



**FIN2RESEARCH**  
Investment Advisor Pvt. Ltd.



**GE VERNOVA**

### Rating

Business	★ ★ ★ ★ ★
Financials	★ ★ ★ ★ ★
Valuation	★ ★ ★ ★ ★
Management	★ ★ ★ ★ ★

Date : 15/01/25

**Company : GE VERNOVA (T&D) Limited.**

**Sector : Capital Goods**

<b>CMP : ₹ 1897</b>	<b>Rating - BUY</b>	<b>Target : ₹2530</b>	<b>Potential Upside: 33.00%</b>	<b>Research Report</b>
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Stock Info	
Market Cap (₹ in cr)	48572.69
52-Weeks High/Low	2,215.70/554.65
Avg Volume	2702177
No. of eq shares (cr)	256.05
Face Value	2.00
Bse Code	522275.00
Nse Code	GVT&D
Free Float (cr)	19730.22

Source : NSE/BSE

Particulars	2023	2024
P/E (x)	At Loss	119.98
P/B (x)	2.85	17.47
EV/EBITDA (x)	32.29	67.36
P/S (x)	1.10	6.86
EPS	-0.06	7.07
ROCE (%)	-0.12%	14.20%
ROIC (%)	-0.22%	16.01%
Interest Coverage	1.10	9.50
Equity/Assets	0.29	0.35

Source : Company

Particulars	2023	2024
Promoters	75%	59%
Mutual Funds/AIF	15%	22%
Insurance co. & others	1%	2%
Banks	0%	0%
Other DIIs	0.01%	1%
Govt of India	0%	0%
FII	1%	7%
Retails and Others	8%	8%
Total	100%	100%

Source : NSE/BSE

Particulars	TTM
P/E	123.02
P/B	39.08
EV/EBITDA	83.50
P/S	13.58
EPS	15.42
P/CF	61.55

Source : Company

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**GE Vernova India Limited:** GE Vernova T&D India Limited, the listed entity of GE Vernova's Grid Solutions business, has been a key player in India's power transmission and distribution industry for over a century. It provides end-to-end solutions for connecting power from generation sources to the grid, addressing medium to ultra-high voltage (1200 kV) needs. The company's offerings include power transformers, circuit breakers, gas-insulated switchgears, instrument transformers, substation automation equipment, digital software, turnkey substation solutions, Flexible AC Transmission Systems (FACTS), High Voltage DC (HVDC), and maintenance support. With five manufacturing facilities, it has a strong presence across all stages of the power supply chain.

Focused on green and digital innovations, GE Vernova T&D India Limited is committed to developing smarter, more resilient, and sustainable grid solutions to meet the growing demands of the Indian power industry.

### Key Highlights:

**Key Risk :** The Green Energy Corridor Project in India focuses on developing transmission infrastructure to support renewable energy integration. It includes high-voltage transmission lines, substations, and high-voltage direct current (HVDC) terminals to enhance inter-regional grid connectivity. The initiative aims to transmit renewable energy from resource-rich states to high-demand areas, reducing energy curtailment and ensuring efficient utilization.

The project is funded through government allocations, multilateral institutions, and public-private partnerships, with phased implementation across multiple states. Recently, the Cabinet approved ₹20,773.70 crore for Phase-II, targeting a 13 GW renewable energy project in Ladakh, scheduled for completion by FY 2029-30. Central financial assistance will cover 40% of the costs, amounting to ₹8,309.48 crore.

A leading company in the Indian market has positioned itself as a frontrunner by supplying transformers that play a critical role in integrating renewable energy into the power grid.

GE Vernova has secured a high-voltage (HV) equipment order worth over ₹400 crore from Sterlite Grid 32. The order includes the supply and supervision of HV equipment for a TBCB project and is scheduled for completion within two years.

GE Power India has secured a contract worth ₹240.4 crore (NPR 340 million) from Blue Energy in Nepal for the 100 MW Super Trishuli Hydropower Project. The project scope includes design, engineering, procurement, and supply of turbines, generators, governing systems, and control and protection systems, as well as erection, testing, and commissioning of GE Vernova-supplied equipment.

The project, related to the Hydro Business, will be executed within 42 months and accounted for under the business transfer agreement between GE Power India and GE Vernova Hydro Power India for the Hydro Business transfer.

GE Vernova has launched its 2000 Vdc FLEXINVERTER, a next-generation utility-scale solar inverter designed to enhance solar capacity and ensure efficient energy conversion. According to Ed Torres, Business Leader of GE Vernova Solar & Storage Solutions, the innovation aims to maximize solar farm output and reliability, supporting growing energy demands and renewable energy adoption.

The FLEXINVERTER 2000 Vdc is set to debut as a pilot installation in a multi-megawatt solar park in North America, expected to be operational by Q1 2025. GE Vernova will supply the inverter, collaborating with Shoals Technologies Group for the electrical balance of system solutions and an industry PV module supplier for the solar panels.

GE Vernova has secured a 97 MW turbine order from O2 Power Private Limited for a wind project in Maharashtra, India. The order includes the supply, installation, and commissioning of 36 GE 2.7-132 wind turbines. The project aims to supply renewable energy to industries and commercial establishments, contributing to India's 500 GW renewable energy target by 2030. Full commissioning is expected in the first half of 2025.

### Risk:

#### 1.Capital Intensive Business Model and Demand:

The power transmission equipment industry is highly competitive, with numerous Indian companies and global players operating through joint ventures. The company's ability to enhance its order intake amidst this intense competition will be crucial for its growth and success.

**2. Concentrated sector:** The company's revenues are heavily concentrated in the power sector, as its products and services are specifically designed for electricity transmission, distribution, and grid stability. This reliance on a single sector makes its revenue stream vulnerable to any downturns in the power industry, potentially impacting overall financial performance.



CMP : ₹ 1897

Rating - BUY

Target : ₹2530

Potential Upside: 33.00%

Research Report

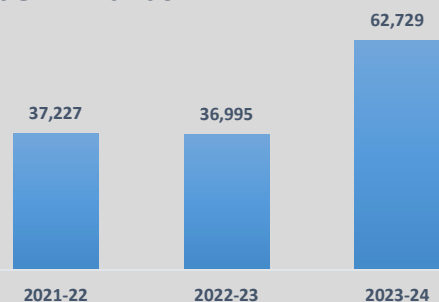
# SWOT ANALYSIS

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## STRENGTHS

- GE T&D India has a legacy of over 100 years, pioneering advancements in high-voltage transmission solutions, including EHV 765 kV AC and GIS technologies.
- Leadership in grid technologies, including HVDC systems, with proven execution capabilities on large-scale projects like the Champa-Kurukshetra.
- Advanced digital solutions like GRIDOS for grid orchestration and STATCOM technology to support renewable integration and grid stability.
- Significant revenue generation from domestic and international markets, leveraging a robust portfolio of power transmission

### Order in Hands

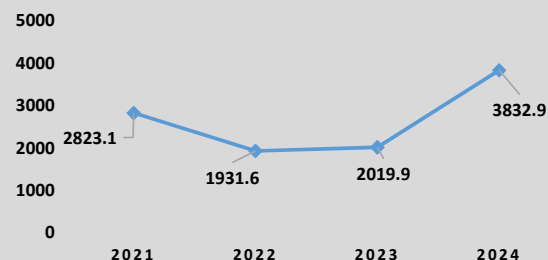


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## WEAKNESSES

- Reliance on global supply chains for critical components like PCBs and ICs, which were disrupted during the pandemic.
- Over-reliance on a few high-value government contracts creates vulnerabilities in revenue streams.
- Revenue from services dropped from ₹970.5 million in FY23 to ₹443.6 million in FY24.
- Cost of raw materials and project-related costs amounted to ₹20,113.6 million in FY24, forming over 63% of revenue.

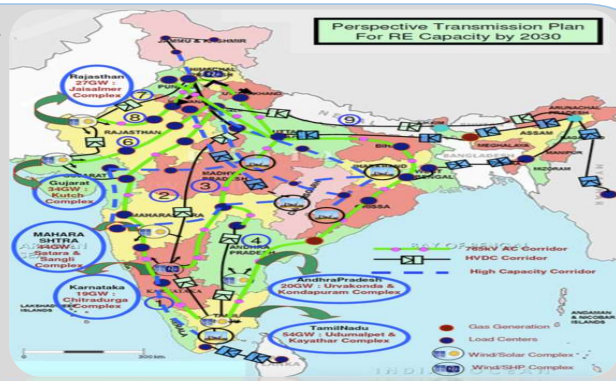
### RISE IN WORKING CAPITAL REQUIREMENTS



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## OPPORTUNITIES

- India's ambitious target of 500 GW renewable capacity by 2030 creates significant demand for transmission infrastructure.
- Government-led modernization of grid systems through smart technologies like SCADA/ADMS, offering new business avenues.
- Higher margins expected from digitalized solutions like advanced metering infrastructure and STATCOM for grid stability.
- International revenues grew to ₹9,795.3 million,



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## THREATS

- Persistent issues with state-owned utilities' finances impact timely payments and project realizations.
- Continued reliance on imported components exposes operations to geopolitical risks.
- Rising threats to infrastructure require stringent cybersecurity measures, increasing operational complexities.
- High AT&C losses and tariff challenges lead to poor financial health of DISCOMs, affecting demand for new projects.





# GE Vernova T&D India Limited | Evolution + Footprint



## Legal Entity Ownership



## Manufacturing Facilities in India



## Enabling Safe, Reliable, and Efficient Processes

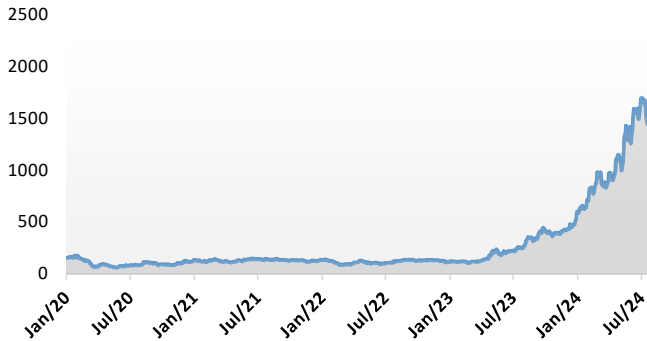
FLEXIBLE SOLUTIONS FOR DEMANDING APPLICATIONS ACROSS INDUSTRIES



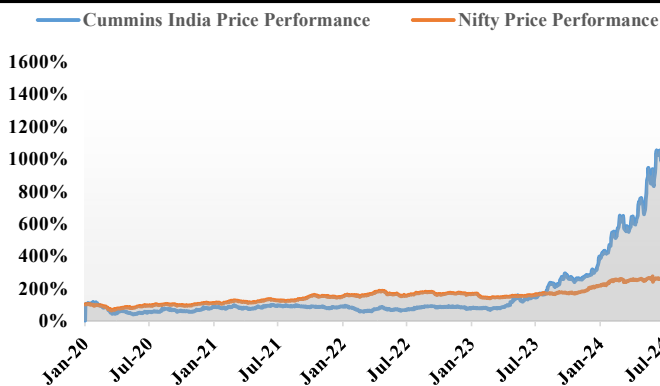


## Price Chart

## GE VERNOVA Limited



## Performance Chart



## Source Company

## Valuation

GE Vernova T&D India Limited presents a compelling long-term investment opportunity, supported by strong revenue growth, margin improvements, and favorable industry tailwinds.

## Revenue Growth:

Revenue is projected to grow at an impressive **CAGR of 30%-35%** over the next few years, driven by increasing contributions from both domestic and export markets. The company's ability to capitalize on export opportunities is expected to enhance its market share in foreign markets.

## Profitability Metrics:

Higher **EBITDA margins** and **PAT margins** are anticipated in the coming years due to operational efficiency and a strong order inflow.

## Strategic Business Areas:

The company is well-positioned in high-growth areas, such as renewable energy projects, digital grid modernization, and transmission and distribution (T&D) infrastructure expansion.

Significant contributions are expected from **HVDC (High Voltage Direct Current) projects** and **energy storage solutions**, addressing critical infrastructure needs.

The **Green Energy Corridor Project** in India is a pivotal growth driver, aiming to enhance grid connectivity for renewable energy integration. Key elements include:

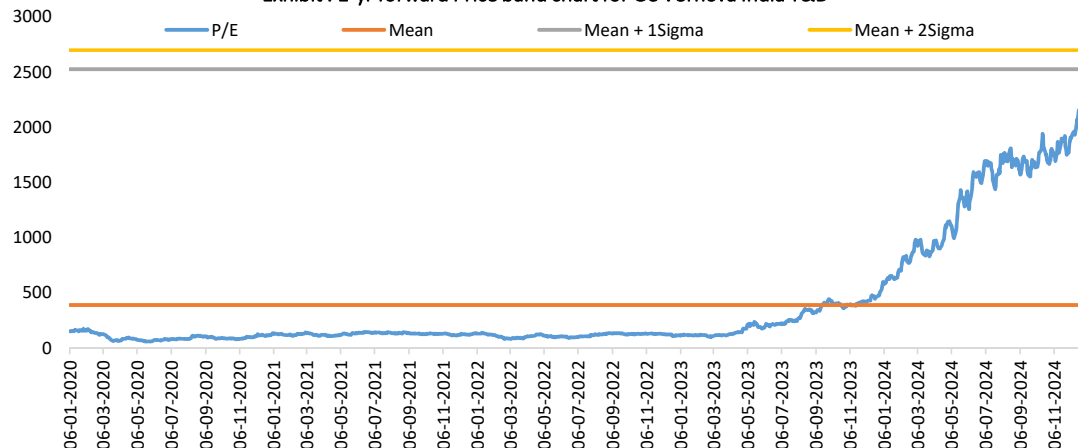
**A.** Development of high-voltage transmission lines, substations, and HVDC terminals.

**B.** Recent government approval of ₹20,773.70 crore for Phase-II, focusing on a 13 GW renewable energy project in Ladakh, scheduled for FY 2029-30.

Central financial assistance covering 40% of costs, amounting to ₹8,309.48 crore.

India's ambitious target of achieving **500 GW renewable energy capacity by 2030** drives substantial demand for transmission infrastructure.

Exhibit : 1-yr forward Price band chart for Ge Vernova India T&amp;D





## Board Of Directors Of The Company



Mr. Sandeep Zanzaria brings over 33 years of distinguished experience in the Transmission and Distribution sector in India. Currently, he oversees Strategy and Growth for the Grid Solutions Business in the Asia Pacific region. He commenced his professional journey in 1990 as a Graduate Engineer Trainee with Bharat Heavy Electricals Limited (BHEL). In 2004, he transitioned to ALSTOM T&D, where he undertook various leadership roles, including Unit Managing Director of the Project Business. Subsequently, in 2015, he joined Schneider Electric India as Vice President of Projects for South Asia. Since 2017, Mr. Zanzaria has been associated with GE T&D India Ltd., where he has been instrumental in shaping the commercial strategy for the Grid Solutions Business in South Asia. Mr. Zanzaria has been serving as a National Executive Member of the Indian Electrical and Electronics Manufacturers' Association (IEEMA) since August 2021. An alumnus of Maulana Azad College of Technology, Bhopal (formerly Regional Engineering College and now NIT Bhopal), he earned his degree in Electrical Engineering in 1989. He has further honed his expertise through participation in senior leadership development programs at the Indian School of Business (ISB), Hyderabad, and GE's Management Development Center at Crotonville, USA.

Mr. Sushil Kumar serves as the Whole-time Director and Chief Financial Officer of GE T&D India, bringing over 24 years of extensive experience in finance across leading organizations such as GE, Alstom, Areva, and Schneider. Over the past 14 years, he has played a pivotal role in the company, managing diverse finance functions including strategy, commercial finance, treasury, turnkey business, and business planning. His contributions include leading integration efforts and spearheading various finance initiatives. Mr. Kumar began his professional journey as an Audit Manager at A. F. Ferguson & Co., where he gained valuable experience over three years before transitioning to the power industry. A Chartered Accountant by qualification, he is also an alumnus of Shri Ram College of Commerce, University of Delhi.



Mr. Nimai Verma currently serves as the Interim Company Secretary and Compliance Officer of GE T&D India. A member of the Institute of Company Secretaries of India (ICSI), he also holds a degree in law (LLB). With over 10 years of experience in legal and corporate governance, his expertise spans corporate laws, compliance, mergers and acquisitions, restructuring, fund raising, investor relations, board and shareholder management, SEBI regulations, and foreign direct investments (FDI). Before joining GE T&D India in June 2023, Mr. Verma held various roles in the legal and secretarial functions of prominent organizations, including DCM Shriram Limited, Dish TV India Limited (formerly part of the Essel Group), and A2Z Group. His most recent role was as Lead at Dish TV India Limited, Noida. Prior to this, he served as Deputy Manager at DCM Shriram Limited.

Mr. Rathindra Nath Basu, appointed Chairman (Independent Director) of GE T&D India Limited effective January 16, 2024, has an illustrious career spanning over four decades in India's infrastructure sector. His expertise encompasses critical domains such as power generation, transmission and distribution, large industries, and transport mobility.

He began his career at NTPC (1978–1983), pioneering advanced real-time computer applications for power plants—an innovation introduced for the first time in India. Following this, he joined ESPL/Westinghouse (1983–1985), where he led efforts to establish a joint venture for real-time automation systems catering to power and industrial plants.

From 1985 onward, Mr. Basu served in various leadership roles with prominent global multinational corporations, including Cegelec/Alcatel Alsthom, Areva, Alstom, and GE. He played a pivotal role in executing six mergers and acquisitions, developing extensive industrial footprints, strengthening project management capabilities, and establishing advanced software centers. A strong advocate of the "Make in India" initiative, he significantly contributed to bringing high-tech technologies to India since the mid-1990s.

In recognition of his leadership, Areva T&D India received the *Business Standard* award in 2009, being named the "Best MNC Company Operating in India."

Mr. Basu holds a B.Tech in Electronics from Science College, Calcutta University, and a B.Sc. (Honors in Physics) from St. Xavier's College, Calcutta University. A National Scholar at the high school level, he completed the Advanced Management Program at INSEAD, France, in 1997–1998.

An active thought leader in the energy sector, Mr. Basu regularly contributes to *Energy Konnect*, a leading e-magazine for India's electricity infrastructure. Through his writings, he shares insights and recommendations for building a secure and sustainable energy infrastructure for India as it approaches 2047.

Ms. Neera Saggi, aged 66, brings over 39 years of diverse and extensive experience spanning both the public and private sectors. She served as a member of the Indian Administrative Service (IAS) for 28 years, during which she held key roles across various domains, including ports, Special Economic Zones (SEZs), export promotion, textiles, area administration, and rural development. Her government tenure involved collaborating with multiple stakeholders to drive impactful initiatives in these sectors.

Ms. Saggi holds an impressive academic portfolio, including a Master of Business Administration in Business Administration and Management from the International Centre of Public Enterprise, Ljubljana, Slovenia (sponsored by the Government of India and UNDP). She also earned a Master's degree in English Literature from Delhi University, a Bachelor of Arts (Hons.) from Gauhati University, and completed a one-month program on "Effective Governance" conducted by IIM Ahmedabad in collaboration with The Kennedy School of Governance.

In her current capacity, Ms. Saggi serves on the Boards of several prominent companies, including Swaraj Engines Limited, Tata Projects Limited, LTIDPL INDVIT Services Limited, Mahindra Integrated Business Solutions Private Limited, and Honeywell Automation India Limited. Her wealth of experience and leadership skills continue to contribute significantly to these organizations.

Company Production and Manufacturing

GE Vernova T&D India Limited | Overview



GE Vernova T&D India Limited

ACCELERATING THE ENERGY TRANSITION

98.4 BINR

As on 30/09/24  
Orders In Hand

57.9 BINR\*

FY 23-24  
Orders

31.7 BINR

FY 23-24  
Revenue

3.4 BINR\*\*

FY 23-24  
EBITDA

10.8 %

FY 23-24  
EBITDA %

6.8 BINR

As on 30/09/24  
Cash and Cash  
Equivalents

5

Manufacturing  
Plants

1,589

No of Employees  
as of 31/03/24

75

No of Countries  
served

-50%

of India's power flow is  
monitored through Digital  
Solutions provided by GE  
Vernova T&D India



GRID SYSTEMS  
INTEGRATION

Substation integration  
projects, including high-  
voltage direct current (HVDC)  
transmission systems and  
flexible alternating current  
transmission systems  
(FACTS).



GRID  
AUTOMATION

Products that remotely monitor  
and control the electrical grid,  
such as GridBeats, a  
comprehensive software-  
defined automation application  
suite.



POWER  
TRANSMISSION

high voltage substation  
equipment, including power  
transformers, circuit  
breakers, instrument  
transformers and gas  
insulated switchgears.



ELECTRIFICATION  
SOFTWARE

Grid Operations & Optimization  
Distribution & Outage  
Management  
Digital Workforce  
Geospatial & Mobile Solutions

Electrification systems are designed to ensure the effective transmission, conversion, storage, and distribution of electricity from generation points to end consumers.

Components:

- 1.Grid Solutions:** Tools and equipment to enhance grid efficiency and reliability.
- 2.Power Conversion:** Devices to optimize the conversion of electricity from one form to another (e.g., AC to DC).
- 3.Solar & Storage Solutions:** Advanced solutions to integrate renewable energy sources like solar power into the grid while ensuring reliable energy storage.
- 4.Electrification Software:** Digital technologies for grid management, improving operational efficiency and reliability.

Benefits:

- 1.Facilitates the integration of renewable energy into the grid.
- 2.Reduces reliance on fossil fuels, aiding in decarbonization.
- 3.Enhances grid reliability, preventing outages and ensuring continuous power supply.

Grid Systems Integration:

Focused on enabling effective and resilient power systems through high-end integration technologies.

Products:

- 1.Substation Integration Projects:** Turnkey solutions for connecting power generation sources to the grid.
- 2.High Voltage Direct Current (HVDC) Systems:** Advanced technology for transmitting renewable energy over long distances.
- 3.Flexible AC Transmission Systems (FACTS):** Tools to improve grid controllability and increase the power transfer capacity.

Advantages:







- 1.Long-distance energy transmission with minimal losses.
- 2.Stabilizes grid voltage and frequency, enhancing power quality.
- 3.Supports renewable energy sources like wind and solar by addressing variability.

Strong Domestic Manufacturing Base

... with sufficient built-up capacity



GE Vernova T&D India Limited

			<220 KV	400 KV	765 KV	HVDC
Vadodara Gujarat		<ul style="list-style-type: none"> <li>Power Transformers</li> <li>Reactors</li> <li>HVDC Transformers</li> </ul>	✓	✓	✓	✓
Paddapai Tamil Nadu		<ul style="list-style-type: none"> <li>GIS Equipment</li> <li>Circuit Breakers</li> </ul>	✓	✓	✓	
Hosur Tamil Nadu		<ul style="list-style-type: none"> <li>Current Transformers</li> <li>Capacitive voltage transformers</li> <li>Wave Trap</li> </ul>	✓	✓	✓	
Pallavaram Chennai		<ul style="list-style-type: none"> <li>Relays / C&amp;R Panels</li> <li>SCADA</li> <li>Communications</li> </ul>	✓	✓	✓	
Sector 83 Noida		<ul style="list-style-type: none"> <li>Digital Control Centre Platform</li> <li>Assembly &amp; Integration</li> <li>Smart grid &amp; Test Lab Facilities</li> </ul>	← Diverse capabilities across value chain →			
Sector 128 Noida		<ul style="list-style-type: none"> <li>Turnkey Substation Project office</li> <li>HVDC Substation Project Office</li> <li>Service and Spares</li> </ul>	✓	✓	✓	✓


GE Vernova T&D India Limited covers full range of voltages up to 765kV and including HVDC

Established Operating Track-record

... delivering many first of its kind in Indian market




GE Vernova T&D India Limited




INDIA'S FIRST

765 kV Air Insulated  
Substation at Sipat,  
Madhya Pradesh for NTPC




INDIA'S LARGEST

400 kV GIS for 800kV  
HVDC Kurukshetra  
Substation – First to  
establish GIS factory in  
India




HIGHEST NUMBER

of 765 kV  
Transformers/Reactors  
(>600) manufactured  
locally + 800 kV HVDC  
transformers




INDIA'S FIRST

UHVDC 800 kV  
Transformer for Champa  
Kurukshetra Project for  
Power Grid Corporation of  
India




National Transmission  
Asset Monitoring  
Center for Power Grid  
at Manesar




GE's FIRST

765 kV locally  
manufactured GE GIS  
Commissioned at Phagi




INDIA'S FIRST

Digital Substation at  
Jambuva, Gujarat for  
Gujarat Energy  
Transmission  
Corporation



FIRST AND LARGEST

Airport Power Supply  
System, Delhi T3



National/Regional Load  
dispatch Centers  
India, Bhutan,  
Bangladesh, Sri Lanka

Grid Automation :

Technologies and tools designed to automate grid monitoring and management.

Offerings:

- 1.Remote Monitoring Systems (e.g., GridBeat):** Software for real-time data analysis of grid performance.
- 2.Digital Substations:** Enhanced substations that digitize and automate traditional processes.
- 3.Grid Analytics:** Tools for actionable intelligence, helping operators optimize grid performance.

Benefits:

- 1.Real-time situational awareness for operators, leading to quicker decision-making.
  - 2.Faster power restoration during outages.
- Advanced cybersecurity features (e.g., Digital Ghost) protect against threats.





## Opportunities & Future Outlook

### Advanced Grid Products and Services

... solving the T&D sectors biggest challenges

GE Vernova T&D India Limited

#### INDUSTRY LEADING PRIMARY EQUIPMENT & EXPERTISE



#### INDUSTRY LEADING DIGITAL SOLUTIONS



#### Advanced Solutions:

Pioneered HVDC systems for efficient renewable energy transmission and SF6-free technologies reducing global warming potential by 99%. Flexible AC systems and Dynamic Line Rating enhance grid resilience and stability.

#### Digital Transformation:

Introduced GridOS, integrating IT and OT platforms for seamless grid operations. AI/ML-powered digital substations optimize diagnostics and system management.

#### Manufacturing Excellence:

Five facilities in India, producing state-of-the-art GIS and transformers for domestic and global markets.

#### Domestic Leadership:

Delivered India's largest 765 kV TBCB project, adding 3.5 GW capacity. Commissioned 17 substations and executed 35 GIS projects, including high-profile ventures with Adani and Renew Power.

#### Technological Innovations:

Launched GridBeats (AI-based automation) and DGA900+ (transformer diagnostics), boosting operational efficiency. Secured multiple SCADA/ADMS projects under RDSS for digitalizing India's grid infrastructure.

#### Advanced Solutions:

Pioneered HVDC systems for efficient renewable energy transmission and SF6-free technologies reducing global warming potential by 99%. Flexible AC systems and Dynamic Line Rating enhance grid resilience and stability.

### GE Vernova Capabilities in T&D

... available to GE Vernova T&D India Limited

GE Vernova T&D India Limited

Business Lines	Products/ Technology	GE Vernova	GE Vernova T&D India
Power Transmission	Power Transformers	✓	✓
	Reactors	✓	✓
	HVDC Transformers	✓	✓
	GIS Equipment	✓	✓
	Circuit Breakers	✓	✓
	Current Transformers	✓	✓
	Capacitive voltage transformers	✓	✓
	AIS Wave Trap	✓	✓
	Instrument Transformer	✓	✓
	Disconnectors (Switches)	✓	✓
	Surge arrester	✓	✓
	Generator circuit breaker	✓	✓
	Bushings	✓	✓
	Capacitor	✓	✓
	Air core reactors	✓	✓
Grid Automation	Relays / C&R Panels	✓	✓
	SCADA	✓	✓
	Communications	✓	✓
	Asset Performance Management	✓	✓
	Intelligent Digital Substation	✓	✓

✓ Existing manufacturing and execution Capabilities at GE Ver T&D India Limited, under trademark and Royalty agreement with GE VERNOVA

✓ Procured from GE Vernova on case to case basis

✓ Projects executed in consortium with GE Vernova due to customer qualification criteria

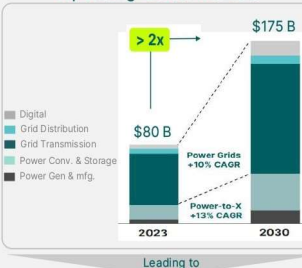
All Products/Technologies in T&D segment are either existing in GE Vernova T&D India or can be sourced from GE Vernova

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## Export Opportunities Driver

GE Vernova T&D India Limited

#### Expanding Global Markets



#### Higher Exports for GE Vernova T&D India



#### Our Export Capabilities



#### Benefits of Export

- ✓ Higher margin vs domestic market
- ✓ Large customer base
- ✓ Better utilization of factories/ resources

#### Additional benefits from export to GE Vernova

- ✓ Better payment terms within group
- ✓ Limited commercial costs
- ✓ Mainly product supply for overall turnkey project executed by group

#### Export Growth:

Delivered high-value projects to Bangladesh, Sri Lanka, Senegal, and South Korea, showcasing global competitiveness. Key achievements include HVDC transformers for South Korea and SCADA/ADMS systems in South Asia.

#### Utility Digitalization:

Secured multiple SCADA/ADMS projects under the RDSS, enhancing grid automation and operational resilience. Launched GridBeats, an advanced suite leveraging AI/ML for grid management and predictive diagnostics.

Strong Global demand providing tremendous export opportunities to GE Vernova T&D India



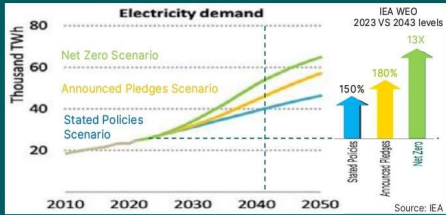
## Industry Analysis And Company Future Outlook

## Energy Transition

... multiple tailwinds leading to increased energy demand ... India as well as globally

GE Vernova T&amp;D India Limited

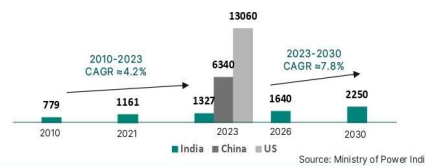
## The world needs more electricity



- >60% increase in electricity demand by 2040
  - ~750M people lack access to reliable electricity
  - Investment estimate of \$3.2 trillion to \$4.7 trillion by 2030
  - Enables economic growth, health and prosperity
  - Electrification of transportation, industry and heat to decarbonize non-power sector
- Source: Bloomberg

## India needs more electricity

Increasing Consumption per capita (kWh)



## Sector Insights

## Renewable Energy Push:

With a target of 500 GW renewable energy by 2030, India's ambitious agenda opens avenues for infrastructure expansion and modernization.

FY 2023-24 saw 18.4 GW of new renewable capacity, boosting total installations to 144 GW.

## Transmission Network Expansion:

64.48% growth in India's national transmission network over nine years highlights rising demand for high-voltage solutions.

Investments of over ₹2.44 lakh crore anticipated for Green Energy Corridors, enhancing renewable energy evacuation.

GE Vernova T&amp;D India Limited

**Electric Vehicles (EVs):** EV sales doubled in FY24, signaling increased demand for grid modernization and electrification projects.

**Data Centers:** The rapid growth of data centers in India is expected to drive energy consumption by 20–25% annually, creating demand for efficient grid solutions.

**Urbanization and Electrification:** Rapid urbanization and rural electrification efforts are increasing per capita energy consumption, which remains below the global average. This gap indicates immense growth potential for power demand.

Government initiatives like "Make in India" and PLI (Production Linked Incentives) schemes for power equipment manufacturing

Policies promoting renewable energy integration and grid modernization bolster the T&D sector.

## Energy Transition in India

... supported by Indian Government policies and private investment

## POWER GENERATION

- 500GW Renewable Energy by 2030
  - 37GW Offshore wind; investment of \$53 B
  - 57 GW Pump Storage potential identified. Waiver of ISTS charges + Nomination basis allocations to CPUs + Green Finance etc.
- \$400 B investment in power generation by 2032
- 100% FDI in power segment and renewable energy
- Infrastructure status for energy storage systems, incl grid-scale battery system

## TRANSMISSION

- Transmission Plan for Integration of 500GW renewable Energy
  - Green Energy Corridor projects
  - Tariff Based Competitive Bidding
  - Regulated tariff mechanism
- \$150 B - \$170 B of investment required in T&D and energy storage to cater to the incremental renewable energy capacity
- Cross Border HVDC links
- Grid Digitalization Central & State utilities

## DISTRIBUTION

- \$48 B outlay for Revamped Distribution Sector Scheme till FY 2025-26
- National Electricity Fund providing interest subsidy on loans to DISCOMS
- Integrated Power Development Scheme for IT enablement of distribution
- \$5.3 B outlay for Deendayal Upadhyaya Gram Jyoti Yojana for metering & distribution networks in the rural areas

## ELECTRO-INTENSIVE INDUSTRIES

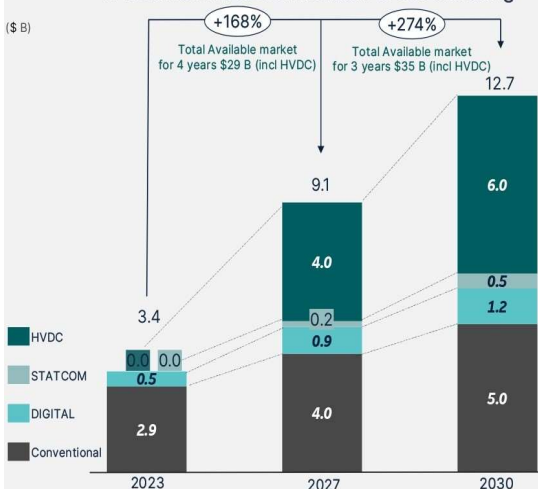
- National Green Hydrogen Mission with outlay of \$4.8 B
- Data Center growth prospects : 5.5 GW capacity addition in next 6 years with an investment of ~ \$18 B
- Metals & Mining Investments due to rising demand in infrastructure by 2030. Steel : Addition of 26 MTPA, Aluminum : 5 MTPA
- Metro : 5 Approved and 21 Planned Metro projects in future will bring huge investments in India

## Energy Transition in India

...leading to strong market visibility for T&amp;D sector in India

GE Vernova T&amp;D India Limited

## Investment in electrification is accelerating



## Projects to accelerate energy transition in India

**HVDC :** 5-6 projects worth ~\$15 B in next 4-5 years.

Near term projects :

- 6.0 GW Bhadla-Fatehpur LCC
- 6.0 GW Khavda-Nagpur LCC
- 2.5 GW Khavda-South Olepad VSC
- 5.0 GW Leh-Kaithal VSC

**STATCOM :** 30 projects worth ~\$0.8 B in next 3 years

**Digital :** Opportunities of ~\$3.8 B in next 5 years

Near term projects :

- Regional Unified load dispatch center scheme
- RDSS: Distribution utility SCADA/ADMS projects
- STAMC & REMC market
- URTDSM phase 2

**Green Energy Corridor: Substation**

Substation Projects of ~\$9 B under TBCB route from various developers and EPC companies in next 4-5 years

**Renewable Energy Push:** India added 18.4 GW of renewable energy in FY24, bringing the installed capacity to 144 GW, which now accounts for 43% of the total capacity (~442 GW).

Government's ambitious target to reach 500 GW of renewable energy by 2030 requires massive infrastructure investments, especially in transmission and distribution

**Rising Power Demand:** FY24 energy consumption increased by 7.04%, with industrial and residential sectors driving demand.

Peak power demand reached 243 GW (12.7% YoY increase), stressing the need for robust transmission networks.

**Emerging Demand Drivers:** Increase in electric vehicles, green hydrogen, and data centers requiring robust power infrastructure.



## Industry Analysis And Company Products

GE Vernova's Grid Solutions division offers a comprehensive suite of products and services designed to enhance the efficiency, reliability, and sustainability of electrical grids worldwide. Here's an in-depth analysis of their offerings and their potential benefits to investors and national economies:

### 1. High Voltage Direct Current (HVDC) Systems:

**Usage :** High Voltage Direct Current (HVDC) systems enable efficient long-distance power transmission, renewable energy integration, grid interconnection, and enhanced network performance. Utilizing power electronics to convert AC and DC voltage, HVDC systems support existing networks and the development of new power highways.

**Where Company Stand :** GE, with over 130 years of expertise, designs and delivers customized HVDC solutions worldwide. Offering Line Commutated Converters (LCC) and Voltage Source Converters (VSC), GE's technologies cater to various applications, including overhead line, back-to-back, submarine/land cable, and offshore schemes.

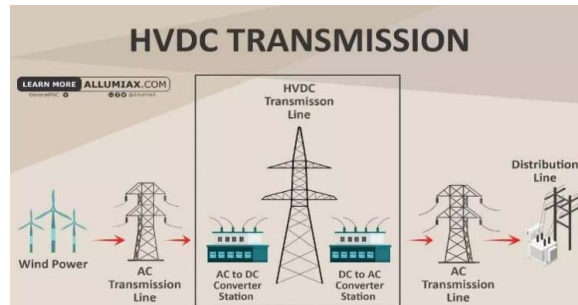
**Benefits:** By facilitating efficient long-distance power transmission, HVDC systems support grid stability and the incorporation of renewable energy, reducing greenhouse gas emissions and enhancing energy security.

**Control power flow:** HVDC allows the network operator to control the flow of power in either direction.

**Interconnect networks:** HVDC can connect networks that operate at different frequencies or are asynchronous.

**Improve AC system stability:** HVDC can improve the stability of the surrounding AC power system.

**Fewer wires:** HVDC lines use two conductors, while AC lines typically use three. This means that HVDC lines require narrower towers and have lower right of way requirements.



### 2. Flexible AC Transmission Systems (FACTS):

A Flexible AC Transmission System (FACTS) is a power electronics-based technology used to enhance the controllability, stability, and power transfer capacity of an AC transmission system, allowing for more efficient and flexible power flow management by actively regulating voltage and reactive power within the grid; essentially providing greater control over how electricity is transmitted across power lines.

**Benefits:** FACTS solutions enhance grid reliability and efficiency, enabling better utilization of existing infrastructure and supporting the integration of renewable energy sources. a.Increased transmission capacity,b.Improved grid stability, c.Enhanced power quality, d.Load flow control in meshed systems, f.Ability to mitigate voltage fluctuations.



**3. Substation Solutions:**Substations are complex systems that play a key role in the power grid by converting electricity into different voltages for transmission and distribution. Some of the functions of a substation include: Changing voltage levels, Regulating voltage, Switching transmission and distribution circuits, and Measuring electric power qualities.

#### Types:

**Gas-Insulated Substations (GIS):** Compact and suitable for urban or constrained spaces.

**Air-Insulated Substations (AIS):** Traditional design for open spaces.

**Benefits:** Substations are critical for voltage transformation and distribution, ensuring reliable power delivery to end-users. Advanced substation solutions improve operational efficiency and reduce maintenance costs.





## Industry Analysis And Company Products

**4. Microgrid and Distributed Energy Resource (DER) Management Solutions :** A "microgrid" is a localized electrical grid that can operate independently from the main power grid, often utilizing smaller, distributed energy resources (DERs) like solar panels, batteries, and small generators to power a specific area, while "DERs" are individual, smaller energy generation or storage units located near the point of consumption, like rooftop solar panels or home battery systems, that can be integrated into a microgrid system.

**Function:** These solutions enable the integration and management of decentralized energy resources, such as solar panels and energy storage systems, allowing for localized energy generation and consumption.

**Benefits:** 1. Microgrids enhance energy resilience, provide energy access in remote areas, and support the transition to renewable energy sources, contributing to energy independence and sustainability.

2. Reduced reliance on fossil fuels by integrating renewable energy sources like solar and wind into DERs, microgrids can contribute to cleaner energy production.

3. Cost savings utilizing DERs can potentially lower electricity bills by generating power on-site.

Examples of DERs : Rooftop solar panels, Small wind turbines, Battery storage systems, Electric vehicle chargers, and Combined heat and power (CHP) units



## 5. Transformers:

### Types:

**Power Transformers:** For high-voltage applications.

**Distribution Transformers:** For lower voltage distribution networks.

**Benefits:** Transformers are essential for voltage regulation and efficient power distribution across the grid, ensuring that electricity is delivered safely and reliably to consumers.



## 6. Switchgear and Circuit Breakers :

**Function:** These devices protect and control electrical equipment by managing fault conditions, preventing equipment damage and ensuring safety.

**Benefits:** High-quality switchgear and circuit breakers enhance grid safety and reliability, reducing the risk of outages and improving overall system performance.



**7. Grid Automation and Digital Solutions:** refers to the application of advanced digital technologies like sensors, data analytics, and communication networks within an electrical power grid to automate various functions, optimizing efficiency, reliability, and resilience, allowing for real-time monitoring, control, and decision-making to manage power distribution effectively; essentially, using digital tools to "smarten up" the electricity grid

**Function:** These technologies provide real-time monitoring, control, and optimization of grid operations, enabling smarter and more efficient grid management.

**Benefits:** Automation and digital solutions improve operational efficiency, reduce downtime, and facilitate the integration of renewable energy sources, supporting the development of smart grids.

### Enhanced Efficiency:

Optimized power flow management, reducing energy losses and improving grid stability.

**Service :** Ge-vernova is offering a range of services to support the deployment and maintenance of equipment and solutions worldwide. With over a century of service experience, the company provides tailored solutions to meet business objectives, leveraging a global team of expert service engineers and a robust field service network.

### Key offerings include:

Expertise and high-quality service.

Comprehensive asset care across the product lifecycle.

Minimized downtime and reduced costs.

Rapid technical support and global repair facilities.

Compliance with regulatory standards.

Access to OEM spare parts and performance-guaranteed contracts.





**Multiple Positive Factors Are Driving T&D India Limited Growth Trajectory In India.****To stay focused on technology intensive projects****Investment Perspective****a. Financial Health:**

- Consistent improvement in gross margins (41% in Q2 FY25).
- Diversified revenue streams from domestic and international markets.

**b. Growth Trajectory:**

- Sustainable annual order inflow projected between INR 78 billion to INR 82 billion.
- Strategic focus on high-margin digital and export orders.

**c. Long-Term Prospects:**

- Positioning as a global leader in T&D infrastructure by leveraging parent company's technological prowess.
- Opportunities in India's ambitious energy transition plans offer long-term revenue visibility.
- Increasing investments in sustainable solutions and green technologies.

**d. Shareholder Value:**

- Robust financials and strategic growth initiatives provide strong potential for share price appreciation.
- Focus on dividend payouts and capital return policies enhances investor confidence.

**Industry Analysis and Market Dynamics :****a. Power Sector Growth in India:**

- **Renewable Energy Expansion:** India's renewable energy capacity has grown from 76 GW in 2014 to 210 GW in 2024, with a target of 500 GW by 2030. This presents significant opportunities for T&D infrastructure development.
- **Urbanization and Electrification:** Rapid urbanization and rural electrification efforts are increasing per capita energy consumption, which remains below the global average. This gap indicates immense growth potential for power demand.

**b. Emerging Technologies and Trends:**

- **Digitalization:** Integration of smart grids, Wide Area Monitoring Systems (WAMS), and energy management tools is transforming the T&D landscape.
- **Electric Vehicles (EVs):** The push for EV adoption necessitates robust charging infrastructure, creating demand for advanced T&D solutions.
- **Green Hydrogen:** India's ambitions in green hydrogen production will drive demand for specialized power infrastructure.
- **Automation:** Increasing adoption of high-margin automation solutions in domestic and export markets.

**C. Competitive Landscape:****Private Sector Participation:**

- Increasing participation from private players in TBCB projects enhances competition but also expands the market.
- **Technological Advancements:** Companies with advanced digital and automation capabilities, like GE Vernova, are well-positioned to capture higher-margin opportunities.

**Export Growth:**

- India's T&D companies are leveraging global demand, especially in emerging economies seeking grid modernization.

**D. Policy and Regulatory Support:**

- Government initiatives like "Make in India" and PLI (Production Linked Incentives) schemes for power equipment manufacturing.
- Policies promoting renewable energy integration and grid modernization bolster the T&D sector.

**HVDC Systems****STATCOM****New technologies****Orchestration Software**

**Focus on electrifying the world while simultaneously decarbonizing it with zero to lower carbon technology.**

**Lead in addressing the Energy Trilemma, balancing reliability, affordability and sustainability.**

## The HVDC Future In India

### 1. Rising Role of HVDC in India's Energy Infrastructure:

- India's renewable energy ambitions, targeting 500 GW of non-fossil capacity by 2030, position HVDC transmission as a cornerstone for achieving efficient, long-distance power transmission.
- HVDC transmission lines facilitate high-capacity power transfers with lower energy losses, making them indispensable for renewable energy integration and regional power grid interconnections.
- In FY24, the total interregional electricity transfer increased by 5.6% to 249,487 million units (MU), with HVDC lines contributing 80,405 MU, a 23.8% jump from FY23. This highlights the growing reliance on HVDC infrastructure.

### 2. Massive Infrastructure Expansion:

- The Central Electricity Authority (CEA) projects the addition of 4,300 circuit kilometers (ckm) of HVDC lines and 12,000 MW of transfer capacity by FY27. This would increase the HVDC network to 23,675 ckm and 45,500 MW of capacity by March 2027.
- Major upcoming projects, such as PGCIL's Ladakh HVDC system, are expected to evacuate 13 GW of renewable energy and are valued at over ₹20,000 crore. This highlights the scale of investment and its potential to generate sustained revenue streams for years.

### 3. Private Sector Involvement:

- The growing privatization of transmission projects is evident from the 40+ ISTS (Interstate Transmission System) schemes currently under bidding. A significant portion includes HVDC infrastructure.
- Private entities' participation through competitive bidding (TBCB model) introduces efficiency and innovation, potentially boosting revenue margins for private developers and EPC (Engineering, Procurement, and Construction) firms.

### 4. Regional and Global Growth Factors:

- Domestically, HVDC plays a crucial role in resolving power imbalances by facilitating the transfer of surplus power from energy-rich states to deficit regions. This enhances grid stability and encourages energy trading, creating ancillary revenue streams.
- On a global scale, the growing emphasis on clean energy transitions in developed countries is driving demand for HVDC equipment. This global trend positions Indian manufacturers and technology providers to capture international market opportunities.

#### Impact of Raw Material Costs and Capex

#### 1. Cost Sensitivity to Raw Materials:

- HVDC infrastructure depends heavily on critical raw materials like copper, aluminum, and advanced semiconductors. Fluctuations in commodity prices can significantly affect project costs and, consequently, profit margins.
- Supply chain disruptions, exacerbated by global demand for renewable energy solutions, pose a challenge. For example, limited availability of specialized semiconductors for Voltage Source Converter (VSC) technology may lead to procurement delays and cost escalations.

#### 2. High Initial Capital Requirements:

- The advanced nature of HVDC technology demands significant upfront investments, from grid infrastructure to converters and substations.
- Projects like the Raigarh-Pugalur HVDC line, which spans 1,750 km and includes innovative underground cabling, showcase the capital-intensive nature of the sector.
- While the operational efficiency of HVDC systems leads to long-term cost savings, the upfront capex can pressure profit margins, particularly for projects financed through debt.

#### 3. Efforts to Reduce Dependency on Imports:

- India's "Make in India" initiative encourages local manufacturing of HVDC components, reducing dependency on expensive imports and exchange rate volatility.
- Domestic production facilities by key players like GE T&D India aim to meet the rising demand while enhancing cost efficiency and ensuring supply reliability.

#### 4. Adoption of Innovative Technologies:

- VSC technology, used in the Pugalur-Trichur HVDC link, and digital substations represent significant technological advancements. While such innovations improve transmission efficiency, they also entail higher R&D and manufacturing costs, which must be offset by long-term operational gains.

#### 5. Alignment with National Goals:

- The alignment of HVDC investments with national energy transition goals positions companies as essential partners in India's growth story, improving brand equity and long-term market positioning.

#### 6. Global Trends in Clean Energy:

- The global push for renewables aligns with India's HVDC expansion goals, ensuring sustained demand for technology providers and equipment manufacturers.
- However, this trend also creates competition for resources, as developed nations may secure significant portions of the global HVDC supply chain.



## Management Commentary

### 1. Energy Transition

The global shift towards renewable energy presents a tremendous opportunity for the company. With India's ambitious target of achieving 500 GW renewable energy capacity by 2030, the integration of renewable energy into the grid is a crucial driver. Modernizing grid infrastructure and deploying advanced technologies such as smart grids, energy storage systems, and cybersecurity solutions ensure that electricity flows seamlessly from renewable resources to demand centers. These advancements not only contribute to sustainability but also position GE Vernova as a leader in India's energy transformation.

### 2. Increasing Per Capita Energy Consumption

India's per capita energy consumption is still significantly below the global average, but it has been rising steadily. As the country's economy grows and urbanization expands, the demand for electricity is expected to surge. With improved living standards and electrification in rural areas, the consumption pattern will drive expansion in transmission and distribution infrastructure. This increasing demand creates opportunities for GE Vernova to deliver high-capacity transformers, switchgear, and other critical T&D solutions.

3. GE Vernova successfully commissioned the Gagad substation for ReNew, a critical project strengthening India's southern grid. Additional achievements include commissioning 220 kV GIS Bays for GETCO, WBSETCL, and DVC, as well as 132 kV GIS Bays for BSES. The company also installed and commissioned circuit breakers ranging from 145 kV to 765 kV across India and Bangladesh.

### Emerging Demand Drivers

The rise of electric vehicles (EVs), green hydrogen production, and data centers is reshaping energy needs. These sectors require reliable, high-capacity, and digitally enabled power infrastructure, which aligns with GE Vernova's expertise in providing cutting-edge solutions. EVs, for instance, necessitate robust charging networks supported by dependable grids, while data centers demand consistent power supply and grid stability. As these sectors grow, they provide new avenues for revenue generation.

### 4. Order Book and Backlog

A record-breaking order backlog of ₹98.4 billion offers the company substantial revenue visibility for the next few years. This growth, supported by new orders from Power Grid and international markets, reflects strong market demand and confidence in GE Vernova's capabilities. High-value contracts, including digital upgrades for load dispatch centers and HVDC projects, showcase the company's ability to secure transformative projects in the energy space.

5. GE Vernova secured orders worth ₹57 billion in H1 FY '25, a significant increase from ₹20.8 billion in the previous year. Key orders in Q2 included the supply and supervision of high-voltage products from Grid Solutions SAS and Grid Solutions Middle East FZE, Dubai, both related-party transactions. These material orders were disclosed to the Stock Exchange during the quarter.

### 6. Export Growth

International markets have emerged as a critical revenue stream, with 47% of the company's orders in the first half of FY '25 coming from exports. These include major contracts with related global entities for high-voltage products and digital solutions. This diversification not only boosts revenue but also mitigates risks associated with domestic market fluctuations, creating a balanced growth strategy.

### 7. Sustainability and Digital Transformation

GE Vernova is committed to integrating sustainability into its operations. Initiatives in digital grid solutions, cybersecurity, and energy efficiency highlight the company's focus on future-ready technologies. Digital transformation is critical in maintaining reliable energy flow and optimizing grid operations. These efforts resonate with global trends of decarbonization and digitalization, attracting environmentally conscious investors and customers.

### 8. Capex and Infrastructure Expansion

The company is investing \$5-10 million in capacity expansion, particularly for transformers, to meet growing demand in both AC and HVDC markets. This strategic capex ensures readiness to handle large-scale projects without delays. Additionally, it aligns with future opportunities in the domestic and international energy markets, including evolving technologies and market needs.

### 9. Financial Strength

With a 333% YoY increase in order booking for Q2 FY '25 and a 59% revenue growth during the same period, GE Vernova is showcasing financial resilience. Improved cash positions, reduced debt levels, and robust profit margins reinforce its ability to sustain growth. Such financial health assures stakeholders of the company's long-term profitability and its capacity to invest in innovation and expansion.

### 10. Strategic Market Focus

The company has strategically targeted emerging and high-growth markets, such as data centers, renewable energy grids, and green hydrogen production. Collaborations with government and private players have bolstered its position in the competitive T&D sector. Focused bidding on HVDC and STATCOM projects further strengthens its market presence, ensuring a steady inflow of high-value order.

### 11. Geopolitical and Regulatory Factors

India's supportive policies for renewable energy and infrastructure development create a favorable environment for growth. However, the company remains vigilant about geopolitical uncertainties and regulatory shifts that could impact project timelines. Its strong relationships with government bodies and private players position it well to navigate these challenges effectively.

To support these projects, the company has outlined a clear focus on advanced transformer capabilities, aligning with HVDC requirements and also benefiting the broader AC market. Planned capital expenditures between \$5 million and \$10 million over the next year will optimize its plant infrastructure, ensuring readiness to handle both HVDC and AC demands. This proactive investment in capacity and technology underpins its readiness to lead in HVDC execution without necessitating additional large-scale capital investments.

### Investment in Technology and Capacity Building

The company has strategically planned investments of \$5 million to \$10 million in plant upgrades over the next 12 months to enhance its transformer production capabilities. These upgrades will cater to HVDC projects while also benefiting the alternating current (AC) market, ensuring operational efficiency and market adaptability. Importantly, the company plans to execute HVDC projects without substantial additional capital expenditures by leveraging existing infrastructure and tapping into global partnerships. This strategic foresight minimizes financial risks while ensuring readiness to meet the growing demand for HVDC technology.

## Quarterly Update And Concall

**Revenue:**

Q2 Revenue: ₹11.1 billion, up 59% YoY (compared to ₹7 billion in Q2 FY 2023-24).  
H1 Revenue: ₹20.6 billion, up 46% YoY (compared to the corresponding period of the previous financial year).

**Gross Margin:**

Gross Margin for Q2 FY 2024-25: 41%.  
Notable increase compared to the previous financial year's gross margin (35.6%).

**EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization):**

Q2 EBITDA: ₹2.1 billion (18.8% of revenue).  
Significant growth compared to ₹700 million in Q2 FY 2023-24.  
H1 EBITDA: 19.5%, up from 9.4% in the previous H1.

**Profit Before Tax (PBT):**

Q2 PBT: ₹1.938 billion (17.5% of revenue), compared to ₹503 million (7.2%) in Q2 FY 2023-24.

**Cash and Cash Equivalents:**

As of September 30, 2024: ₹6.8 billion, compared to ₹2.8 billion as of March 31, 2024.  
The company generated cash of ₹2.9 billion in Q2 FY 2024-25 and ₹4.5 billion in H1 FY 2024-25 (before dividend payment).

**Net Debt:**

Reduced to ₹0.1 billion as of September 30, 2024.

**Order Book:**

Q2 Order Booking: ₹46.8 billion, up by 333% YoY (compared to ₹10.8 billion in Q2 FY 2023-24).  
Order Backlog: ₹98.4 billion as of September 30, 2024, up 57% from ₹62.7 billion as of March 31, 2024.

**Export and Domestic Revenue Split:**

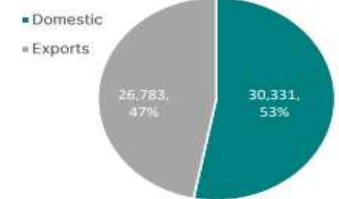
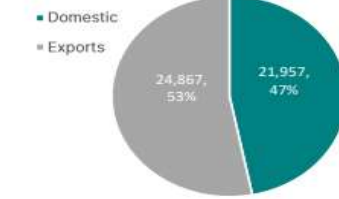
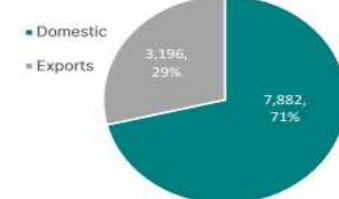
Q2 Revenue: 29% export, 71% domestic.  
H1 Revenue: 30% export, 70% domestic.  
Q2 Order Booking: 53% export, 47% domestic.

**Profit Drivers:**

Revenue increase from both export and domestic orders.  
Operational efficiency and strong order inflow contributed to margin improvements.  
One-off operational items contributed ₹400 million in Q2 but are non-repeatable.

**Key Growth Sectors:**

Renewable energy projects, digital grid modernization, and T&D infrastructure expansion.  
Strong presence in HVDC (High Voltage Direct Current) projects and energy storage solutions.

**H1'25 Orders : 57,114 M**

**Q2'25 Orders : 46,824 M**

**Q2'25 Sales : 11,078 M**

**Quarterly Update**
**₹ In Mn.**

	Q2 2025	Q1 2025	Q2 2024	QoQ (%)	YoY (%)
Revenue From Operations	11,077.70	9,583.40	6,977.60	15.59%	58.76%
Cost of goods sold	6,511.20	6,843.10	5,582.10		
as % of sales	58.78%	71.41%	80.00%		
Gross Profit	4,566.50	2,740.30	1,395.50	66.64%	227.23%
SG&A	2,519.80	1,022.60	1,117.30		
as % of sales	22.75%	10.67%	16.01%		
Operating Profit	2,046.70	1,717.70	278.20	19.15%	635.69%
Depreciation	120.5	16.3	-202.1		
EBIT	1,926.20	1,701.40	480.30	13.21%	301.04%
Other Income	38.80	118.00	91.40		
Interest Expense	27.5	20.3	68.7		
EBT	1,937.50	1,799.10	503.00	7.69%	285.19%
Exceptional Item	0	0	0		
TAX	491.30	453.70	131.30		
PAT	1,446.20	1,345.40	371.70	7.49%	289.08%
EPS	5.65	5.25	1.45		
Margins (%)					
EBIDTA	18.48%	17.92%	3.99%	55.2 bps	1448.9 bps
EBIT	17.39%	17.75%	6.88%	-36.6 bps	1050.5 bps
EBT	17.49%	18.77%	7.21%	-128.3 bps	1028.1 bps
PAT	13.06%	14.04%	5.33%	-98.4 bps	772.8 bps

**Profit Margins and Operational Efficiency**

Gross margins for Q2 FY '25 reached 41%, up from 35.6% in FY '24. The robust margin growth is driven by a favorable order mix, including high-margin export orders and digital solutions. Operational efficiency, economies of scale, and selective market participation will likely sustain margins in the 35%-40% range. However, non-recurring gains of ₹400 million in Q2 might slightly temper future quarter-over-quarter comparisons, but the focus on high-margin projects will mitigate this impact over time.

**13.Profit and Loss Statement**

The revenue growth of 59% YoY in Q2 FY '25 is accompanied by a threefold increase in EBITDA, which stood at ₹2.1 billion. This strong performance is attributed to high-margin orders and operational cost reductions. Profit Before Tax (PBT) surged to ₹1.938 billion, compared to ₹503 million in the previous year. Future earnings are likely to remain robust, driven by the execution of high-value contracts and sustained cost management initiatives.



## Financial Statement

### Income Statement (Consolidated)

₹ In Mn.	Year ending 31 march		
Particulars	2022	2023	2024
Revenue from operations	30659.5	27732.2	31679.1
Cost of goods sold	23742.3	19698.1	20778.6
Gross Profit	6917.2	8034.1	10900.5
GP Margin (%)	22.56%	28.97%	34.41%
SG&A	8006	7018.2	7710.8
Operating Profit	-1088.8	1015.9	3189.7
Operating Profit Margin (%)	-3.55%	3.66%	10.07%
Depreciation	578.6	553.8	501.5
EBIT	-1667.4	462.1	2688.2
Interest	386.5	420.1	283
Other Income	257.4	339.3	225.5
JV	0	0	0
Extra ordinary	1101.7	-113.8	0
EBT	-694.8	267.5	2630.7
TAX for The year	198.6	282.4	820.2
PAT	-496.2	-14.9	1810.5
PAT Margin (%)	-1.62%	-0.05%	5.72%

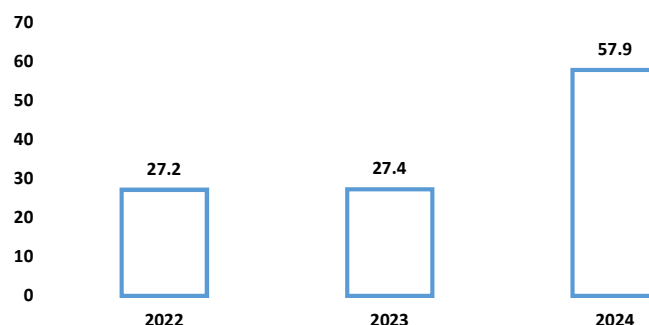
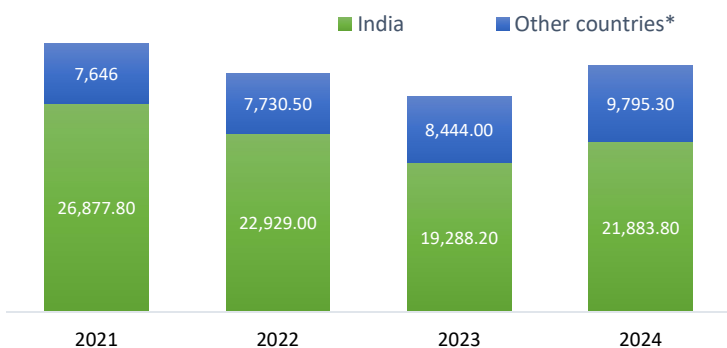
### Cash Flow Statement (Consolidated)

₹ In Cr.	Year ending 31 march		
Particulars	2022	2023	2024
<b>Cash Flow From Operations</b>			
OP CF before change in WC	-34.10	1,169.10	4,446.70
Change in WC	345.70	-1,257.90	945.80
Operating Cash Flow	311.60	-88.80	5,392.50
TAX	-229.50	-284.60	-208.90
<b>Net Operating Cash flow</b>	<b>82.10</b>	<b>-373.40</b>	<b>5,183.60</b>
<b>Cash Flow From Investing Activities</b>			
Net PPE	1,398.70	-73.30	-295.70
Other CFI	-240.7	103	-1428
<b>Total CFI</b>	<b>1158</b>	<b>29.7</b>	<b>-1723.7</b>
<b>Cash Flow From Financing Activities</b>			
Net lease/debt	-794.2	391.8	-2349
Finance Cost	-230.7	-306.2	-237.6
Dividend Paid	0	0	0
Change in Equity	0	0	0
Other CFF	0	0	0
<b>Total CFF</b>	<b>-1024.9</b>	<b>85.6</b>	<b>-2586.6</b>
<b>Cash and cash equivalents</b>	<b>708.00</b>	<b>446.70</b>	<b>1,319.40</b>

### Balance Sheet (Consolidated)

₹ In Mn.	Year ending 31 march		
Particulars	2022	2023	2024
PPE	4566.1	4206.3	4005.6
Intangible Assets	90.9	92.9	111
DTA	3187.9	3180.2	2778.9
Other non-current assets	2470.1	2573.9	2522.4
Investments	97.5	85.8	83.5
Other non-current financial assets	0	0	0
<b>Total non-current assets</b>	<b>10412.5</b>	<b>10139.1</b>	<b>9501.4</b>
Cash	824	468	1341
Account Receivables	15627.2	15509.6	14375.1
Inventory	6225.8	6438.6	5891.6
Current tax assets (Net)	0	0	0
Other financial assets	477.7	376.7	147.6
Short-term Investments	0	0	1428.1
Other current assets	4106.3	3862.6	3159.1
<b>Total Current Assets</b>	<b>27261</b>	<b>26655.5</b>	<b>26342.5</b>
<b>Total Assets</b>	<b>37673.5</b>	<b>36794.6</b>	<b>35843.9</b>
Common Shares	512.1	512.1	512.1
Other Equity	10290.8	10215	11917.3
<b>Total Equity</b>	<b>10802.9</b>	<b>10727.1</b>	<b>12429.4</b>
Long Term Debt/Lease	511.20	411.60	298.60
Deferred tax liabilities (Net)	0.00	0.00	0.00
Other non-current financial liabilities	0.00	0.00	0.00
Other non-current liabilities	0.00	0.00	0.00
Provisions	1030.00	1020.30	606.30
<b>Total non current liabilities</b>	<b>1541.20</b>	<b>1431.90</b>	<b>904.90</b>
Provisions current	5775.00	4719.60	4555.40
Trade Payables	11110.20	10606.70	8855.90
Short term debt	1747.90	2321.70	119.60
Current tax liabilities (Net)	0.00	0.00	0.00
Other current liabilities	6322.20	6573.70	8008.80
Other Financial Liabilities	374.10	413.90	969.90
<b>Total Current Liabilities</b>	<b>25329.40</b>	<b>24635.60</b>	<b>22509.60</b>
<b>Total Equity &amp; Liabilities</b>	<b>37673.50</b>	<b>36794.60</b>	<b>35843.90</b>

### Order Booking In Billion INR



**Ratios -Analysis**

Particulars	FY-22	FY-23	FY-24
<b>Profitability Ratios</b>			
Sales Growth(%)	-11.19%	-9.55%	14.23%
Expenses Growht(%)	-6.47%	-17.03%	5.49%
Gross Profit Growht(%)	-24.31%	16.15%	35.68%
EBITDA Growht(%)	-174.98%	-193.30%	213.98%
EBIT Growth (%)	-309.79%	-127.71%	481.74%
Net Profit Growth (%)	-182.26%	-97.00%	-12251.01%
Gross Margin Growth	-391 bps	640.9 bps	543.9 bps
Operating Margin Growth	-775.8 bps	721.5 bps	640.6 bps
Net Margin Growth	-336.6 bps	156.5 bps	576.9 bps
ROCE	-3.85%	-0.12%	14.20%
ROIC	-17.85%	-0.22%	16.01%
ROE	-4.50%	-0.14%	15.64%

<b>Efficiency Ratios</b>			
Inventory Days	92	117	108
DebtorDays	175	194	177
payables Days	171	201	171

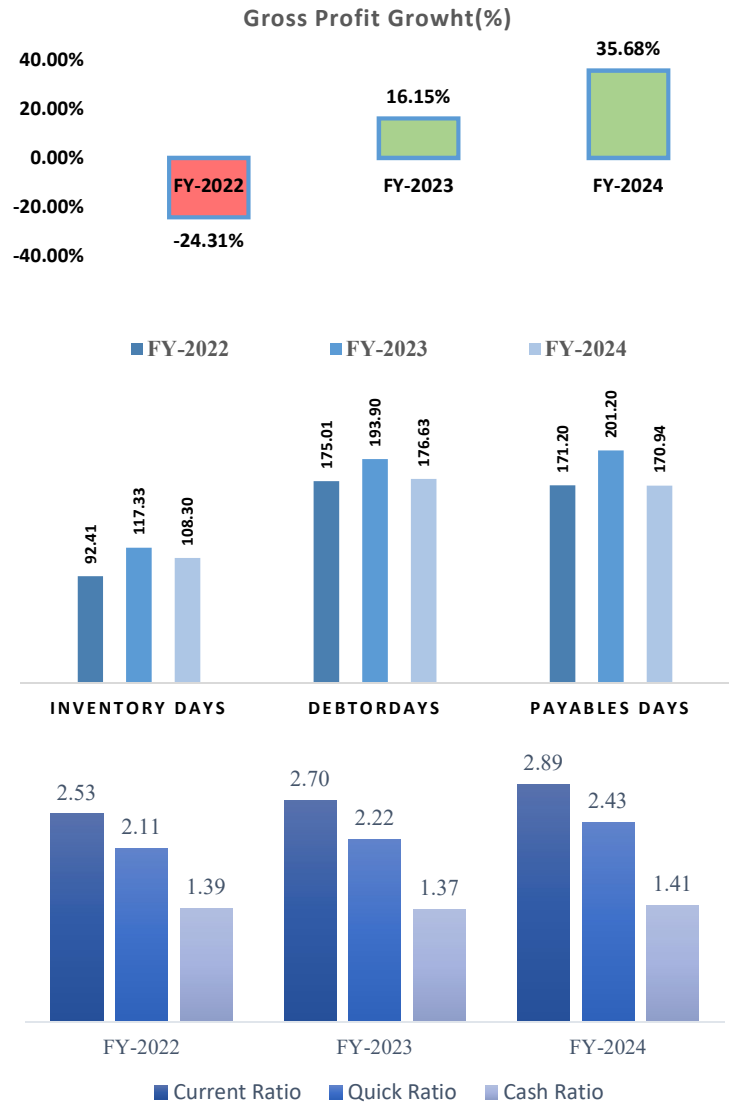
<b>Leverage Ratios</b>			
Equity/Assets	0.29	0.29	0.35
Debt/EBITDA	-2.49	2.46	0.49
Cash/Debt	0.36	0.17	6.62
Interest Coverage (Times)	NA	1.10	9.50
Operating Leverage	0.65	2.20	1.19

<b>Liquidity Ratios</b>			
Current Ratio	1.08	1.08	1.17
Quick Ratio	0.83	0.82	0.91
Cash Ratio	0.21	0.19	0.27

<b>Cash Ratios</b>			
Operating C.F Growth (%)	-97.36%	-554.81%	-1488.22%
CFO/EBITDA	-0.08	-0.37	1.63
CFO/Total Assets	0.00	-0.01	0.14
CFO/Revenue	0.00	-0.01	0.16
CFO/PAT	-0.17	25.06	2.86

<b>Valuation Ratios</b>			
Enterprise Value	24902.08	32799.26	214843.51
EV/EBITDA	-22.87	32.29	67.36
Price/Earnings	-47.24	-1987.50	119.98
Price/Sales	0.77	1.10	6.86
Price/CFO	285.83	-81.77	41.90
Price/Book Value	2.17	2.85	17.47

<b>Liquidity Ratios</b>			
P/E	-47.24	-1987.50	119.98
P/B	2.17	2.85	17.47
EV/EBITDA	-22.87	32.29	67.36
P/S	0.77	1.10	6.86



Du'pont Analysis	FY-22	FY-23	FY-24
PAT/EBT	71.4%	-5.6%	68.8%
EBT/EBIT	63.8%	26.3%	82.5%
EBIT/Sales	-3.6%	3.7%	10.1%
Assets/Equity	348.7%	343.0%	288.4%
Sales/Assets	78.2%	74.5%	87.2%
ROE	-4.4%	-0.1%	14.4%



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- **BUY** – We expect the stock to deliver more than 10%-20% returns over the next 9 months.
- **ACCUMULATE** – We expect the stock to deliver 5% - 12% returns over the next 9 months.
- **REDUCE** – We expect the stock to deliver 0% - 5% returns over the next 9 months.
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