



GE VERNOVA

May 30, 2025

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

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**Symbol: GVT&D**

**GE Vernova T&D India Limited**  
**(Formerly known as GE T&D India Limited)**

**L31102DL1957PLC193993**

**Corporate Office:** T-5 & T-6, Plot 1-14, Axis House, Jaypee  
Wishtown, Sector-128, Noida-201304, Uttar Pradesh

T +91 120 5021500

F +91 120 5021501

**Email id:** [secretarial.compliance@gevernova.com](mailto:secretarial.compliance@gevernova.com)

**Website:**

<https://www.gevernova.com/regions/asia/in/gevernova-td-india>

Dear Sir/Madam,

**Sub: Transcript - GE Vernova T&D India Limited Earnings Call for Investors held on May 23, 2025**

Please find enclosed Transcript of earnings conference call with analysts/ institutional investors held on May 23, 2025, in respect of Audited Financial Results of the Company for the Quarter and year ended on March 31, 2025.

This is for your information and records.

Thanking you,

**For GE Vernova T&D India Limited**  
**(Formerly known as GE T&D India Limited)**

**Shweta Mehta**  
**(Membership No. A18600)**  
**Company Secretary & Compliance Officer**  
**Contact No.: +91-120-5021500**



“GE Vernova T&D India Limited  
Quarter 4 of Financial Year 2024-'25 Conference Call”  
May 23, 2025



**MANAGEMENT:** **MR. SANDEEP ZANZARIA** – CHIEF EXECUTIVE OFFICER  
& MANAGING DIRECTOR  
**MR. SUSHIL KUMAR** – WHOLE TIME DIRECTOR AND  
CHIEF FINANCIAL OFFICER –  
**MR. ABHISHEK SRIVASTAVA** – HEAD, BUSINESS  
OPERATIONS  
**MS. KANIKA ARORA** – COMMUNICATIONS LEADER  
**MS. SHWETA MEHTA** – COMPANY SECRETARY  
**MS. MEGHA GUPTA** – INVESTOR RELATIONS TEAM

**Moderator:** Ladies and gentlemen, good day, and welcome to the conference call hosted by GE Vernova T&D India Limited for Quarter 4 of Financial Year 2024-'25. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Megha Gupta from GE Vernova T&D India Limited. Thank you, and over to you, Ms. Megha Gupta.

**Megha Gupta:** Good evening, everyone. We welcome you all to the GE Vernova T&D India Limited Earnings Call for fourth Quarter of Financial Year '24-'25. I'm Megha Gupta from Investor Relations team. During the call today, we will discuss company's financial performance, including operational highlights and will share key updates. We will have a dedicated question-and-answer session towards the end of the presentation.

I would like to highlight that today's discussion may contain few forward-looking statements, which are subject to risks and uncertainties. These statements are based on our current expectations, and actual results may differ materially from those expressed or implied. We encourage you to refer to our public filings and documents for a comprehensive understanding of the factors that could impact our future performance.

Now I'll introduce GE Vernova T&D India Limited management team available on the call. During the call, we're joined by Mr. Sandeep Zanzaria, CEO and MD of the company; Mr. Sushil Kumar, Whole-Time Director and CFO of the company; Mr. Abhishek Srivastava, Head Business Operations; Ms. Kanika Arora, Communications Leader; and Ms. Shweta Mehta, Company Secretary of the company.

Now I'll hand over to Mr. Sandeep Zanzaria to begin the discussion. Thank you.

**Sandeep Zanzaria:** Good evening, everybody and welcome to our fourth quarter and full year FY24-25 earnings call.

India is aiming to increase its power transmission capacity by 35% by FY32, focusing on integrating renewable energy and securing 24x7 power supply. As India enters an era of accelerated electrification, it underscores the critical need for strategic investments in dependable base-load power, a robust and smart grid infrastructure, and innovative decarbonization technologies to meet its climate goals.

A flexible, secure, and evolved grid is key to supporting increased electrification and renewable energy integration. We are witnessing significant and consistent growth quarter-over-quarter, fueled by robust demand across our portfolio, particularly for transformers, switchgear, and advanced grid technologies, including HVDC and FACTS.

Recognizing this opportunity and our role in enabling India's energy transition, earlier this month we announced a strategic investment of INR 1,400 million. This capital will be directed towards establishing a new manufacturing line for critical HVDC Thyristor and VSC Valves at our existing Pallavaram facility in Chennai, and developing a new HVDC Controls facility in Noida. These expansions are designed to substantially enhance our capabilities to manufacture and test next-generation equipment vital for modern transmission systems, positioning us to effectively support both India's domestic energy goals and capture export demand from other rapidly developing economies.

Turning to our financial performance, we had another quarter of robust demand, significant revenue growth and EBITDA margin expansion.

Our order book remained strong in Q4 and we saw bookings of INR 29.9 billion, up by 124% YoY, compared to INR 13.3 billion in quarter ended Mar' 24. A highlight of the quarter was our order win with Power Grid Corporation of India to supply over 100 extra high-voltage transformers and shunt reactors for key transmission projects across India.

Our Q4 revenues stood at 11.5 billion INR vs 9.1 billion INR in Q4 FY 23-24, up by 26% YOY. On an FY basis, our FY24-25 revenue stood at 42.9 billion INR vs 31.7 billion INR in FY23-24, up by 35% YoY.

New orders outpaced revenue, doubling the order backlog at 126.6 BINR as at Mar'25 vs 62.7 BINR as at March'24.

Our Profit Before Tax & exceptional items for quarter ended Mar'25 was at 2,561 million INR compared to 1,012 million INR in the corresponding quarter of the previous financial year. From a FY24-25 perspective, profit before tax and exceptional items stood at 8,197 million INR vs. 2,631 million INR in FY23-24, which is a 3x times increase.

The cash and cash equivalent balance was at 10.5 BINR as on March 31, 2025 vs 2.8 BINR as at March 31, 2024. The cash generated was 1.9 BINR in Q4 and 8.3 BINR during the FY 24-25.

The combination of favorable demand trends and disciplined execution is accelerating our margin expansion and significantly reinforcing our confidence in the trajectory ahead. Our deeply embedded lean culture continues to be a powerful engine for operational improvement, delivering tangible gains across safety, quality, delivery, and cost performance.

As we transition into FY 2025-26, I am grateful for the unwavering dedication of our entire team. Their efforts are the foundation of our optimism for future and our commitment to consistently creating value for all our stakeholders. I would also like to extend my sincere thanks to our valued customers, our dedicated investors, and our exceptional teams – all vital partners in our journey.

I now invite Abhishek to provide further insights.

**Abhishek Srivastava:**

Thanks, Sandeep. So good evening, team. I will take you through the key operational highlights. The key commissioning that we achieved in the prior quarter. So through the efforts that our team had been putting on ground, we were able to bring to life some of the key assets for strengthening the national network -- energy network of India.

So just to mention a few, on a turnkey basis, we commissioned Tata Solar Bikaner, which is the power evacuation substation for their 450-megawatt solar park that they are establishing in Bikaner. A key asset for meeting the energy deficit needs and strengthening the backup from renewable sources.

Another key commissioning was for Himachal Pradesh Power Transmission Company Limited at Heiling substation, which is at a very tough terrain, in the hilly terrain of Himachal Pradesh. So this substation was commissioned successfully along with transformers and GIS 66 and 220 kV GIS. And this helps us to improve the reliability of power in the State of Himachal Pradesh.

Another key turnkey project that was delivered was for Renew Solapur. This is for their hybrid renewable park power evacuation, the 400 kV switchyard was commissioned in a record time, along with the power transformers.

In addition to turnkey substations, we have also been actively partnering with other players in the market and our customers through supply of direct equipment and commissioning of the same like power transformers.

We commissioned the 500 MVA transformer plus 765 kV ICTs for Doosan Jawaharpur. This is a 650-megawatt double unit power station for meeting the needs of Uttar Pradesh. Another key thermal power project was also commissioned by us in the last quarter, through our transformers, which was for Doosan and Obra.

Another key transformer asset, which was put to use was through commissioning of 500 MV ICT for our customer IndiGrid and we work through KEC at Kallam and then UPPTCL Shahupuri, another 500 MVA 3-phase transformer, which was commissioned for, again, the State of Uttar Pradesh.

In addition to this, we also commissioned gas-insulated switchgears at PGCIL Raipur, the 220 Bays were commissioned. Then GIPC Kutch 400 kV GIS. This is for Gujarat Industrial Projects Power Company Limited, which is for again, evacuation of renewable power. And Mumbai Veritas, which is a data center project for 220 kV GIS, which has been commissioned for them. So by doing all these commissioning, we have been partnering with our customers in building the transmission network for the country, and we remain committed to that.

So with this, I hand over to Sushil to take us further.

**Sushil Kumar:**

Thanks, Abhishek. Good evening, everyone. Moving to the page on order intake. So this quarter as well as this year has been a very strong period for us in terms of order booking. As Sandeep

mentioned in the beginning, in this quarter, we booked INR29.9 billion of orders, which was almost 2x of what we did in the corresponding quarter in the last year, in fact, more than 2x. Many key orders that we booked were from a very diversified set of customers and in various products and project categories that we operate.

As we see on the right side of the page, we secured orders of 765 kV power transformer and reactors from Power Grid. Similarly, we secured 765 kV power transformer and reactor from Sterlite. We also secured orders from Adani Group for 400 kV GIS. Again, AIS substation from Jindal Group on 400 kV site.

And also, we secured transformer order from Jindal Group as well. In addition to these GIS and transformer orders, we have secured orders on CRP and SAS business on the 765 KV and 400 kV substation from various EPCs. And we also secured order for Advance Distribution Management System for Paschim Gujarat Company and Dakshin Gujarat company.

These were largely on domestic side and on export side, we continue to maintain the momentum, and we had various wins on AIS and GIS equipment side from various markets, including Europe, South East Asia and Africa.

So a very robust quarter. And if you look at the overall year performance, our order book is almost doubled from INR58 billion last year to INR107 billion in this year. In this INR107 billion, as we declared in the past, there was about INR22 billion of large export orders from the group company and about INR8 billion of digital software-related orders from Power Grid Corporation of India.

So those 2 are the large orders were about INR30 billion. But excluding these 2 large orders as well, the momentum has been very strong and we were able to improve our order booking from various products from various customers from INR58 billion last year to INR77 billion, excluding the large orders.

Moving to the financial performance. This was largely covered by Sandeep in the beginning speech. The momentum in revenue is strong. It is in line with the order booking momentum. So this quarter, we have 26% increase in revenue, reaching up to INR11.5 billion of revenue.

As the revenue increased for us, we have maintained control over the fixed cost, hence there is a significant improvement in the operating profitability, which is the EBITDA. We have INR2.5 billion of EBITDA, representing 21.9% of revenue for the quarter. This quarter has been good in terms of overall profitability, especially on the gross margin side. Mainly because we have been successful in executing the orders which were profitable, improve the mix towards a profitable order and a very strong execution demonstrated by the GE Vernova team. So, all these factors have led to the improvement in the gross profit for the quarter.

Similar trend exist on an annual basis. 35% increase in revenue, reaching up to INR42.9 billion and operating profitability, which is EBITDA is INR8.1 billion or 19.1% of revenue. So far, we

have made communication about our aim to achieve mid to high teen of EBITDA. Happy to announce that we have actually delivered a higher end of this range that we have been communicating regularly. We talked about cash performance. We generated INR8.5 billion of cash during the year, and this has led to a cash and cash equivalent of INR10.5 billion at the end of the financial year with us.

On the last page, Page 7, we have given a regular split of orders and revenue between domestic and export markets and also given a breakup of orders in hand from private, central and state utilities.

So with this, we can now take up the questions from investor community.

**Moderator:** Thank you very much. The first question is from the line of Umesh Raut from Nomura India. Please go ahead.

**Umesh Raut:** Congratulations for the strong set of numbers again for last quarter of FY '25. My first question is pertaining to existing backlog of closer to INR127 billion. So how much of that is executable within the course of, say, next 18 months? And how much is beyond 18 months?

**Sushil Kumar:** So as I explained, INR38 billion or INR40 million of this INR127 billion, largely are the projects which have a longer tenure, as we communicated earlier. These have a tenure of 3 to 5 years of execution. Excluding that, we have about INR85 billion of order, which is executable within 1.5-year to 2-year time frame as per the contracts with the customer.

Nonetheless, on top of the backlog during the execution, every year, we also have the orders which we call as book-to-bill, meaning the orders are received as well as executed during the same financial year.

**Umesh Raut:** Got it, sir. My second question is on the HVDC project. So could you please share a time line for new projects on the HVDC side, especially for FY '26? And at the same time now, you must be also forming up budgets for FY '26. So any colour on the outsourcing contracts that you can anticipate from parent side?

**Sandeep Zanzaria:** Thanks, Umesh. For the HVDC part you would have seen the transmission committee meeting. One of the project that had gone for the approval of the committee, there was some discussion about feasibility of batteries storage. Let the committee work out various options. But we expect at least 1 to 2 projects to get decided during this year.

**Umesh Raut:** Okay. Is it fair to assume that Khavda, South Olpad and 1 package from Rajasthan is at upfront in terms of ordering time line?

**Sandeep Zanzaria:** Yes.

- Umesh Raut:** Okay. Got it. My last question is on the bookkeeping side. If I look at our other expenses for the quarter, those were at about 12.6% of sales, slightly on the higher side. So any one-off over there?
- Sushil Kumar:** Yes, Umesh. There is about INR150 million of provisions that we have made for certain litigation matters.
- Moderator:** The next question is from the line of Mohit Kumar from ICICI Securities.
- Mohit Kumar:** Good evening, sir, and thanks for the opportunity. And congratulations on a very strong set of numbers. My first question is on the strong gross margin. What explains such a strong outperformance on raw material and gross margin? Our gross margin for Q4 was 42.3% and 40%-odd in FY '25. Are there any one-offs or any large projects which we did, which explains such a high gross margin? And any colour on the sustainability of this gross margin, EBITDA margin as we go forward?
- Sushil Kumar:** Thanks, Mohit. Good evening. As I talked in the beginning, this quarter has been very strong in terms of revenue as well as profitability execution, we did deliver 42% gross margin. Various factors, which lead to such a high performance that include a better pricing.
- The pricing has improved in the last 2 years. And as a strategy, we are moving towards product orders and -- rather than focusing on turnkey orders that leads to a better margin profile. So mix is improving. And also, the contribution of export revenue is also increasing and generally, the exports were always better in terms of margin profile.
- and the last point I will say that GE's team has done exceptionally well, has been executing very strong, and have been making, improvements during execution as well. So these are multiple factors leading to the improved gross margin for the quarter. But nonetheless, for our kind of business, quarterly gross margins can vary because of mix and various other factors.
- I think the right reference is to look at the gross margins for the full financial year. On a full financial year, we did deliver 40.4% of gross margin, and this is about 5%, 6% improvement versus the last financial year. And we believe that our endeavor is to sustain this kind of gross margin and EBITDA going forward.
- Mohit Kumar:** Understood, sir. My second question is, you announced a new factory for building the HVDC components and STATCOM. Is this factory a necessary condition to participate in the upcoming HVDC and STATCOM domestic opportunity?
- Sandeep Zanzaria:** No, Mohit, it is not -- it was not a condition. The condition is basically for the whole project, you need to meet the minimum criteria for Make in India. But this is going to help us in, of course, localizing, improving the competitiveness and also giving more comfort to the customer that we are more local in terms of technology as well.
- Moderator:** Our next question comes from the line of Subhadip Mitra from Nuvama.



- Subhadip Mitra:** My question is with regard to the overall industry side. If we move beyond HVDC on the non-HVDC high-voltage piece and on exports, how do you see the overall TAM growing? Are you still looking at maybe a 20% kind of a CAGR in the non-HVDC space? And similarly on exports? Some color on that, please.
- Sandeep Zanzaria:** I think, yes, of course, what we are looking at the government plan of about INR9 lakh crores up till FY '32. So that gives a lot of confidence. And also, what we see is that there's a lot of growth in terms of the energy transition story globally. So first the Europe opened and then Australia and then now even Middle East is also opening up. So yes, definitely the TAM for the export potential is also growing.
- Subhadip Mitra:** Understood. I think one of the previous questions also asked about whether there is any budget for outsourced exports to the parent for this year? Any indicative number?
- Sandeep Zanzaria:** No. So we don't give this type of a guidance of a number that for the export.
- Subhadip Mitra:** Understood. Sir, but would it be fair to assume that it should be somewhere around that 30% kind of a mix, which is what we are seeing currently?
- Sandeep Zanzaria:** That is what is always our endeavor to maintain that kind of a ratio.
- Moderator:** The next question comes from the line of Renu Baid Pugalia from IIFL Capital Services.
- Renu Baid Pugalia:** Many congratulations for the strong performance. My first question is I'm just understanding a bit on the order pipeline prospects. Last year, almost as Sushil, also highlighted the INR30 billion plus orders came from large orders, exports combined. So when we look at the existing base orders of INR77 billion, how do we see this pie increasing in the next year? Overall, as a combined pile of almost INR10,000 crores plus? Or do you think given the projects in pipeline, domestic, international, we will manage growth in inflows in fiscal '26? That's the first question.
- Sandeep Zanzaria:** Renu, yes, that will be endeavour to grow the orders. As Sushil also said that we had 2 large one-off projects, which was one export order, which was like INR2,200 crores and 2 digital orders close to about INR800 crores.
- So basically, we were looking at INR3,000 crores. And if you really look at this last quarter also, we had some large orders. These orders are normal, as Power Grid decided to go for a bulk buying of transformers and reactors. And of course, we were able to secure a large part of that market as well. But the endeavor will be always to grow whatever we have achieved this year on the base number and then try to see that how we can increase because at the end of the day, we need to keep the revenue also growing.
- Renu Baid Pugalia:** Sure. And within the order prospects for fiscal '26, how do you see -- because the last couple of years have been transformer heavy. So if you can throw some light how is the broad prospect been on the substations, and especially the GIS part.

Hearing pretty big numbers on that side of the business. So do you expect the pie of the order pipeline to materially shift towards GIS or projects in fiscal '26 or it would be similar for transformers, switchgears and the rest of the other solutions like STATCOM?

**Sandeep Zanzaria:** So that is the plan, what we have is that also to increase the pie for switchgears, also with STATCOM and HVDC and also control and automation, AIS products. So the endeavor of the team or the focus is that not only transformer reactors, but the other parts of the business also to keep growing.

**Renu Baid Pugalia:** Sure. Secondly, on the pricing side, as in clearly last 18 months has been the dream run for any transformer company in India in terms of demand-supply mismatches. So stepping in '26-'27, how do we see the pricing environment and the gross margin mix that you have seen for '26 for ourselves based on the backlog and execution time line, how comfortable we are to sustain and see improvement in this?

**Sandeep Zanzaria:** So I would say that the pricing is stable as of now. Maybe we don't see much improvement coming there. If there is an increase in raw material prices, we are able to pass on. But now the incremental growth in pricing is not so much there. But it is still not going down and we are looking at a stable pricing environment.

**Renu Baid Pugalia:** Stability in pricing itself is a tall task, but fabulous if you're able to maintain this, good. And lastly, what would be the mix between products and projects for fiscal '25 closing backlog?

**Sushil Kumar:** Renu, I don't have that information readily available. Maybe we can probably share it subsequently on another call.

**Moderator:** Our next question is from the line of Amit Mahawar from UBS.

**Amit Mahawar:** Sandeep, I have 2 quick questions. First is on the export mandate. If I understand the exports, right, in the order book and in the turnover and considering the opportunity we have, which are the end markets primarily for parent maybe top 3 or top 4 which you are catering to? And do you think there is a very, very long-term demand pipeline here? That's my first question. Maybe whatever qualitative color on exports considering all the global locations of GE Vernova?

**Sandeep Zanzaria:** So thanks, Amit. You know earlier, as we have said in various presentations earlier, we used to focus more on Africa and Southeast Asia, but slowly slowly we expanded to Latin America. And then we have also expanded to Europe now. Also, if you really look at for example, a large order, which we got from Korea, Algeria. So it's basically the demand which comes from some geography and then when we get engaged with the global team, we are able to capitalize on those large opportunities.

So these opportunities take time to build in, but these are certain areas, certain aspects which cannot be openly discussed on calls, because of its confidentiality. But today for any such large opportunity, Indian factories are really the strength for GE Vernova to go and take these orders.

So I would put it as that we have a very extensive geography in which we are playing. And definitely, the Indian factories because of its cost competitiveness and all. So we play a very important role in the overall strategy for the electrification.

**Amit Mahawar:** Maybe in the intake of INR32.6 billion this year, in export, if there is a number for U.S. you want to give us?

**Sandeep Zanzaria:** No we don't as U.S. is a very different technology. U.S. is basically dead-tank technology, whereas India is a lifetank technology. So U.S. market is mostly catered from U.S. factories only.

**Amit Mahawar:** That explains it, Sandeep. The second question and last question is, if I understand last 10, 15 years of transmission equipment business in India, for GE Vernova, do you think the current capacity you have and I understand, the profitability is very, very healthy. But take a 5-year view?

And do you think the demand that we are projecting in India, I mean you yourself alluded to INR9 trillion would be and roughly 30%, 40%, 50% of the equipment size, right, if I'm not wrong, don't you think next 4 to 5 years, the growth is very, very set as an industry. And considering your mix and localization, the best time is yet to come. That's my last question.

**Sandeep Zanzaria:** So of course, I think, yes, the best time is yet to come. So it's going to come in 1 year, 2 year, we have to see. We expect a very large growth and we should be an important player to deliver that growth in India's ambition for Viksit Bharat 2047.

**Moderator:** The next question is from the line of Suraj Malu from Catamaran.

**Suraj Malu:** My first question is related to the previous question. Can you help understand like the export orders that we have won from U.K., France, Dubai over the last 4, 5 quarters. Is the end usage in those geographies? Is there a potential that this will be supplied to the U.S.?

**Sandeep Zanzaria:** So it will not be supplied to the U.S. As I said that U.S. has a different technology. What we manufacture in India, the AIS, the life tank breakers and all, so the end user is in Africa and not in U.S.

**Suraj Malu:** Got it, sir. And my last question is like the current order intake that you have taken, are these in the similar gross margin level that you have delivered recently?

**Sushil Kumar:** So good evening, Suraj, we typically don't share the profitability on the orders that we book because it's a price sensitive and confidential information for the competition. But, yes, the endeavor of the management is to perform better. If you look at our trajectory of revenue and profitability, the focus and aim of management is very clear to maintain a good margin. In our strategy, we have always compensated cash over profit and to do a business which is risk-free and a sustainable business.

- Moderator:** The next question is from the line of Amit Anwani from PL Capital.
- Amit Anwani:** My first question is on the capex of INR140 crores on STATCOM and HVDC products, capex and all. I wanted to understand what is the current capacity utilization and with this capex, how much the capacity will expand?
- And I understand that the capacity expansion will come on stream, we have written for Chennai by 2027. Just wanted to understand, is it fair to assume that the prospects have increased because past 2, 3 quarters, you have been highlighting that we have sufficient capacity to meet growth for 1.5 year, and there might not be major capex requirement. Yes, that is my first question.
- Sandeep Zanzaria:** So Amit, I think, we have also clarified in the disclosures that we were manufacturing when we were doing the Champa-Kurukshetra project, the valves in India. But after that, because no project came for few years, we had, in Chennai, so we had actually closed that capacity. And now because of the market growth and all, we are starting or we will be investing, and then we will be starting. So today, on the HVDC valves and control side there is no existing capacity and whatever we are adding is going to be the new capacity.
- Sushil Kumar:** And just to add on to what Sandeep said, this capex announcement is in addition to INR80 crores to INR90 crores that we communicated earlier. So INR80 crores to INR90 crores is for our existing business lines to debottleneck to take the maximum, benefit of the assets that we have and deliver more from the existing factory. So overall put together, INR140 crores plus roughly INR80 crores, we have now announced overall capex in the range of INR240 crores to INR250 crores.
- Amit Anwani:** Yes. Second question on the product versus projects. You highlighted that there will be more focus deliberately towards products by you guys?
- Wanted to understand, if possible, to share the product versus project for revenue. And considering the current order book you have, can we expect for the next 1, 2 years there should be more product inclination in the revenue and order book. Any sense on that would help?
- Sushil Kumar:** Amit, I don't have the breakup of this project versus product immediately available. But as a strategy, we have communicated since last few quarters that we want to move more towards the product side because first, the product orders are more profitable rather than a large turnkey project.
- The second part is they carry less risk in terms of execution. Nonetheless, having said that, it's not that we are completely out of the project market. We do sell the products to the EPCs who are in turn taking the turnkey projects. So we are present in the market but indirectly. And I think the strategy of moving towards product has really helped us to streamline our operations and deliver better profitability in the last couple of years.

- Amit Anwani:** And lastly, if I can squeeze in. We had a large other order wins of almost INR3,000 crores and INR11,000 crores inflows. Are there further large orders in discussion for the next 1, 2 years?
- Sandeep Zanzaria:** So Amit, that's an ongoing process.
- Moderator:** We have the next question from the line of Inderjeet Bhatia from HDFC Securities.
- Inderjeet Bhatia:** Congratulations on fantastic set of numbers. Two questions. One is, you highlighted that there was a large INR8 billion software order? Are there any more such orders in your order book? And do these kind of orders come at a much better margin profile than your existing product orders?
- Sandeep Zanzaria:** I think you know that the digital part of the grid is also growing. And so there are many more opportunities to come in the future. As of today, we don't have any live tender ongoing, if that is the question. And as a practice, we don't disclose the segment wise margins. So it will not be possible to disclose the margin strategy for the digital.
- Inderjeet Bhatia:** Fair enough. Just a clarification, I think one of the previous participant had asked about this INR240 crores capex. Did I hear that right that that's a commitment for next year?
- Sushil Kumar:** Yes. Mr. Inderjeet, these are the capex announcements made, as you see this INR140 crores announcement has a longer time line to be implemented. So these are announcements may be implemented in next 1 to 2 years.
- Inderjeet Bhatia:** One last bookkeeping question. In the balance sheet, there is some related party loans given to related parties around INR400-odd crores. Could you just throw some light on that?
- Sushil Kumar:** We have taken shareholder approval regularly to invest surplus cash to the cash pool, which is managed by the GEV Group. Any surplus, which is available with the company to the extent of limit approved by the shareholders is invested there. So this investment is actually the cash pool that we have given to the cash pool leader. Just as a reminder, our entity borrowed from the cash pool for quite a number of years when we were in debt.
- And now since we are in surplus, to make an efficient working capital management and cash management, we are investing a part of the available surplus funds to the cash pool because, a) this gives us a rate of interest, which is as per the market terms. b) there's a lot of flexibility. It can be called upon any time on demand. It can be broken in terms of the liquidity requirement of the company. So, all the advantages have been disclosed in the notice to shareholders, and it was duly approved as a material related party transaction in the past.
- Moderator:** The next question is from the line of Pramod Jain, an Individual Investor.
- Pramod Jain:** Thank you. And congratulations for the wonderful set of numbers. I just want some clarification. In the last conference call, you had spoken about that Leh-Ladakh HVDC project, which was there. Sir, can you please share some update about that?

- Sandeep Zanzaria:** So presently, it's with Power Grid, we don't have much of an update on that project.
- Pramod Jain:** Okay. Any further HVDC project, which is there in the pipeline which you're bidding for and there's some yields might come from there?
- Sandeep Zanzaria:** So there is 1 HVDC project, which is there under bidding, which is from Khavda to South Olpad. And in addition to that, there was 1 HVDC project, which was proposed in the National Committee of Transmission. But then because of some alternatives have been asked to be studied. So probably that will get a little bit delayed.
- Moderator:** The next question is from Dhavan Shah from AlfAccurate Advisors.
- Dhavan Shah:** The HVDC side. Sir, do you have the excess capacity to cater to any of the future HVDC contracts, if you get anything? That is my first question. And second is, can you do both LCC and VSC in HVDC?
- Sandeep Zanzaria:** Dhavan, what was your first question?
- Dhavan Shah:** First question is do you have the excess capacity in HVDC, if you can share, if you get any contracts in future?
- Sandeep Zanzaria:** So HVDC has a number of products so that includes valves, controls, transformers, et cetera. So every product has a different capacity. So HVDC per se is not 1 single capacity. HVDC is an addition of multiple capacities which are put together.
- Dhavan Shah:** Let's say, if Power Grid comes up with INR20,000 crores or INR25,000 crores of HVDC contracts, wherein the transmission opportunity is roughly INR10,000 crores to INR12,000 crores kind of the opportunity. So do you have that kind of capacity?
- Sandeep Zanzaria:** Yes, we have that capacity.
- Dhavan Shah:** Okay. And can you do both LCC and VSC?
- Sandeep Zanzaria:** Yes, we can do both, LCC and VSC.
- Moderator:** The next question is from the line of Jainam from Saltoro Investments.
- Jainam:** Congratulations on a great set of results, I wanted to understand from a supply chain perspective, whether it is CRGO or any other key components that go into transformers whether it is extra high voltage or whether it is HVDC. What are the challenges that we are facing? And how are, we given the kind of growth that we are having? What are our risk mitigation approaches within that? That's my first question.
- Sandeep Zanzaria:** Supply chain, yes, definitely, today in this very uncertain world, supply chain is a big challenge. And with the explosion of demand globally, yes. But then we have teams who are constantly working to mitigate those challenges who very closely work with the suppliers, the transporter,

the supply sales teams, etcetera. So it's a very focused task but we have been able to successfully negotiate and execute until now and the teams are dedicated towards that.

**Jainam:** So are we planning to backward integrate given the kind of demand that you see for the next 5 to 6 years, do you see the supply chain to be a meaningful challenge as we scale up and look at probably integrating key components because many of our peers are doing the same. So I just wanted to get a strategic bird's-eye view as to what is our thought process?

**Sandeep Zanzaria:** As of today, we are not planning to backward integrate any of the component level manufacturing.

**Jainam:** Got it. And I wanted to understand in terms of our order book, the mix has been about 34% is central utilities. And last year, if you look at it, it was about probably 27% for the central utilities. So in terms of a mix in the orders, do you see that meaningfully change. Do we see the share of private kind of inching even more towards 70% or 80%. What is the sustainable order backlog mix that we are planning to have?

**Sandeep Zanzaria:** So today, a large part because earlier, what used to happen is Power Grid used to get RTM projects and all. So today, a large part of the order gets decided on TBCB route. And then it depends upon the competitiveness of TBCB route, whether the Power Grid is winning or whether private players are winning.

And accordingly, then we have to choose our customers. So it's not that by design, we can say look at this should be the share of central utility, and this should be the share of private sector. It depends upon whether central utility wins more or private sector wins more. We align ourselves according to that to the market conditions.

**Sushil Kumar:** And just to add on, I think, important to see here is that the share of state utility is very small, and this is one of the strategy we have communicated in the past. We are kind of neutral to central utilities or the private customer because both are good in terms of execution and working capital management.

**Jainam:** If I can squeeze one last question. You talked about demand opportunity but what are a few risks overall on a macro perspective that you're seeing because everyone is increasing capacities, all our peers. So from a demand supply like realization, like you said, there is no more room for improvement. Given how the industry evolves in the next 2 to 3 years, what are the few risks that you are looking at and closely tracking?

**Sandeep Zanzaria:** As we said that, of course, supply chain management, yes, that's a big risk because not only about the availability, but also about the political situation keep on developing globally as well. In addition to political situation, the supply chain management is we keep on mitigating. So that's a kind of a job which you do daily, weekly, monthly, yearly, quarterly. So that is something which is there.

Apart from that, what I see is that I think energy transition story globally is something which is not going to go away just like that. So from a demand or market perspective, we don't see that there should be a challenge at least for the next 3 to 5 years or maybe 10 years. It should be a much stable market. That is what we are anticipating.

**Moderator:** The next question is from the line of Nandini Agarwal from Globe Capital Market Limited. As we're not receiving a response from the current participant, we will move to the next question, which will be from the line of Mahesh Patil from ICICI Securities.

**Mahesh Patil:** My first question is on the STATCOM. How do you see the STATCOM opportunity in the medium term? And if I'm not wrong, we haven't done any STATCOM earlier?

**Sandeep Zanzaria:** So yes, as you are right. In the long term, we see that, of course, STATCOM is going to play a very important role because more and more renewables are getting added. So obviously, the need of STATCOM cannot be just ignored, and it is going to become a very integral part of the grid. Yes, we have executed multiple projects globally, but we have not won any project in India. We have done in India, a few FACTS projects. We are into active discussions with various customers..

**Mahesh Patil:** And sir, my second question is on the royalty payment. Just wanted to know how much was the royalty payment this year? And how much was it in FY '24, if you can provide?

**Sushil Kumar:** So royalty payment has been given on a very consistent basis in the last 5 to 7 years. There has been no change in the formula. It is linked to a certain formula of revenue, et cetera. During the entire year, we have made a royalty payment of roughly INR640 million.

**Mahesh Patil:** INR640 million? Okay. And sir, if you can, how much was this last year?

**Sushil Kumar:** Last year was around INR350 million.

**Mahesh Patil:** INR350 million. Okay. And sir, lastly, wanted to understand how are you trying to widen your existing portfolio, can you give some color?

**Sandeep Zanzaria:** I think from widening the portfolio, of course, definitely, it's on 2 sides. One is on the customer side. More and more customers, we are trying to expand the customer horizon by including more renewable clients. And then, of course, we have a lot of new companies also entering into the TBCB market.

Also widening in terms of, for example, export market. We've already talked about that we have few large orders in the last 2, 3 years, we have been able to enter few of the new geographies. And there are a few technologies as well, which we are waiting in India to mature, for example, GCube which is SF6 free.. So once that happens, definitely, we aim to be a leading player in that as well.

**Moderator:** The next question is from the line of Moksh Ranka from Aurum Capital.



- Moksh Ranka:** I would like to know in the HVDC, in the whole transmission industry how are we facing any constraints regarding transmission towers. Because I think there are very few manufacturers as well. Could you provide some color there?
- Sandeep Zanzaria:** So Moksh, we are not a transmission line company. We in transmission do substations and HVDC terminals. We have zero presence in transmission line. So we will not be able to answer that.
- Moksh Ranka:** I understand that. But since you are in the industry, I thought you would see firsthand -- you would know firsthand if you are facing any constraints?
- Sandeep Zanzaria:** No, no, we are not. Since we don't operate. So we don't know if there is a constraint there or not.
- Moderator:** The next question is from the line of Parikshit Kandpal from HDFC.
- Parikshit Kandpal:** Congratulations on a great quarter. My question is on services part of the revenue. So what would be the contribution of service doing to ramp up that as a share of revenues?
- Sushil Kumar:** Generally, the service revenue is sub-10% for us. But as the overall order booking has been growing, so obviously the overall volume of services is also growing.
- Parikshit Kandpal:** And sir, second question is on the INR250 crores of capex. So what kind of asset turns or revenues can we look at adding from there over a 2- to 3-year period on an annual basis? And what will be the reservation here for export markets, any reservations here? So how will you allocate between local demand and the global demand on this?
- Sandeep Zanzaria:** So Parikshit, I think, you would have seen that we have out of that INR240 odd-crores, INR140 crores is for HVDC. So for HVDC, of course, looking into the demand situation and all. To first use it for India and then see how do we support the export market as well.
- Today, primarily the major driver for investment is growth in the domestic market. You would have seen that when we had put the capacities, all the local factories for switchgear, transformer, etcetera, they have helped us in export market as well. But today, the primary driver for this investment is domestic market.
- Parikshit Kandpal:** And sir, any color on what could be the share of data centers? I mean, is it increasing in the overall mix in the order book, how do you see that shaping up as huge investment is expected in data centers.
- Sandeep Zanzaria:** Presently the data center market is basically 300-megawatt data centers, where the evacuation is at 220 kV. We see a very large potential of data center coming in, but today, because our order intake is jumping very high, like, for example, since last year to, for example, from '24 to '25, we have grown by 100%. Obviously, the data center market, even if it has grown by like 50%, 60%, it is still not a substantial market.

Today, the TBCB or the transmission part of the business is growing much, much rapidly. But we are totally connected with most of the data center companies in India. And we are executing multiple projects on data centers. So it's not that we have ignored, but expect as the size of the data centers will become more and more like bigger data centers of 400 kV. People are talking about gigawatt data centers that will require 765 kV, so there, our market share and our overall offering in terms of value will be much higher.

**Parikshit Kandpal:**

Okay. And sir, lastly, on the cash, which we have on the books, so and then next year also, there will be cash accrual. How do you intend to deploy the capital employed?

**Sushil Kumar:**

Parikshit, we have announced INR240 crores of capex out of INR1,000 crores that we have and additionally, in note 10 of the financial statement that we circulated, the Board has recommended a dividend of INR5 per share. Once approved by the shareholders, that will lead to an outflow of roughly INR130 crores. So we are consciously reviewing and meaningfully deploying cash in terms of net capex needs and also return to the shareholders, and we'll continue to work in this direction.

**Moderator:**

The next question is from the line of Sagar Gandhi from Invesco Mutual Fund.

**Sagar Gandhi:**

Sir, my question pertains to the INR140 crores capex that you've announced for HVDC. This is primarily for domestic projects. And do you also foresee that post this capacity is commissioned, your ability to bid for projects will be more competitive, which is not the case currently. If you can throw some light in this direction?

**Sandeep Zanzaria:**

Yes, that was one of the objective of putting the local capacity was, to feed the domestic market and then we are seeing a big growth expected in the domestic market. In addition to that, yes, obviously, when we put the capacities locally, it provides us more competitiveness. So it helps us in winning more.

**Moderator:**

We have a follow-up question from Jainam from Saloro Investment.

**Jainam:**

I just wanted to ask, one of the previous participants had asked about asset turns for the INR240 crores capex that you're doing. Could you just share what kind of asset turns roughly we are looking at?

**Sushil Kumar:**

Asset turn is difficult to give. As Sandeep explained in the earlier question that a significant part of capex is for HVDC. So HVDC projects are very large contracts. For an HVDC project, this is not the entire investment.

So giving an asset turn is difficult considering that this is not a separate business line. But nonetheless, I think, you would see that the company has been very cautious in terms of investment. So obviously, the management and Board has decided this investment considering a good opportunity and a good return on investment.

**Moderator:** Thank you. We have no further questions, ladies and gentlemen. I would now like to hand the conference over to Ms. Megha Gupta for closing comments. Over to you, ma'am.

**Megha Gupta:** Thank you all for joining us today. We hope the insights provided by our speakers have been informative and valuable to you. We value the trust and support by investors and analysts and ensure to remain committed to maintain transparent communication and fostering strong relationships. If you have any further questions, or require additional information, please do not hesitate to reach out to me or our communications leader. Thank you.

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