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August 24, 2021

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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 August 17, 2021**

Please find enclosed a copy of the Transcript of earnings conference call with analysts/ institutional investors held on August 17, 2021 in respect of financial results for the first quarter ended on June 30, 2021.

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 First Quarter ended 30th  
June FY 2021-2022 Earnings Conference Call”

**August 17, 2021**



**MANAGEMENT:**

**MR. PITAMBER SHIVNANI – MANAGING  
DIRECTOR AND CHIEF EXECUTIVE OFFICER, GE  
T&D INDIA LIMITED**

**MR. SUSHIL KUMAR – CHIEF FINANCIAL OFFICER, GE  
T&D INDIA LIMITED**

**MR. NAGESH TILWANI – PRODUCT BUSINESS LEADER,  
GE T&D INDIA LIMITED**

**MR. SANDEEP ZANZARIA – COMMERCIAL LEADER, GE  
T&D INDIA LIMITED**

**MR. MARIASUNDARAM ANTONY – PROJECTS BUSINESS  
LEADER, 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**

**MR. MANOJ PRASAD SINGH – COMPANY SECRETARY,  
GE T&D INDIA LIMITED**



*GE T&D India Ltd  
August 17, 2021*

**Moderator:** Ladies and gentlemen, good day, and welcome to the GE T&D India Limited First Quarter Ended 30th June 2021, for FY 2021-2022 Earnings Conference Call.

As a remainder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

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

**Suneel Mishra:** Thank you, Rutuja. Ladies and gentlemen, good evening. I wish everyone of you are safe. So, welcome to today's Conference Call with GE T&D India Limited management team here. As informed, this conference call has been organized to present and discuss Financial Results for the First Quarter ended 30th June, for the Financial Year 2021-2022.

Now, let me first introduce my Management Team available on this call. We have with us Mr. Pitamber Shivnani, who is the Managing Director and Chief Executive Officer; further we have Mr. Sushil Kumar, who is the CFO; we have with us Mr. Nagesh Tilwani, who is our Products Business Leader; we have with us Mr. Sandeep Zanzaria, who is the Commercial Leader; we have with us Mr. Mariasundaram Antony, who is our Projects Business Leader; we also have with us Mr. Manoj Prasad Singh, who is our Company Secretary; and lastly, we have Mr. Anshul Madaan, who is the Communications Leader.

Please note that this conference call is scheduled up to 6:00 p.m. I hope you would have received the Analyst Presentation, and the same has been uploaded at our website. I hope you have would have read the disclaimer as per Slide #2.

I would now request Mr. Pitamber Shivnani to begin this conference call highlighting key events of the quarter. Thereafter, Mr. Maria and Mr. Nagesh updating us on the operations and **factories**, then Mr. Sandeep Zanzaria will be taking us to the market; lastly, Mr. Sushil Kumar will give us insight on financials.

So, I now invite Mr. Shivnani to begin the conference with his opening remarks. So, over to Mr. Shivnani.

**Pitamber Shivnani:** Thank you, Suneel. Ladies and gentlemen, good evening. Thanks for joining the call. We hope you and your families are healthy and safe. I would like to start this call by giving you a brief overview about the last quarter, and then I would request my other colleagues in the call to go through the details.

In Quarter One Financial Year 2021-2022, we continue to operate with full rigor; however, certain restrictions in few states due to COVID continue to pose challenges. Our teams are



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continuing to deliver tirelessly even during these tough times. And for that, I would like to thank our GE colleagues who are working around the clock to serve our customer, our communities, and our Company. All our plants are fully operational as of today.

During the quarter, our teams commissioned important projects associated with Green Energy Corridor Transmission System. This includes commissioning of 765 kV gas insulated GIS at Phagi in Rajasthan as well as 400 kV gas insulated GIS substation for Power Grid. The substation will facilitate the evacuation of renewable energy getting generated in solar parks in Bhadla, Fatehgarh and Bikaner at various beneficiaries. And Maria, my colleague, will give you the operational update in details later on in the call.

Our biggest priority is growth in orders, and we improve our team's abilities to market, sell and service the products we have today. Though Sandeep will talk about the orders in detail, but let me highlight one of them here, which is related to our continued winning streak in 765 kV power transformer segment. We received order of six more 765 kV power transformers from Power Grid Corporation of India under the Transmission System Strengthening Scheme for evacuation of power from solar zones in Rajasthan under Phase-2. This is in addition to our order of 45 units of 765 kV transformers and reactors that we received from PGCIL in the last quarter.

Q1 has been a disruptive quarter as everyone has put to test by the virus, and hence the same has impacted our financials as well. But we were successfully able to reduce our debt by Rs. 24.5 crores. Nonetheless, we remain cautious going into the remaining part of the year, given the uncertainty associated with pandemic. And Sushil will walk us through the finance part shortly.

We continue to use LEAN to improve our operations and our cost structure. I visited Vadodara Transformer Factory recently and was amazed to see countless Kaizen examples across the company. There is a huge thrust on using LEAN to improve safety, quality, delivery, and cost. We continue to believe the improvements underway are built on stronger fundamentals, and thus are sustainable. We are continuing to lead the energy transition, lowering the cost of electricity, and modernizing the grid with a focus on new products, platforms, and technologies, that enable profitable growth and cash generation over time.

Today, we have a strong presence across 26 location in India, which includes five world-class manufacturing units, five R&D centers, 13 offices and two service workshop. We are not only producing in India for India, but we are also producing India for globe. With such a strong footprint, we are deeply committed to service the growing demands for electricity in India and are equally focused to leverage the global power market through export of Made in India grid equipment.

We recently released our Annual Report for financial year 2021, which shares how we are tackling India's biggest power transmission challenges through innovation solutions, advancing grid modernization, and leading the energy transition. India is making great strides towards renewable energy generation and have committed to more than double its non-fossil fuel target



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to foreign 450 gigawatts by 2030. With a persistent focus on decarbonization, and round-the-clock power, we believe that Indian energy landscape will continue to undergo a significant positive transformation.

This increased focus on clean energy is set to bring significant investments in Indian Renewable Sector. This will open a steady stream of evacuation opportunities for grid industry, primarily driven by increased green energy capacity, expansion of central and state utilities, growth in industrial sector, and restructuring of ageing assets. All in all, we fortify our competitive position and unlocking further upside potential in profitable growth and cash generation by selectively acquiring profitable business and staying laser focused on delivering those projects timely and with high quality.

With that, I request Maria to provide further insights on operation during the quarter. Over to you, Maria.

**Mariasundaram Antony:** Thank you very much, Pitamber. Good evening, ladies, and gentlemen. Very excited to present the operations update for the quarter. We continue to really, truly live to our purpose of creating the grid for the future. And I would really like to highlight, with more than 73-plus projects like operational today across the region, we have had a chance to really commission some key projects, to some extent which was highlighted by Mr. Pitamber.

One was definitely the first for us in terms of PGCIL Phagi in Rajasthan, where this is our first GE make 765 kV GIS, which was commissioned in the first month of this quarter, which was manufactured from our factory in Chennai. And this is a huge milestone for us and as well as for our customer.

And then the other one which I really would like to highlight was the PGCIL Bhuj in Gujarat, which is part of the Green Energy Corridor, which is really being set up in the Kutch region of Gujarat. And this particular substation, which we commissioned in Bhuj, has a combination of 765 kV AIS and 400 kV and 220 kV GIS, a significant milestone for us in terms of playing the role in terms of the energy transition in terms of evacuating the green energy for the Country.

And then we also continue to make rapid strides in our neighboring country in Bhutan, where we kind of commissioned our second project there in Dochula, which is part of the Bhutan Power Corporation, where we set up as a part of the modernization of the grid in Bhutan, we actually set up 5x66 kV GIS base, five base of 66 kV as well as power transformers and other transformers, 10x5 MVA transformers for the overall substations.

Apart from this, we have actually made several other commissioning across the different parts of the country, more so on the eastern part of the country in West Bengal, as well as in Jharkhand, then with our utilities like NTPC in Darlipali. Another important one was the evacuation of the solar power in Bikaner, which was also a big accomplishment milestone for us in this quarter. And we also continue to play a role in terms of extending the existing infrastructure for some of



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our customers like Sterlite in Tripura as well as Nellore for PGCIL. So, we are very, very happy and excited that we continue to play a role in terms of creating the evacuation infrastructure for our customers, which connects the point of generation to the consumption.

So, with that, I actually hand over the mic to Nagesh to really take over the factory update.

**Nagesh Tilwani:**

Thanks, Maria. Good evening, all. In continuation to the discussions, today I will just give you a brief about our factory in Vadodara, which is world-class facility for the power transformers in India.

This factory is our proud; this has been inaugurated in 2009 by the Prime Minister of India, who was then Chief Minister for the Gujarat state. We are the one who was delivered the first HVDC for 800 kV under Make in India initiative way back in 2015 in March.

This factory's capacity is about 330,000 MVA, and we have all ISO Certification fully done in terms of 9000, 14,000, 18,000, all types certification is in place. Extensive supply chain and quite a bit of efforts in terms of logistics, and with localization capabilities we are delivering the customers globally. We have also done jobs in exports from this plant.

The good part here is the testing facility, which is one of the state-of-the-art testing facility, where we can test the transformer up to 1,200 kV, and this testing facility has also been accredited by the NADL, the National Accreditation Board of Laboratories.

Recently, a milestone what is achieved is in terms of delivering 500 units of 765 kV transformer and reactor. This is the first in class in terms of India manufacturing plant delivering up to 500 numbers of 765 kV reactors.

With that, I hand over to Sandeep for covering the order intake piece.

**Sandeep Zanzaria:**

Welcome everyone and thank you, Nagesh. So, Q1 FY 2021-2022 remained slightly muted in terms of the business opportunities which were there. We secured orders worth about Rs. 472 crores, which was about 6.5% growth over last year Rs. 443 crores. The main orders which were secured, as told by Pitamber is, six number 500 MVA 765 kV under the Green Energy Corridor. And of course, in the previous slide, Nagesh also said that we are the first company in India to deliver 500 units of 765 kV transformer reactor, and we are miles ahead by the next competitor.

We also won another 220 by 33 kV GIS substation from Bhutan Power for continuing our success in Bhutan. And from KPCL Raichur we won an order for replacement of 400 and 220 kV equipments, so that's a refurbishment which we are doing there. Taking further strides into the renewable segment, we took one order for 400 kV substation including transformers from the Renew Power at Bikaner, and one from Powerica for their wind power plant 220 kV switchyard in Gujarat, Khambhalia. So, there were multiple orders which are coming from the acquisition of renewable projects.



Then, of course, from Tanzania, we have taken order from Auguste International for supplying the CT's and CVT's from our factory at Hosur. And one of the prides for the quarter is that we have won a three-year O&M contract from Tata Motors for three years for both of their plants for Sanand as well as the Pune plant. So, we would be doing the O&M for their three years.

So, thank you very much. And now I hand over to Sushil.

**Sushil Kumar:**

Thanks, Sandeep. Good evening, ladies, and gentlemen. Hope everyone is safe and healthy. So, this quarter, while Sandeep talked about muted market and the order intake, this quarter financials were also on the similar lines impacted by COVID wave too significantly. So, the execution was also impacted for us.

On Page 9, we have given the split of orders and revenue between export and domestic. So, overall, we did about Rs. 472 crores of orders, of which 36% came from the export market and 64% of the orders were from the domestic market.

On the revenue side, we did Rs. 638 crores of revenue, of which 21% of revenue was done from the execution of export orders, and about 79% of revenue was from the domestic orders. End of June, we had about Rs. 4,300 plus crores of order in hand, of which 63% of the orders come from the private segment, about 20% of the orders come from the state utility, and 17% of the order in hand that we have come from the central utility and public sector undertakings.

Moving to Page 10, on the financial profit & loss account:

So, overall, I will say that this financial performance was in line with the last year. Last year first quarter was impacted by the lockdown. And similarly, this year first quarter has been impacted by the health issues and the COVID wave two. But overall, we were at Rs. 638 crores of revenue, almost similar to what we achieved in the last year. Our EBITDA of 14 million was slightly better than 3 million EBITDA in the last year. And the loss before tax of Rs. 25 crores is slightly better than Rs. 26 crores of loss that we had in the last year.

On the cash and debt front, we generated about Rs. 25 crores of cash from operations in this quarter. And accordingly, were successful to reduce our debt by Rs. 25 crores. Our net debt end of June 30 stands at around Rs. 135 crores.

So, with that, we will move to the question-and-answer. Thank you.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. First question is from the line of Renu Baid from IIFL. Please go ahead.

**Renu Baid:**

Sir, I have a few questions. My first question is, if you look at the execution itself in this quarter, while it is similar to the previous year, most of your other peers who have reported results have actually reported strong double-digit growth on a pretty depressed base last year. So, can you



help us understand where did we lag in terms of execution headwinds and bottlenecks, while rest of the other peers were able to offset a good portion of these headwinds? And by when do we expect all these headwinds to ease and growth to revert back?

**Pitamber Shivnani:** So, Renu, if you see, our three factories are in Tamil Nadu, and Tamil Nadu was severely affected by COVID actually. So, practically, three factories were total lockdown for nine days, actually they were non-operational. So, that has also impacted our execution. And then the opening was also slow, it was not after nine days immediate opening, so this impacted the execution in the last quarter.

**Renu Baid:** But no other project delays or otherwise that we see across segments?

**Pitamber Shivnani:** No, I don't think there are any major project delays or other things across the segment.

**Renu Baid:** Sure. Sir, the second question is on the other expenses side, back on the P&L, we were hovering at Rs. 85 crores to Rs. 90 crores, Rs. 95 crores kind of other expenses, with a much better revenue run rate, and this quarter other expenses have shot up to Rs. 105 crores. So, can you help us understand in terms of what kind of one-offs were part in the current quarter, were there further provisions or write-offs, so just to understand the steady-state run rate of the overheads.

**Sushil Kumar:** So, last financial year, we had about Rs. 370 crores of other expenses, if I correctly remember, and that gives an average of about Rs. 91 crores to Rs. 92 crores per quarter. This quarter, the other expenses have gone up a bit. There are few heads where the expenditure have gone up and there are few other areas where we have been able to control. Two, three areas where the expenses have gone up are one related to the freight expenses related to the export project. Second is the FOREX loss due to adverse currency movements, third is reimbursement of business support charges to Grid headquarter. And then we have improvements on various heads like rate and taxes and other many areas like data management charges and so on. So, overall, I think this run rate of Rs. 100 crores, Rs. 105 crores is generally what is going to continue.

**Renu Baid:** What was the quantum of FOREX MTM loss if you can quantify that?

**Sushil Kumar:** FOREX loss was about Rs. 6 crores to Rs. 7 crores versus a gain in the last quarter.

**Renu Baid:** Sir, my next question is, essentially if we look at the business, especially from the order inflow and marketing perspective, so, A, what is our exposure on the non-utility-based market? We have received a small O&M order from Tata Motors, but otherwise on the industrial sector what is the kind of current exposure? And on a very broad base, how does that look versus the previous trend? The point is, if we see manufacturing CAPEX or industrial cap is picking up, do we have a fair share addressable market to increase the wallet share from the customers in this segment?

**Sandeep Zanzaria:** So, basically what's happening is, we are seeing the CAPEX which is coming back into industry. But for us to have a meaningful play in the industry, we require large CAPEX, because mostly





we are operating into 220 kV and 400 kV segment or 765 kV segment. So, any industry which is coming up when it has a huge power requirement, something like maybe a 300 megawatt or a 500 megawatt, those kind of power requirements, then they go for such large switchyard. Otherwise, it is like managed within 33 kV or 132 kV substation, where our play is not there. Of course, we have seen some CAPEX coming in the metal side, for example, on the steel side and the aluminium side. So, there are plans which the larger metal players are discussing. We have seen some very small traction happening, but probably maybe the next one to two quarters we will see some new tenders come in which would be then addressable by us.

**Renu Baid:** But nothing much on the data center for us?

**Sandeep Zanzaria:** Nothing much of the data centers primarily because data centers are again they are like power guzzling kind of applications, but the maximum voltage which is required is like 220 kV. So, we have certain products which we are offering, for example, GIS etc, in that end in fact we are supplying to various EPCs as well for the products for the data center. But the overall application of substation in a data center is not like a very big number.

**Renu Baid:** Right, not much value addition there from....

**Sandeep Zanzaria:** No, just to give you a data center, we will be having a substation which might be costing about somewhere between Rs. 20 crores, Rs. 25 crores, just a ballpark number.

**Renu Baid:** Got it. And sir just last clarification, the repeat order which we have done or the additional order which we have won from Power Grid for the Rajasthan Evacuation Green Corridor project, has it come at better pricing in terms of factoring in all the cost inflation or the pricing would be similar to the old orders which we had won in February, March during the fourth quarter of 2021?

**Pitamber Shivnani:** No, it's better than we had won in the last quarter of the last year, because the material price increases with captured in this quarter.

**Moderator:** Thank you. The next question is from the line of Bhavin Vithlani from SBI Mutual Fund. Please go ahead.

**Bhavin Vithlani:** My first question is on the gross margins. From last couple of year's levels of 23%, 25%, this quarter we did see an improvement of almost 300 bps plus Y-o-Y and 700 sequentially. If you could give more color on this and what is a sustainable level that we could expect on the gross margins front?

**Nagesh Tilwani:** Thanks, Bhavin, for the question. This quarter, we have a higher mix of revenue from the products business in the domestic and export market, because the turnkey project sites were shut down and we had some other COVID related challenges. So, the improvement in mix towards the product has led to this improvement for the quarter. Won't be giving a guidance on the



margin, but on the long term, I think last financial year we had about 26.5% as the gross margin. And prior to that, in the financial year 2019-2020, we had a gross margin of around 27.5% or 28%, in that range. So, on long term basis that will be the margin, subject to the commodity price challenges etc., which the management is trying to mitigate. So, as we do more execution of turnkey business in the subsequent quarter, the average of gross margins should come to the earlier years.

**Bhavin Vithlani:**

The second question again is a continuation on the demand front, if you could give us more color in terms of HVDC, because we did take an enabling resolution for our related party for bidding into HVDC project. So, what are the kinds of projects that we are expecting over the next two to three years? What's the kind of size in that? And also, there is a project with the VSC based technology, so will GE T&D be able to qualify in terms of technology for that platform of technology?

**Sandeep Zanzaria:**

So, I think if you really look in, for example, two, three years' timeframe, so as you know we have been talking about Leh Ladakh. So, what we understand is that, yes, there are certain developments by which Leh Ladakh has an opportunity for initial 5 gigawatts, might come out in the market next year. Definitely as you said that there will be a VSC technology project. And just to update you, GE has delivered projects in Europe with VSC technology. I will not comment anything about the qualification part, that's just to give you the confidence that, yes, we have delivered projects with VCS technology. Of course, you know Adani, as we have been discussing has already entering discussion. And parallely if you really look at the report of the Standing Committee, there's one more project which has been cleared from Rajasthan till UP. But because these projects would be like huge amount of CAPEX requirement, the timeline is very difficult for us to predict. But immediately this looks to be a sustainable pipeline.

**Nagesh Tilwani:**

In addition, I would like to add that the RPT approval which was taken in the AGM **was for** the HVDC order that we expect to be decided in the market in this year with a private player for the Western Region.

**Bhavin Vithlani:**

Sure, that's helpful. The last question is on the competitive intensity and the pricing. So, sometime in middle of last fiscal year, government actually put non-tariff barriers on the Chinese. So, if you could give us some color on in terms of the pricing and margins for the projects that are coming up now, are we actually seeing any improvement in that? And secondly, alongside that, one of your peers did mention that the delivery timeline, especially on the transformer has elongated. So, for more six months now it has been 18 to 24 months, any color on that will be very helpful. That's my last question.

**Pitamber Shivnani:**

Bhavin, just to give you an update, definitely I will not say the prices have gone up, because even after the Chinese competition has gone, I will say Chinese company is not participating, still there is an overcapacity in the market. But yes, looking into the material prices which has gone up, definitely the prices have gone up in the market because everybody has got affected due to the material component, that is one. And just to answer your next question about



transformer deliveries, yes, definitely looking into the loading situation and market demand, yes, all the manufacturers are not able to offer the shorter delivery projects. But depending upon the capacity, depending upon the requirement, there are certain calls which are being taken individually by companies. So, for a large project, definitely it will be like minimum 18, 24 months, but if suppose somebody requires one or two transformers, then definitely manufacturers are able to adjust those demands as well.

**Moderator:** Thank you. The next question is from the line of Renjith Sivaram from ICICI Securities. Please go ahead.

**Renjith Sivaram:** Continuation of the previous question, my question is pertaining to this VSC technology qualification. The last center which had come out for this in the Kerala portion, I think we were not qualified, so currently you are saying that we are qualified, so is it prior to just that we got the qualification, just to get some clarity on that.

**Sandeep Zanzaria:** So, basically the qualification requirement was that we should have done a VSC project, which we have done now. So, that's why we are qualified now to participate in VSC. And of course, when we are talking about such type of technology, definitely we require the kind of confidence also from the commissioning, so that we have now.

**Renjith Sivaram:** Okay. That's helpful. And when we look at the export, even this quarter our export was 21%, and last year full year it was 22% of sales. So, do you see this trend continuing? Like last year we saw 40% growth in exports. But on that high base, will the trend of export be in that 22% to 23% range continue or we see that plateauing or coming down?

**Sushil Kumar:** So, last year, we made improvement in the export, we had done about 22% of the revenue from export in the financial year 2021 compared to 18% of revenue coming from export in financial year 2019-2020. As you see on the order booking chart also, our export share of order has gone up, for the quarter. And even in the last financial year, the exports were higher in terms of orders. So, our effort is to compensate the muted domestic market with the export, and if we are able to win successfully, the revenue share should follow accordingly and export revenue should increase for the coming quarters.

**Renjith Sivaram:** What is share of export in our order book?

**Sushil Kumar:** It's given on the page nine.

**Renjith Sivaram:** You have given it for order intake.

**Sushil Kumar:** Okay. You are talking about order book, I don't have that number readily available, so we will have to probably revert back to you separately. Export orders constitute about 23% of the total orders in hand at end of June 21



- Renjith Sivaram:** Okay. And what's the current receivable days?
- Sushil Kumar:** I will come back to you in a few minutes on this specific receivable day's question.
- Renjith Sivaram:** And again, we were very much gung-ho on this Green Energy Corridor a couple of quarters before, so what has actually transpired in terms of this Green Energy Corridor opportunity? What is the kind of enthusiasm you are seeing in terms of enquiry levels? If you can throw some color on that.
- Sandeep Zanzaria:** So, Renjith, if you really look at Green Energy Corridor, the government came out with two large packages in 2019 about third quarter. But since then, there have been about four or five packages which got materialized last quarter of last financial year. But now we see a lot of traction happening, there are about five to seven packages which for developers are now doing sometime between August and September. So, I think not exactly, so if they bid in September, they would not be coming out in the market and placing orders in September. But I think the next quarter would be a big market due to this Green Energy Corridor which will be coming in the transmission side.
- Sushil Kumar:** Renjith, first I will talk about working capital. So, our working capital is around Rs. 400 crores end of June and this has improved versus March. At present, the working capital of Rs. 400 crores is roughly about 42 to 43 days of sales. And within this, the trade receivables is around 75 days. And in this trade receivable calculation, I am not including the retentions which are not contractually due. In addition, I would also like to highlight that last financial year we generated a cash flow of Rs. 270 crores, and in this quarter we have generated about Rs. 25 crores of cash flow. So, overall, approx. Rs. 300 crores of cash flow generation in the last 15 months, most of this has come from the improvement in working capital and especially the focus on the trade receivables and reduction in the receivable days.
- Renjith Sivaram:** Okay. And sir, we are hearing regarding this distribution reform on the anvil. So, is there any chance that we will have some products or we are completely out, we don't have any participation in that range of voltages?
- Sandeep Zanzaria:** In distribution, of course, we don't have a very large range of products, Renjith. But definitely, we are present with our automation system. So, once there will be an upgrade into the distribution system, more smarter systems would be put in place. So, there automation is going to play an important role. And apart from that, there will be ADMS packages which will become for hundreds of towns which will be there to make the distribution system again smarter in terms of controls, and monitoring. So, the company also has a strong portfolio in terms of ADMS systems as well.
- Renjith Sivaram:** It's largely the automation part where we will have a larger role, because most of the low and medium voltage products have gone to Schneider during that....



- Sandeep Zanzaria:** Yes, you are right. Because most of the distribution utilities are up till 33 kV, and in the split what happened, the products with GE are 66 kV and above, of course, there are certain, for example, Gujarat or Chandigarh or there are a few distribution companies which still do up till like 66 kV or 132 kV, but that's very miniscule in nature.
- Renjith Sivaram:** Okay. So, the automation market is a lucrative area for us for standard distribution if funds actually kick in on the ground?
- Sandeep Zanzaria:** Definitely.
- Renjith Sivaram:** And is there any other opportunity in the next six to nine month apart from this GEC and distribution, is there anything that you are looking at which looks exciting? From the states front also you see many of the state governments being relatively more active.
- Pitamber Shivnani:** So, I would say that there are two state governments which are active, for example, there are few tenders which are coming from Telangana, there are few tenders which are planned for Orissa, etc, but maybe something is planned from Bihar. But you know, a sustainable set of projects has still not picked up the pace what we had in attended 2019-2020.
- Moderator:** Thank you. The next question is from the line of Renu Baid from IIFL. Please go ahead. As there is no response from the line, we move to the next question, which is from the line of Jonas Bhutta from PhillipCapital. Please go ahead.
- Jonas Bhutta:** Just following up from Renjith's question on states. So, more from a longer-term perspective, the previous cycle we saw that as PGCIL was building the National Grid, the respective states also sort of upgraded their networks up to 220 or 400 kV. So, other than these sort of pocketed states which are throwing up tenders here and there, is there like a program over the next five years that will drive the next leg of ordering in states? Or you think that that is largely behind us and sort of it will be more patchy in that sense in terms of opportunities coming out of states? Because in the large cycle states, if not equal to PGCIL, and almost 50%, 60% of their power grid was in terms of ordering, which, in the last two, three years we have not seen that level of ordering in states as well. So, I would appreciate your comments on that.
- Pitamber Shivnani:** So, our assessment is that, definitely states should come up, because whatever renewable power is getting generated, at the end when it gets transmitted from the network which is built by the TBCB player or the central utility eventually goes to state, and state has to build the transmission network so that this power reaches to wherever is designed for. So, there has to be an investment which should come from states. So, we are just waiting for the renewable capacity addition to pick up so that even the state transmission network should also start coming out with a more sustainable pipeline.
- Jonas Bhutta:** My second question was on one of these large HVDC projects that you had highlighted in the fourth quarter call, which was you Rajasthan-UP. Given the size and the configuration, and given



that it typically takes almost three years plus kind of to build out projects like this, so do you believe that given that there is a transmission charge waiver on renewable projects, which sort of now expire somewhere in early 2025, do you believe that that expiry of such a waiver could sort of derail the project? Because one of the key triggers for this pickup in TBCB projects for GEC was that there was very little transmission charges attached. So, do you think that this one large project, which was almost Rs. 20,000 crores kind of size could get derailed, because the project will not come up in time, even if it was awarded by the end of FY 2022 in time to make up for that deadline? So, out of the three odd HVDC projects, do you think that one will fall off?

**Sandeep Zanzaria:** So, I am not very sure on that, because if you really look at that, when last time the waiver expired, the government has extended the timeline. So, I think that's probably more for the developer who would be investing into that project to take a call. I think it's very difficult for an EPC player and manufacturer to comment on the viability of the project because of this government policy.

**Jonas Bhutta:** And my final question was, at the end of Q1, we are sitting on order book which is almost 24%, 25% lower on a Y-o-Y basis. And I remember that you are targeting to do the same kind of top line this year as you did in FY 2021. Given how Q1 has panned out, do you still believe that you can get there, given that you will be running out of order books or growth avenues beyond if the orders actually don't pick up now?

**Pitamber Shivnani:** No, I think we will be able to do that level, even though we don't give a forward-looking statement, but we expect the growth in orders in times to come because the COVID wave two is over and there are a lot of TBCB packages which are coming up for finalization in next few months. And we have a backlog of Rs. 43.6 billion, so we will be able to cater to the balance part of this year well.

**Sushil Kumar :** But just to add on that, I think if the orders do not pick up soon, there could be an impact as well. And also, there is uncertainty of COVID wave three. So, those are some of the elements which may impact the revenue execution for the year.

**Moderator:** Thank you. Ladies and gentlemen, this was the last question for the day. I would now like to hand the conference over to Mr. Suneel Mishra for closing comments.

**Suneel Mishra:** Thank you, Rutuja. And thank you everyone for your participation. In case if you have any other questions, then please feel free to contact me or Mr. Anshul Madaan on our email ID. So, with this, we conclude today's conference call. Thank you again.

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