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March 6, 2019

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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 February 20, 2019**

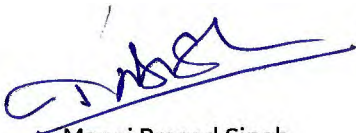
Please find enclosed a copy of the Transcript of earnings conference call with analysts/ institutional investors held on February 20, 2019 in respect of unaudited financial results for the third quarter and nine months ended on December 31, 2018.

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 India Limited Q3 FY19 Earnings Conference Call”

February 20, 2019



MANAGEMENT: **MR. SUNEEL MISHRA – HEAD (INVESTOR RELATIONS)**
MR. GAURAV NEGI – WHOLE-TIME DIRECTOR & CFO
MR. SANDEEP ZANZARIA – REGIONAL COMMERCIAL LEADER
MR. SIVAPRASAD MANIKKAPURATH – OPERATIONS LEADER
MR. MANOJ PRASAD SINGH – COMPANY SECRETARY
MR. ANSHUL MADAAN – COMMUNICATIONS LEADER



Moderator: Ladies and gentlemen, Good day and welcome to GE T&D India Limited earnings conference call for the third quarter ended 31st December 2018.

I now hand the conference over to Mr. Suneel Mishra – Head, Investor Relations, GE T&D India Limited. Thank you and over to you sir.

Suneel Mishra: Ladies and gentlemen, Good day. Myself Suneel Mishra and I manage investor relations for the company. Welcome to today's conference call with the GE T&D India Limited management team. We have organized this conference call to present financial results for the quarter ended 31st December 2018. Now, let me first introduce my management team available on this call. Unfortunately due to some unavoidable circumstances, our Managing Director Mr. Sunil Wadhwa is not able to join the call today. We have on call with us Mr. Gaurav Negi who is our Whole-time Director & CFO. We have also sitting with us Mr. Sandeep Zanzaria who is our Commercial Leader. Mr. Manikkapurath Sivaprasad also present on this call who is our Operations Leader. We have on call Mr. Manoj Prasad Singh who is the Company Secretary and Mr. Anshul Madaan who is our Communications Leader.

Please note that this conference call is scheduled up to 5:45 p.m. I hope you would have received the investor analyst presentation and read out the disclaimer as per slide #2. I would now request Mr. Manikkapurath Sivaprasad to begin this conference call highlighting operations and execution achievements of the quarter. Thereafter, the call will be taken over by Mr. Sandeep Zanzaria followed by Mr. Gaurav Negi. So, now I invite Mr. Sivaprasad to begin.

Sivaprasad Manikkapurath: Good day ladies and gentlemen. Your company continued to be focused on the customers through technology leadership, excellence in execution, and our commitment to deliver. So, I am happy to take you through a few of the highlights of the projects which we have completed and commissioned in last quarter. The first one is Pole-3 of Champa-Kurukshetra HVDC link. This is 1500 megawatt of link, the third link out of four which has been commissioned, tested up to the full power capacity and is now ready for integration into the grid. We have also commissioned 20 megawatt and 40 megawatt solar plants in Maharashtra against a very tough timeline and also some tough terrains and the power flow is on now. We have commissioned 2 series reactors, one at Ballabgarh and one at Mandola. This is, proud to say, first of its kind in India. This is one technology which will help to manage the increasing fault levels, increasing demands of cities like Delhi, and this was commissioned in last quarter and successfully running in both the locations now. We have also commissioned the travelling wave fault locator in 765 kV mega line. This again is the first one in India to be online and it is performing with 98% accuracy which is achievement technically. This will help Power Grid to monitor the line, 765 kV line and it is one of 83 such feeders which we will be monitoring over a period of time. Once commissioned, again it will be the biggest of its kind in the world as per Power Grid SCOPE. We have also commissioned 400/220 kV AIS substation for PGCIL this year and we continued to focus on commissioning our projects and increasing and adding capacity and value to the grid.



Sandeep Zanzaria:

Good evening gentlemen and ladies. The third quarter was comparatively a much better quarter in terms of order intake for the company. Some of the key highlights what we have actually won are basically the Power Grid 400/220 kV GIS substation at Bhuj with an extension of 765 kV AIS at Bhuj and some Tuticorin in Tamil Nadu for Power Grid. For Rajasthan, we have won an extremely prestigious project, i.e., the Smart Transmission Network and Asset Management System. Under the scheme, we will be integrating all the substations of RRVPNL through smart implementations. We are putting RTUs and then building a control centre from where all the complete substations can be monitored and real-time actions can be taken from the control centre of the substations. It is a first of its kind of the facility which will be built in the State sector. We have developed and commissioned a similar project for Power Grid which is quite successful, NTMC. This is an advanced version of NTMC which has been conceived and being implemented in the State sector for the first of its kind.

The company has also won a prestigious project from UP which is basically a 400/220/132 kV GIS substation at Shaupuri and in addition to that, we have also got an order for supplying 3 numbers of 500 MVA transformers. Under the Saubhagya scheme of government which is basically giving power connections to lot of customers who didn't have power under the Power For All. We see a sustained demand which is coming from the State sector and there were packages from UP for 400 kV GIS, and yes, we have been successful and the company has received the order. In Jharkhand, there is a good development which is happening on the transmission network under the World Bank funded packages and the company has been successful in getting 1 order from Jharkhand which is World Bank funded for turnkey substation 132/33 kV. This is at multiple locations in Jharkhand the substation needs to be built in. Maintaining an excellent track record of practically about 100% strike rate in Oil & Gas sector in 2018, the company has been able to win a 220 kV GIS substation at Kochi. In the year which has gone by, we have won a 400 kV GIS substation from Hindustan Mittal Energy. We have won at 220 kV GIS substation from HPCL Visakhapatnam and then finally at the end of last quarter, we have taken one more order from BPCL. From Damodar Valley Corporation who are now implementing lot of retrofit solutions for the modernization of their old asset base in West Bengal and Jharkhand. The company has been successful in winning the package for 5 substations in West Bengal. So, there lot of retrofit is required and it is going to give an extended life cycle for the asset base which is there.

Finally, one of the last orders which I would like to discuss would be the TBCB Ghatampur package which has been won by Adani and the substation package for the 765/400 kV Ghatampur has been won by the company and this is basically an extension of our own substations which are under a different developer and extension was won by Adani and eventually we have taken the order from Adani. So, these were some noticeable wins what we could achieve in the Quarter-3 of 2018.

If we really look at the order intake situation, we have achieved the order intake of 1441 crores which is a substantial growth if I looked at about 84% growth over what we did in 2017 and if



you really look at even in 2017 nine months' result, there were certain exceptional orders from power gen segment which were booked in 17 but equivalent market is not available. So, if you really look even from SCOPE perspective, we will look at an increase of about 21% on a 9-month basis from 2017 to 2018. We look market going forward quite stable. There are lot of TBCB opportunities for the next green corridor which has been announced by the government. Out of that, certain packages will be coming under TBCB and 3 packages have been given to Power Grid under the implementation part of the overall evacuation of the green corridor. So, we are well positioned with an order backlog of 64 billion as of December 2018 and we have further contracts which are signed or won which will be booked under this quarter which is about 5 billion. Thank you and now handing over to Gaurav.

Gaurav M. Negi:

Good evening. We will go to the sales execution page. In terms of the third quarter summary, revenue for the third quarter is up, 1168 crores versus 1439 crores of last year. Now, the decline that you see is largely on account of the HVDC related revenue that we had traded last year during the same period and you will see the summary down below. There we have carved out HVDC separately, but on a 9-month period, the overall revenue was 3324 crores versus 3572 crores, a decline of 7% but excluding HVDC we managed to grow 7% and offset is largely on account of the execution that Siva shared reflecting that the rest of the portfolio has performed well.

If you go to the next stage, in terms of the profit after tax, again the story is largely driven by HVDC. Our profit for this quarter is 53 crores versus 72 crores in the same period last year and on a 9-month period, we are up 3%. We are at 187 crores versus 181 crores, again focusing on profitable execution over here.

Finally, on the last page, in terms of the key data for third quarter and the 9 months, while on a quarter basis, the comparison is skewed because of HVDC being a strong quarter last year same period, but on the 9 months' period, we have managed to offset that headwind to a large extent by delivering a good profit as well as overall margins for the 9-month period. So, with that, we will open it up for questions.

Moderator:

Ladies and gentlemen, we will now begin the question and answer session.

The first question is from the line of Renjith Sivaram from ICICI Securities. Please go ahead.

Renjith Sivaram:

Congrats on a good set of numbers. If you can throw some light regarding the margin and how should we look at the margins going forward because it will be a function of the pricing which is prevalent in the market. Last 3 quarters and for the 9 months also, we have shown decent margins. Do we expect this kind of margins to continue or you use any risk in that?

Gaurav M. Negi:

There is definitely pricing pressure as we have been mentioning but aside from the pricing pressure, the execution especially around the course of actions that the company has been taking is reflected in what the results are. We are kind of maintained our guidance in terms of it is going



to be towards a higher single digit side and that's what we have been trending. Our endeavor is going to be again to keep sustaining those levels. But there is definitely a pricing pressure that we are seeing. We are trying to offset that with internal course of actions that we are trying to drive and the course of actions is across the board. It is product related, it is operations, it is base cost or administrative cost, so all put together.

Renjith Sivaram: So, this 9% to 10% levels we can expect this to continue despite the pricing pressure because of our focus on the costing part. Is that understanding right?

Gaurav M. Negi: High single digit is what I will say.

Renjith Sivaram: If you can also help us regarding the future orders. How is the overall enquiry pipeline? You have mentioned you have already 500 crores of orders already won this quarter, but if you have to look at FY20, what kind of order intake outlook that we can look at?

Sandeep Zanzaria: The market looks to be better at least in comparison to 2018 primarily being driven by TBCB because if we really a look at the tariff based competitive bidding in 2018, practically there were only one or two bids, then nothing much came out in 2018, but in 2019 we are seeing a good traction and maybe bid worth about more than 2000 crores are already floated by REC or PFC which will get decided in the year. So, that is one positive development which has happened. Apart from that, we are seeing also certain initiatives which have been put in by the government in terms of, for example, Leh, Ladakh, the 7.5 gigawatt scheme which has come up and of course the 1 gigawatt offshore wind project which is there. But going forward, there will be some delay at least in the quarter going forward because of the elections. We will assume that when elections are there, then due to model code of conduct, the economic activity in the State sector and in the central sector slows down drastically. So, we are looking that going forward from March till practically end of May, the activity will be comparatively less but then we expect them to pick up the activity in the second and the third quarter.

Renjith Sivaram: Lastly, if you can break up your order book into PGCIL, SEB, private, and also can mention how much is solar?

Gaurav M. Negi: Private is going to be a substantial chunk now. It is going to be somewhere around 60%. The remainder is going to be between PGCIL and the State, but solar is going to be a very, very small chunk as the backlog stands today.

Renjith Sivaram: So, 60% of your order book currently is private and states and PGCIL will be 20:20?

Gaurav M. Negi: Roughly, yes.

Moderator: The next question is from the line of Renu Baid from IIFL. Please go ahead.



- Renu Baid:** Congratulations for operationally healthy quarter. First question is coming back on the margins side, until now as in for the last few quarters, management commentary has been very clear that new orders are coming at lower margins compared to the ones that are getting executed. So, is it that the HVDC CK-2 is nearing completion and we are seeing profits being released from that project which is actually supporting better gross margins? How do we connect between the improving gross margins and relatively slower new orders coming in the backlog? Can you help us understand what is driving better margins for us?
- Gaurav M. Negi:** There is no abnormal releases that are coming from HVDC. Again, as we would see that our volumes have also gone up and we are trying to get better cost in our execution side to just sustain the levels that we have achieved. We did have an upside coming from HVDC but like I mentioned, it was significant last year. It is not repeating itself but no abnormal releases. This is pure execution from our existing portfolio that is excluding HVDC.
- Renu Baid:** Does the current gross margins of about 32% to 33% look broadly comfortable or sustainable in the current mix or you think that could be a factor of the execution mix that you have seen for the last couple of quarters?
- Gaurav M. Negi:** There is pressure on that number. That is why I said it is going to be high single digits. I am not calling out a number. Whatever we have done over the last 3-4 quarters, whether it is sustainable for the new order inflow that is coming, because of pricing pressure, has further put pressure in terms of the execution. Now, how much we can squeeze out is something we will assess. I kind of shared this the last time also. We do tend to take orders which are stretched for us, but as we go along given the 24 months that we have to execute them, that is when the entire team focuses on improving the margin levels as we call that 'as sold' and 'as executed'. We have got 24 months for the new ones that are coming in. They are definitely at stretched pricing levels but 24 months is what the team has to work to improve on those.
- Renu Baid:** But however if you look on the execution side, you did mention that almost 60% of the orders today in the backlog are from the private sector and some of the private sector TBCB players who are there in the market are not keeping good financial health. So, do you think there could be some softness in execution and was it partially seen in the current quarter and could be a headwind in the near term for us?
- Gaurav M. Negi:** Short term we have seen. So, over the last 6 months, there is definitely pressure that we have seen some of our partners feeling but again it is not barring a few that the big names that you are getting in the marketplace, it is more the liquidity crunch that they are facing, not a question in terms of that particular group. So, we are looking at it more from a timing standpoint, it is just a delay, and hopefully in the next quarter or so, things are going to be back to normal from a liquidity standpoint for the customers.



- Renu Baid:** Essentially whatever little execution had slipped this quarter and those issues could continue in the fourth quarter as well and you suggest that broadly in financial year 20, one should see those hiccups easing out and execution could be better than what we have seen as in last quarter or so?
- Gaurav M. Negi:** Because none of us had predicted what happened over the last 6 months also, and we have got elections coming as Sandeep also shared, hopefully the execution is not going to get impacted and so there are no hiccups because of that. And usually during elections also, there is a liquidity crunch is also that one foresees.
- Renu Baid:** But you would like to put a number to the possible revenue slippages that you saw in this quarter because of some of these players going slow?
- Gaurav M. Negi:** It is not going to be significant right now. Our execution in terms of..., we are trying to phase out. We have got manufacturing, we have got project executions. So, we are trying to phase out at best because we are trying to hold to the timelines that we have committed to our customers because they themselves have further commitments. So, we are trying to work with them to figure out how best to optimize the situation.
- Renu Baid:** How do we look at the overall receivables and cash and debt position because of late, we have heard a lot of issues of delayed payments from the State sector even to utilities like NTPC and Power Grid. Are we witnessing any of these issues with some of our projects or the receivable cycle seems to be under control? Any insights on this side?
- Gaurav M. Negi:** It is under control right now, not from the State or the Central utility. Private in pockets yes, as I mentioned, there is a liquidity crunch that they are facing. So, as a result, it is timing for us right now but not on the State or utilities.
- Renu Baid:** And how would have DSO moved over the last 9 months? Any update if you can share on that?
- Gaurav M. Negi:** It climbed back up like we had shared the last time also when we shared the September results also when we shared the balance sheet. It went up from what we had in March but again we are keeping an eye on that.
- Renu Baid:** My one last question before I get in the queue would be, we did share off on certain new technology driven orders, the travelling wave fault locator that you mentioned this is one of the 48 feeders that you are planning to install. How should one read with respect to the kind of opportunity that these specialized transmission solutions have for our portfolio? And what would be the share of these kind of orders in our mix today?
- Sivaprasad:** I will answer to a part of that question and then continued to be taken over by Sandeep. This is 83 feeders which would be monitoring through this and we have won it against very simple competition. Today, GE is the only one approved supplier for this technology in Power Grid and this 83 is already in hand, so we will be definitely executing this 83. Going forward, like what



Sandeep said earlier, we did NTMC project for Power Grid and the states followed. The first one we booked in the last quarter. So, definitely when we have an online fault locating device which is functioning and performing the grid, there is all possibility that the State will follow, at least the major states will follow. And then once this is proven technology, I am sure others will copy this and they will utilize.

Sandeep Zanzaria:

Value-wise, this is not a very substantial order I would say. This is just part of an automation piece which we put on the lines and then the lines get monitored but the only thing is that it gives us a different technical platform to interact with customers. Of course, with State sector, it becomes different, but when it goes to private, there is definitely the technical pedestal is different and this relationship or this technological leadership helps us in getting the other orders as well which are large valued. So, this is basically a channel to orders. In the overall portfolio, this will be a very miniscule order.

Renu Baid:

That we totally agree as it wouldn't be more than a 100 crores order, anywhere between 50 to 100 crores for us, but what I am trying to understand is what would be the share of these network decongestion or grid stability solutions in the total backlog. It would be a composite of TWFL orders, the other network management system orders combined together. So, these automation-driven orders would be what percentage of a pie today? Or we want to break it up into products, projects, and automation solutions? How would the mix of our order backlog look?

Sandeep Zanzaria:

I think this type of path breaking orders would be less than 10% of the total mix today.

Moderator:

The next question is from the line of Jonas Bhutta from PhillipCapital. Please go ahead.

Jonas Bhutta:

Just a couple of questions. You mentioned that a decent line has developed in India for the GECs (green energy corridors). About what timeline are we talking about these orders being awarded and given that the T&D sector at least from the Central and TBCB side had sort of dried up in the past 24 months. Would you sort of expect far higher competitive intensity than you have already seen in the sector? Secondly, what we gather is Bangladesh also seems to offer a decent opportunity and in fact there is a HVDC project that comes up for award very soon where your company is sort of participating in that tender and if you can also highlight how are the working capital and margin levels in Bangladesh if at all you guys are bidding?

Sandeep Zanzaria:

I think the green energy corridor what we are talking about, yes, definitely that is going to get implemented in 2019 itself. There are some packages which have been allocated to Power Grid for implementation, they have been tendered out. So, possibly we are looking the ordering to take place in next quarter and the TBCB packages have also been tendered out by REC PFC. So, we expect the packages to get awarded to the developers in Q2 and to the EPC players like for example us in Q3. So, this is definitely a 2019 pipeline. As far as Bangladesh is concerned, yes, we are present in Bangladesh HVDC bid. GE is one of the bidders definitely, and along with the HVDC, there are about 4 packages of AIS and GIS substations which have again been floated by Power Grid Company of Bangladesh. So, that is also a good market which is available.



Your question about the 24 months dry up, if I really look at the last 12 months, like 2018 if I really look up, then TBCB was very less, Power Grid was quite less, but then State sectors because of Saubhagya and other aspects like receiving the power from the Center sector and dispatching it to the various parts because the state was investing a lot of money in terms of expanding their transmission system. So, State market actually grew but the Power Grid and TBCB market did decline. As Gaurav also mentioned and we see in the market, yes, the competitive pressure is very high because of very I would say one is the pipeline not growing too much in terms of the market not growing and then we also see lot of companies from outside coming and putting up manufacturing plants. So, definitely it is creating a pricing pressure in the market but we being a player for so long definitely and with the customer connectivity, it helps us in mitigating those market challenges.

Jonas Bhutta:

Could you also highlight based on your past experience in Bangladesh whether it offers the same kind of margin profile? Are there like 8-10-15 bidders in each tender which would highlight competitive intensity and how is the payment cycle there? Is it similar to a PTCL here?

Sandeep Zanzaria:

Just to update, Bangladesh because it has intense competition like India, probably margins are similar as that of India. Most of the competition is either the Indian players who are operating in India or a few Chinese players who are there who are also operating in Bangladesh. Payment security-wise it is not such a big challenge because most of the Bangladesh tenders are ADB funded. So, payment security is guaranteed by ADB. So, we don't face any type of payment security challenges in Bangladesh.

Jonas Bhutta:

My second question is for Mr. Negi. If you could highlight if in 3Q or in 9 months, has there been any material movement, creation, or a write-back in terms of ECL. One reason that I ask this is that the sharp decline in other income partly is addressed by the lower cash balance but also is there an element of certain ECL creations during the year?

Gaurav M. Negi:

We had shared this the last quarter. We had some write-backs and we disclosed that in the Q2 results (2nd quarter results of September). Barring that, there is no significant write-back that we have done in the results that we have published.

Moderator:

We have a followup question from the line of Renjith Sivaram from ICICI Securities. Please go ahead.

Renjith Sivaram:

In your last year 4Q call, you had mentioned that this Bangladeshi HVDC tender is likely to be bid in the next 2 to 3 months. What is the thing that is delaying the finalization of this tender, if you can throw some light and when do you expect this to be finalized?

Sandeep Zanzaria:

Bangladesh HVDC tender presently the due date is March 2019, and it is a 2-part bidding. Normally, for this type of complex projects, first customer requests for a technical solution and the qualification document and subsequently with all the bidders they will discuss the technical solution and then ultimately freeze the final technical solution and it will be communicated to



all bidders and then they will give maybe 2 weeks' or 3 weeks' time to submit their prices. The prices are opened the same day and then whoever is the L1 probably then they will take into their internal board and then to ADB and then award the package. So, we are expecting the technical bid to get submitted and opened in March and probably the price bids to get opened somewhere in July and award to happen somewhere in September.

Renjith Sivaram: We were also talking about some other HVDC related upgrades by Power Grid. Anything on that which is...?

Sandeep Zanzaria: There was one tender of Vindhyachal which was floated and there because it was an upgrade of some other technology, we decided not to participate in that, but we have won some packages which will be awarded going forward that Power Grid will be...., Something on component like transformers and all, we have won as an upgrade solution for the other HVDC packages. So, that was only one upgrade which has been awarded. Balance upgrade will be coming within few days, but as of today in pipeline, there is nothing.

Renjith Sivaram: The Sri Lanka HVDC, is that happening or that is shelved?

Sandeep Zanzaria: That is not shelved because the Government of India still intends to go with the SAARC interconnectivity scheme which is there, but yes, definitely the timelines have shifted for Sri Lanka HVDC. The earliest if it is going to happen, it is going to happen in 2020 or 2021.

Renjith Sivaram: Also currently in our order book, how much is pending from this Champa Kurukshetra?

Gaurav M. Negi: Roughly around 200 crores (180 to 200 crores).

Renjith Sivaram: And we expect this to be completed by March 2019 or you see some delay in that?

Gaurav M. Negi: It may go into the next financial year, but as a team, we are still working to see how earliest we can close this out.

Moderator: We have the next question as a follow-up question from the line of Renu Baid from IIFL. Please go ahead.

Renu Baid: What is the update on the renewable side? We were targeting to start bidding for projects for renewable integration and the EBoP packages. Have we seen any projects coming through? What is the pipeline, at least the next 8 to 12 months that we are looking ahead into?

Sandeep Zanzaria: The pipeline I think because you know that the renewable projects also if you look the timelines which have been increased by the government like, for example, earlier it used to be 8 to 9 months. That has now been increased to 18 months. And the renewable sector, for example, in Gujarat and all, they are facing certain challenges in terms of getting land and all. So, we are still not seeing the traction of lot of opportunities which are there in the market, but definitely



wherever there are like exit substations and some opportunities of electrical balance of plant where we think that payments are secured and the developers have a good track record, we are attempting them, but I think from Quarter-2 of 2019 onwards, we will see a higher traction in terms of those opportunities coming to market for finalization.

Renu Baid: When we say Quarter-2, it is for the calendar year 2019, right?

Sandeep Zanzaria: No, I am telling about the financial year, so that means that maybe from July to September quarter.

Renu Baid: On the export side, have we seen any new traction in terms of new markets or product lines coming through?

Gaurav M. Negi: It is more steady state. There has not been any new market penetration that has come up.

Sandeep Zanzaria: For example, we have taken 1 order from Tata project for Mali for substation part, some part of the SCOPE. That is about more than \$20 million. That is one of the successes we have had and this is a large success in 2018 as a one lump sum package, but apart from that, the focus of the company in terms of Africa and East Asia really is consistent.

Renu Baid: One last question, a little more strategic here. We have been a part of the power portfolio with GE. If one is seeing the movement of the grid portfolio moving from power to renewable, would it have a meaningful impact strategically and business-wise to our group and would there be any implications for us, the India entity as well?

Sandeep Zanzaria: I see this movement as a very positive movement. Primarily if you really look at the grid part and when we see our integration into the whole power portfolio, then it is basically we are providing the evacuation of the generation which is getting added. So, if you really look at these generations, the thermal generation which is there, the amount of thermal capacity which is coming today if you really look at last year and 2018 or even in 2019, we don't see much of a generation capacity getting added whereas there is a huge amount of renewable getting added that is one aspect of it. Second, the addition of renewable to the overall grid is throwing different type of challenges in terms of grid balancing and then grid discipline and all those aspects of the grid. So, for us to be with renewable is more meaningful looking into the today's scenario which is more addition of the power generation getting added through renewable sources, whether it is solar, whether it is wind, and also for example when we do the electrical balance of plant for these solar or for wind, then it creates more synergy inside the company for us.

Renu Baid: Does it open global markets for us as an opportunity is coming in Middle East, Africa, or other parts of the world where renewable projects are getting executed? Does it open those new markets? Looking at the core portfolio of GE, where does renewable stand and should one expect some restructuring avenue in this kind of portfolio for them?



- Sandeep Zanzaria:** Because this is a very recent development, we will not be able to comment that how we are going to expand into the Middle East and North Africa and those territories, but I can say that for India, yes, definitely it is quite project. That is one aspect of it. And second, in renewable also, we are like for example in power portfolio, we were a stand-alone, we had a stand-alone entity like grid inside power portfolios, and renewable also we will have a stand-alone entity as grid. So, we don't see any restructuring and things like that.
- Moderator:** The next question is from the line of Jigar Shroff from Financial Research. Please go ahead.
- Jigar Shroff:** I have 2 questions. One is a bookkeeping question. What would be the consolidated and net debt on the balance sheet as of today? And last time in the previous con-call, you did mention that Railways was a big opportunity opening up for the company. Could you talk a bit about that too?
- Gaurav M. Negi:** On the debt question, we will be somewhere around break even to 100 crores overdrawn in terms of debt. So, we will be carrying probably close to 100 crores of debt today as we close December successfully.
- Jigar Shroff:** And Railways?
- Sandeep Zanzaria:** Railways, yes, definitely it is a big market. We are seeing a lot of opportunities of metro coming up where we have participated and also there is a lot of expansion happening on railway electrification where we are working with RDSO for product approvals. For example, for transformer last year we took a big order, then of course with EPC players, we have taken the orders. For the railway electrification, we are trying to take orders. Meanwhile, for other products like automation and circuit breakers and all, we are working with the RDSO (the railway authority), to get the factories approved. The work is still going on but for transformers and all, we have taken good substantial orders last year.
- Jigar Shroff:** What could be the size of opportunity if you could elaborate a bit?
- Sandeep Zanzaria:** For us because we are not doing kind of turnkey in Railways apart from metro and just simply supplying the product and presently only 1 transformer, it is quite less. I would put it as of today in the portfolio, it would be less than 100 crores for us.
- Jigar Shroff:** And the metro opportunity?
- Sandeep Zanzaria:** The metro opportunities are quite large. For example, Pune metro itself would be close to about 500-600 crores.
- Jigar Shroff:** That would be relating to supplying what?
- Sandeep Zanzaria:** That would be like building substations and complete electrification of the metro scheme and implement.



Moderator: The next question is from the line of Sabyasachi Mukerji from IndiaNivesh Securities. Please go ahead.

Sabyasachi Mukerji: Three questions, first one on the order inflow side. You said we have bagged around 1440 crores this quarter. Can you give us a split of how much would be private and how much would be PTCL and State?

Gaurav M. Negi: That is close to about 45% to 50% is going to be private in that.

Sabyasachi Mukerji: And the rest would be PTCL and states?

Management: Yes, you can split it between the states and Central PTCL.

Sabyasachi Mukerji: On the net debt side, I thought we were debt-free in the Q2 end where you mentioned that the long-term and short-term borrowings were almost nil. You said around 100 crores of net debt we are carrying on the books. Is it because of the liquidity constraint that we are facing now?

Gaurav M. Negi: Yes, it's because of some of the delayed payments that we have seen from some of the customers that we had. So, it's just timing as I mentioned is the way we are looking at it. We are trying to do what we can to recover from the net 100 crores of debt that now we have accumulated.

Sabyasachi Mukerji: This is purely a working capital loan?

Gaurav M. Negi: Purely working capital.

Sabyasachi Mukerji: On the CK-2 revenue booking, we have booked around 230 crores in 9 months, and at the Q2 con-call, you said around 180 crores was pending. The number seems to remain the same at Q3 end as well. Where is the disconnect?

Sivaprasad: The Quarter-3 focus was more on the Pole-3 commissioning and when you do commissioning, the sales or early numbers will not happen much. Now that is done now for deliveries or balance deliveries that you would taking and then this movement will happen.

Gaurav M. Negi: But if I recollect, I think I would have said 280 to 300 crores the last time that we had spoken, and we have traded another 80 over the quarter. I do not recollect calling out 180 in the last quarter.

Sabyasachi Mukerji: Maybe my mistake.

Moderator: Ladies and gentlemen, that was the last question. I now hand the conference over to Mr. Suneel Mishra for closing comments. Thank you and over to you sir.



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Suneel Mishra:

Thank you everyone for your participation. With this, we conclude today's conference call. In case if you have any questions, then feel free to contact me or our Communication Leader Mr. Anshul Madaan on the email ID given in our website. Thanks again.

Moderator:

Ladies and gentlemen, on behalf of GE T&D India limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.