



GE T&D India Limited

L31102DL1957PLC193993

T-5 & T-6, Plot I-14, Axis House,
Jaypee Wishtown, sector-128,
Noida-201304, Uttar Pradesh

T +91 120 5021500

F +91 120 5021501

<https://www.ge.com/in/ge-td-india-limited>

August 9, 2022

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI 400 001

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 Conference Call for Investors held on August 3, 2022**

Please find enclosed a copy of the Transcript of conference call with analysts/ institutional investors held on August 3, 2022, in respect of proposed resolutions at Annual General Meeting for Related Party Transactions.

You are requested to take note of the same.

Thanking you,

Yours faithfully,

For GE T&D India Limited

Manoj Prasad Singh
Company Secretary



“GE T&D Limited's Conference Call Discussion on Related Party Proposal for Approval in the Forthcoming AGM”

August 3, 2022



**MANAGEMENT: MR. PITAMBER SHIVNANI – MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER, GE T&D INDIA LIMITED
MR. SUSHIL KUMAR – WHOLE-TIME DIRECTOR & CHIEF FINANCIAL OFFICER, GE T&D INDIA LIMITED
MR. MANOJ PRASAD SINGH – COMPANY SECRETARY, GE T&D INDIA LIMITED
MR. ANSHUL MADAAN – COMMUNICATIONS LEADER, GE T&D INDIA LIMITED
MR. SUNEEL MISHRA – HEAD-INVESTOR RELATIONS GE T&D INDIA LIMITED**



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August 3, 2022*

Moderator: Ladies and gentlemen, good day and welcome to the Discussion of Related Party Proposal for Approval in the Forthcoming AGM of GE T&D India Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation continues. Should you need assistance during the conference call, please signal an operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Sunil Mishra. Thank you and over to you, sir.

Sunil Mishra: Myself Sunil Mishra. So good day to all of you. Welcome to today's conference call with the GE T&D India Limited Management Team here. This conference call has been organized to present and discuss in some detail the Related Party Proposals for Approval in the Scheduled AGM on 10th of this month.

Now, let me first introduce my management team available on this call. We have with us Mr. Pitambar Shivnani, who is our Managing Director, and Chief Executive Officer. We also have with us Mr. Sushil Kumar, who is the CFO and Whole-Time Director. We have Mr. Manoj Prasad Singh, who is the Company Secretary, as well as we have Mr. Anshul Madaan, who is our Communications Leader.

Please note that this Conference Call is scheduled up to 6 p.m. I hope you would have received the presentation on the topic and the same, we have uploaded it on our website.

I would now request Mr. Sushil Kumar, who is our CFO to take you to presentation on related party proposal in some details. Over to Mr. Sushil.

Sushil Kumar: Thanks, Sunil. Good evening, everyone. Thanks for joining today. This call is predominantly for the purpose of taking the investor community through the related party proposal that has been given in the notice to the AGM and will be open for voting now.

On the similar lines we had conversation last year also wherein we explained the nature and purpose of this transaction. There was a short two, three pages presentation which has been sent to everyone through the stock exchange. Hope everyone has got a copy of that.

First, on the Page #2 of the presentation, which summarizes all the items mentioned in the proposal #8, 9 and #10 of the notice today, there are three proposals: The first proposal is for the inter-company borrowings and deposits which is a cash pool arrangement with GE Industrial India Private Limited. The borrowing proposal is up to a maximum limit of Rs.700 crores and the deposits proposal is for a limit of Rs.150 crores.

This cash pool arrangement is existing for last few years now and this helps to optimize the overall cash management and working capital and borrowings position for the organization and in terms of the borrowing cost to the company. There are details in the next page of the benefits and the key terms and conditions of this proposal and we'll discuss from the next page.



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The actual utilization depends on the need of borrowing. So, if you look at the page #40 of the annual report that shows how much were the utilization in the last financial year 2021.

So while the approval let's say is being given for Rs.700 crores of borrowing, last year, the maximum had utilization of Rs.200 crores, because as you all know that we have been improving in terms of our cash flow management. We've generated cash in one and half year and the borrowings need have come down. On the approval side, we still propose to keep Rs.700 crores because the borrowing cycle keeps moving depending on the status of the project and depending on the particular inventory and receivable build up cycle which fluctuate during the year, while overall endeavor at the end of the year is to generate positive cash.

On the deposits side, we had made only a deposit of Rs.15 crores during the year against the limit of Rs.150 crores. So that is proposal number one.

The proposal number two is related to the sale and purchase of goods and services and the contracts and arrangement related to any services other than the project-related services.

The first item which is sale and purchase of goods on each services for the project is related to two situations: The situation one where GE India Industrial gets a larger contract for setting up of a generation or any other business line from the customers, which include a substation scope or maybe there is circumstances of joint bidding along with GE India Industrial, where the customer wants to award end-to-end contract with the GE company.

And the second situation is where the GE T&D gets contract from the end customers, third parties as well and there are certain equipment's or products which we need to buy from the GE India Industrial Private Limited.

These are based on sales projects which may come in the future. There are no absolute existing arrangements from but as the tender pipeline keeps building, there may be a situation where they have to bid for contracts.

And if you see the last year number, one, we had made bid for a few contracts. We could not get the contracts awarded to GE. Actual utilization was quite low. We had only Rs.7 crores of sale order received from the GE India investors. But nonetheless keeping in mind the projects in the pipeline and the future opportunities, a proposal of Rs.250 crores of related party transaction has been continued in the proposal, has also continued.

The second item in this is the support services where the IT-related services are shared or travel-related porter or center of excellence related services are shared. So, they are non-project related activities. We are continuing to seek approval of Rs.150 crores in line with the last year. Against this, last year the actual utilization was less than Rs.50 crores.



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The third proposal in the list is the sharing of facilities and office spaces and facility arrangements, wherever there is a redundancy at the GE T&D which can be used to save the costs and operating expenses for the company or there may be a need of getting the small offices at some other state where GE T&D doesn't have a presence, GE IIPL has their presence, and we can leverage the available facility at a better cost and operating efficiency. These are the three proposals which have been summarized on page one.

Page two which is specifically talking about the cash pool. The limits for approval are same. The benefits of borrowing are that these are available as additional source of fund. These are not secured. The rate of interest is pretty much as per the industry or market practices, duly benchmarked as per the transfer pricing.

The good feature is that there's no minimum tenor of borrowings. These are on-demand utilized depending on the need that we have. There is no fixed tenor as most of the banking companies are now putting at a minimum tenor of the borrowing. Can be repaid without any penalty, earlier also.

And the last thing is that it gives us a better flexibility to play between funds from bank as well as the GE India Industrial of cash pool.

Similarly, on the lending side, the funds are deposited at the end of day surplus balance. There is no minimum tenor. It can be called at any time on demand. The bank reach a benchmark to the industry practices and the transfer pricing rules.

Moving to the last page, specifically talking about sale and purchase of goods and services, these are bid jointly now with GE IIPL will give us additional opportunities to grow the business, the customers' needs the GE entities to bid together. The transactions are done at the arm's length basis and the due approval is taken from the board of directors.

Similarly, on the purchase side, whenever we have the best products and services moving specifically in portfolio of GE India Industrial Private Limited, the same is required or secured at the arm's length services.

The other services, mostly there, there are Center of excellence set up by GE India Industrial Private Limited which leverage the volume for entire GE entity and hence negotiate a better rate from the supplier, which is then charged to the company on the actual basis or in some cases with markup as per transfer price policy

Most of these center of excellence give us the flexibility of the volume and time period of using of these services and can be also used as per the need of the company. And I already talked about the sharing of common facility which is the last point on the page #3.



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So, these are the rationale which we wanted to share with the investor community so they can evaluate as well with e-voting in the upcoming AGM.

And also, we already clarified and once again reiterate that these are the continuation of the existing proposal from the last year, no change or increase has been proposed compared to the last year.

So, with that we'll open up for questions if any from the investor community and we'd be happy to answer.

Moderator: We will now begin the question-answer session.

Sushil Kumar: So, I guess there are no questions and these are kind of repeat resolution, but nonetheless we thought that it will be good to share the rationale and share the thought process and give an opportunity to the investor community to ask any question if they have and that's why we have this call today. But if no questions, I guess maybe we can close the call and thanks to everyone who have joined the discussion today.

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