address that. Thanks Yogesh so on the FGD it is a project business and the selective projects so we are not going as market or share we are selecting certain projects, we are working if it matches with our risk profile, it matches with our profile and in those projects we are selectively participating, our range is more than 50 to 60% on the targeted opportunities, we do not participate in all the projects and we will treat projects project-by-project so there are certain IPPs that we want to work with, there are very selective strategies that we want to work with and those are the last two agencies largely the order is over so we have the private and state customers in state we have selected some and we are also partnering with our EPC partners and seven customers where we do reasonably directly exports so it is a mix of this three and project-to-project we will win and we are focusing to maintain the gigawatt market share but selective in terms of the margin cash profile of the projects. Now regarding service, the service market is stable. So the market is stable what we are doing is we are increasing our market share as we participate increase new product investments so we are seeing continued growth and we will see continued growth for the next four years and so far we have been positive in terms of the growth trajectory for service business and we are reporting quarter-on-quarter we can see numbers on the service growth, we see that the core services is intact and the core services we see happening. The areas that we do not see again are the upgrades where we see project-by-project, so depending on the number of projects finalize an area and we will some variations here and there.

Tara Kaur: Sir my last question is like you have mentioned that our company is working on containing further margin depreciation so just want to understand like what initiatives are we taking to improve operational efficiency?

Prashant Jain: So Raj I want you to comment on the operational efficiency part.

Raj Raman: Sure thanks Prashant. Madam our focus has been to ensure one is as we mentioned the learnings, which we are seeing on some projects we build back into the other projects as well as we are pursuing some of our wherever we see them contractually or otherwise we see claims. We are building our claims around this and pursuing them appropriately in all fronts. These are something which we are working as well as we are working intensely with our lean methodology to see that we are executing better and with a shorter cycle time, which overall helps us to manage our cost much better, some actions and strategies which we are deploying there.

Tara Kaur: Thank you.

Moderator: Thank you. We have the next question from the line of Hina Parekh individual investor. Kindly proceed.

Hina Parekh: Any update on GE de-promoterization announcement that you can share?

Prashant Jain: So there are two parts to this one is the independent capabilities of GE Power India Limited in terms of technology transfer, developing competence and ensuring that for the markets that GE Power India Limited wants to address the company has its own technology, it has its own balance sheet and it has its own competence. On that part we have significant progress. FGD I am happy to say we are close to 100% now self sufficient and competent with the commissioning of Unchahar. We have demonstrated both in acquisition and execution GE Power India Limited is fully self competent. Second we have also qualified on the basis of GE Power India Limited as an entity with Gujarat for the FGD tenders. For example the Sikka tender etc, so the FGD which was a big element of the future strategies for growth and continues for the next five years GE Power India Limited is now self sufficient. The second area is services. In services we have a mixed portfolio one is the clean combustion which is smaller, air quality control system services that part again we are close to 100% locally and are able to manage the entire stuff locally. On the rotating equipment part there is certain amount of interdependency within GE and there is a plan to be able to localize that by the end of next year. So there is a plan, there is a roadmap but largely for the business that we do in India we have a good set of competence in the country. Acquisition qualification criteria are available within GE Power India Limited that is the company that has been running most of the projects in the markets it qualifies. The third element we did on the boiler side again when it comes to acquisition GE Power India Limited is able to qualify itself with certain support and our qualification part is ensured. Factory in Durgapur is fully self sufficient to supply the pressure parts to the industry for any need for boiler, so from that point of view there again we are self sufficient. In terms of the execution and the backlog there is certain interdependency on themselves or the headquarter and that there is a roadmap for the next year to do the technology transfer, so all in all if I were to say with regards to IT technology knowledge required in the country to execute and be successful in the market the progress is satisfactory on its own plan. The second aspect of the announcement was on the depromotorization of GE reducing its share there is no update at this point in time. As and when we have the update we will come back to you but absolutely there is no update for us to share at this point.

Hina Parekh: I had a question on Adani Udupi order that we have received so how do we see the revenue generation and cash flow over the next few quarters?

Prashant Jain: As Vinit explained in his presentation the project is on EP which means it is not EPC but it is to be done by Power Mech. So we are supplying the engineering and the technology and the core components which are required for the heart of the FGD which is absorber. So from that point of view this is a good portfolio where the company is very strong and we do expect that the cash flow will be positive throughout the cycle so that is the good part because there is no site work and therefore the retentions that normally we see in all the EPC projects so the cash flow will be positive. As regards the revenue I have answered this earlier to a question. The revenue cycle typically starts from the fifth to sixth month of the project acquisition, first five, six months is just the engineering which is not significant, there is small portion of the revenue and the big part of the revenue starts from fifth, sixth month onwards and that is how we will see the revenue unfold.

Moderator: Thank you. The next question from the line of Aditya Shah from Vikram Advisory Services. Kindly proceed.

Aditya Shah: Sorry Sir if I have missed your opening remarks regarding the provision for the Solapur fire incident but my question is regarding that what is the expected loss that we see after the insurance claim is settled due to this and the provision is not made under exceptional items during this quarter and where would it be made. That is one and second question is regarding going forward in the future do we expect ourselves to be competing again in the new build sector with the major competitors that we have lost business to or our focus would remain on FGD and services?

Prashant Jain: I will answer the second question first. The second question we will participate selectively I addressed this question earlier I am repeating myself. I have answered that we will not be in EPC, in the middle space we have not done in the past so we will continue to support the EPC partner in the market and we will supply the key components in the pressure parts which we were doing earlier to our partners. We will continue to support that is how we will participate in the boiler side so that is what we were doing in the past. This is what we will do then some partner needing EPC and we will supply the pressure parts to them. On the industrial boiler we will probably want to do it by ourselves and we are developing competence. We are hoping to first book one successful industrial boiler and then start offering industrial boiler from the Durgapur factory so that is regarding the new built. As regarding the Solapur incident is concerned the amount that we have provided for is an amount which is total to one the cost of rebuilding the absorber and the chimney components and also the liquidated damages which we expect because now the project will be delayed so the LD portion that portion I do not think we can recover but the insurance portion of the claim the survey is ongoing and the final components that will need to be replaced, materials, etc. discussion with the customers on what components and parts can be reused and what will need to be replaced is ongoing so at this point of time it is too early for us to be able to give an estimate on the percentage of what amount we can recover so the moment we have the run rate we will come back and share the details with you. The item is not in the exceptional item because as per our accounting policy we have updated the cost into the project so Yogesh, maybe you want to clarify that further.

Yogesh Gupta: Yes thank you Prashant so basically this is our operational activity with regard to our project and this is emanating from site and as per our accounting policy we have taken it at the operational level and accordingly the project cost has been updated to the extent of the likely cost that is required to be incurred on making good loss that has happened and as Prashant explained that we would be assessing like what can be repaired and what needs to be replaced and we will be taking up from the insurance company and there is a degree of uncertainty to the extent of what extent the claims will be settled so that is why the provision has been made and we hope that we will be striving for the maximum possible to get the claim settlement from the insurance company.

Aditya Shah: So just to clarify again on this is that had we not done this our cost of material, the erection services would have been lesser by 787 million right?

Yogesh Gupta: Correct that is right.

The LD portion would have been accounted for a bit separately, but the project costing would have been very clearly like lower the estimate for operational cost that we have considered as to increase but you are very right that our profit at the PBT level would have been higher by 787 million.

Aditya Shah: Right and what is the revenue expectation that we can expect going forward probably two quarters down or one quarter down because I see it is reducing from June quarter to September quarter by around some 490 Crores goes down to 420 Crores so what is your guidance on it?

Yogesh Gupta: Normally we do not give futuristic guidance Mr. Shah and like the revenue has been going down for three reasons primarily first is with regard to having lower order intake in the last two years and as we have heard from Vinit and Prashant we have really got back on the track for getting orders. We have already booked two major ticket one from the Saundatti in hydro and the other one in FGD from Power Mech and order intake has started happening which will be boosting our revenue in the times to come and with regard to the other part of your question like these projects that we had on FGD like we are looking at the commissioning and completion of these contracts so this has been the reason but we cannot give you a number two quarters or three quarters down the line but we would be looking forward to ramping up our revenues.

Aditya Shah: My last question is regarding the FGD market size that your annual report mentions is roughly around 65000 to 70000 Crores right so how much out of that do you expect as an industry to achieve by 2024 or 2025 or something like that it is a broad question it is nothing related to the company?

Prashant Jain: I actually answered this earlier. What we are looking at is a gigawatt market share and in terms of gigawatt we want to maintain the market share but not all the state customers we would like to bid directly we might partner with some EPC player so you will not see the same dollar share but our objective is to retain double digit market share in the coming wave as well in terms of gigawatt so gigawatt market share we want to retain whereas dollar market share we think it is not because what we are focusing is to be selective in the projects. We are selecting IPPs that we want to quit, we are selecting scope that we are able comfortable with and we will take EPC where we are confident that the terms and conditions are what we have learned in our earlier projects it is not going to consume a lot of working capital and that we are able to manage efficiently for the company so it will be a mix of IPP and state selective and therefore gigawatt share we will maintain but we will not maintain the dollar market share. Vinit you want to add to this.

Vinit Pant: It is right Prashant we have to maintain this and we clearly see there is a turnaround in the FGD ordering starting from this financial year. My point was that the market has improved, we have seen this starting from this year market has improved, ordering has definitely has gone up and this is going to sustain as Prashant said next three to four years and we are going to keep the market share in double digits in gigawatt.

Aditya Shah: My point is in the next three to four years what is the market size opportunity is it 65000 to 70000 croresor that 65000 to 70000 Crores is across the next 10 years?

Vinit Pant: Based on what is left it should be around 55000 to 60000 Crores.

Aditya Shah: For the next three to four years?

Vinit Pant: So what is left today after what has been ordered in this year so it would be around 55000 to 60000 Crores, the total market to be ordered in terms of Crores.

Aditya Shah: For the next three to four years?

Vinit Pant: So I would say this is what is left for the next four to five years.

Aditya Shah: Alright thank you. That is it from my side.

Moderator: Thank you. The next question is from the line of Mohit Kumar from DAM Capital. Kindly proceed.

Mohit Kumar: Does the increasing investment in coal power plant bodes well for order intake as I understand roughly around 8 to 10 gigawatt of coal power plant which are under tender as of now?

Prashant Jain: Correct.

Mohit Kumar: Are you looking at those orders in the sense some orders from BHEL?

Prashant Jain: Vinit may be you want to address. I have clarified this earlier in the call today. We will continue to support the EPC player but we will not participate as an EPC for this project so yes we want to support and we are working with the EPC players to see what scope we can get from these projects. Vinit you want to add further for the boiler process.

Mohit Kumar: My question was that do you think this opportunity is going to increase multifold for us?

Vinit Pant: So I would say this is new development. As Prashant mentioned earlier there has been no ordering in the last two to three years so this is something which is going to be additional opportunity for us going forward.

Mohit Kumar: Power Mech has received I think order from Adani for multiple power plants so are we in talks to get more orders of FGD or this is the only order which we have as of now?

Vinit Pant: This is the only order we have this year, but we have other opportunities in the pipeline as I mentioned which needs to get concluded in the coming quarters.

Mohit Kumar: Understood Sir. Thank you and all the best.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Prashant Jain for closing comments.

Prashant Jain: Thank you all. A very good evening and thank you team for the clarifications and thank you all for joining the call.