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06 August 2024

To,
The Manager Listing,
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051

Symbol: **GEPIL**

To,
The Manager Listing,
BSE Ltd.
P.J. Towers, Dalal Street,
Mumbai - 400 001

Scrip Code: **532309**

Sub.: Transcript of Investor call held on 30 July 2024

Dear Sir/Madam,

Further to our letter dated 30 July 2024 relating to the Audio recording of the investor call held on 30 July 2024, please find enclosed a copy of its transcript.

Thanking you,
Yours truly,

For GE Power India Limited

KAMNA TIWARI

Digitally signed by KAMNA TIWARI
DN: cn=KAMNA TIWARI c=IN o=PERSONAL
Reason:
Location:
Date: 2024-08-06 12:49+05:30

Kamna Tiwari
Company Secretary and Compliance Officer

Enc.- As above

"GE Power India Limited Investors Conference Call"

July 30, 2024

MANAGEMENT: **MR. PRASHANT JAIN – MANAGING DIRECTOR, GE POWER INDIA LIMITED**
MR. AASHISH GHAI – WHOLE TIME DIRECTOR & CFO, GE POWER INDIA LIMITED
MR. PUNEET BHATLA – EXECUTIVE-BUSINESS OPERATIONS SERVICES, GE POWER INDIA LIMITED
MR. STUART CONNOR – PROMOTER REPRESENTATIVE

Moderator: Ladies and gentlemen, good day and welcome to the investor call of GE Power India Limited.

As a reminder, all participants' 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.

I now hand the conference over to Mr. Prashant Jain – Managing Director of the company. Thank you and over to you, sir.

Prashant Jain: Thank you. A very good evening and a very warm welcome to all of you for joining the call today.

Today's call is a follow-up on our previous Investor Call on the 18th of July. For this call, I welcome my team who will join me to answer your queries. I have with me Aashish Ghai – CFO of GEPIL, GE Power India Limited. I have Puneet Bhatla who is the CEO of the Services business. And I have with me today also Stuart Connor, who is the CEO of Steam Power Global as a promoter representative on the call. In today's call, we will cover two topics and thereafter, we will have ample time for questions and answers.

First, on the 25th of July, GE Steam Power International BV announced the plan to end the depromoterization and exit from GE Power India Limited. The second topic is the follow-up on the questions with the hydro and gas slump sale on the presentation that we had made on the 18th of July. We had several questions and there were several investors on the call to follow up with queue and we wanted to provide an opportunity to ensure that we had all the questions covered.

First topic on depromoterization:

On 25th of July 24, GE Power India Limited issued a public disclosure mentioning that GE Steam Power International BV, the promoter, has ended its plan to exit from GE Power India Limited and end its plan to depromoterize. GE Steam Power International BV will continue to be the promoter of the company. The board of directors of the company in its meeting held on 25th July has taken note of the above communication and the decision was communicated to the stock exchanges. This is in continuation of the earlier disclosures made by the company on 22nd September 2020, 9th February 2022, 6th October 2023 and 3rd April 2024, providing an update on the topic from time to time. GEPL's management has outlined a proposal which aims to put your company on a sound financial footing by focusing on lower risk and high margin business. The promoter GE Vernova supports this strategy. To date, GE Vernova has not been able to find a new promoter on its earlier announced depromoterization program which and therefore on this basis has decided to end its plan to exit from GEPL and depromoterize.

On the second topic of hydro and gas slump sale:

As disclosed by the company on 10th of July 24, the Board of Directors of the company have approved the sale and transfer of its hydro business undertaking to GE Power Electronics India Private Limited, a related party, and the gas power undertaking of the company to GE Renewable Energy Technologies Private Limited, a related party. The completion of the slump sale of hydro and gas business shall be subject to necessary approvals, including minority shareholders' approvals.

I would also like to highlight that, provided the transaction does not receive support from our minority shareholders, the company will face challenges on sustaining positive net worth and will have difficulties to finance both working capital and bank guarantee requirements, which will impact the company's capacity to bid for new projects and to support the growth strategy. I would urge the minority investors to support the proposal and we are very happy to provide any clarifications that you may seek as the net worth of the company has been constantly deteriorating and we have provided the information regarding the same on the presentation that is uploaded on the stock exchange.

The sale consideration of these two transactions is based on independent valuation reports from Grant Thornton Valuation Advisors Private Limited. The fairness opinion on the valuation is provided by RBSA Capital Advisors LLP, a SEBI-registered company. Merchant banker RBSA and GT in their valuation report have recommended a positive valuation of Rs. 438.6 million for the gas power business and a negative valuation of 1,001 million. The valuation is based on internationally accepted methodologies and compliance with Companies Act 2023. Grant Thornton has done the valuation as per the income approach evaluating the company's cash generation potential based on a discounted cash flow method to derive the enterprise and equity valuations of the businesses.

Notwithstanding the negative valuation for hydro business, GE Vernova has offered a nominal purchase price of Rs. 1, which is at a rupee premium of Rs 100 crores on the valuation. In spirit of transparency and good governance, the company has uploaded these reports of valuation on the company's website and on the stock exchange for your quick reference. I would urge once again to remind and highlight, why this transaction is important to the company. The current net worth of the company has depleted to Rs 57 crores as on 31st March 2024 and this has been constantly depleting quarter-on-quarter for past several quarters due to the cost and project updates in the hydro power projects and also in the cost updates received from the EPC FGD projects and certain ESP deals due to which your company was incurring losses for almost 2 years. And that has led to a significant deterioration in the balance sheet. It has also led to the investor rating of the company to degrade to BBB negative which is on the brink of a rating that supports an investment grade rating. Any further deterioration on this net worth could take the net worth of the company to zero or negative. And therefore, that could impact the company's ability as several tenders have a positive net worth as a criteria for qualifying and supporting the bids. And therefore, that could put the company in a very difficult situation.

To summarize:

The transaction has a direct impact on our ability to be able to bid for further tenders. It has a direct impact on the credit risk of your company and the funds availability for both bank guarantees and the working capital for funded and non-funded limits. This transaction would have an impact of positive Rs. 296 crores excluding taxes which will provide net worth boost to the company. And this is significant.

Therefore, I request all of you to support, and we are happy to take your questions. Over to you for the Q&A. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is in the line of Tushar Bhavsar from Cognizance 4D**.** Please go ahead.

Tushar Bhavsar: My question is, like I'm looking at the valuation report page 2 right where the Grant Thornton report where the hydro business is showing like the revenues and like from the operations of hydro business only. So, in 2021, it shows that the company made a profit of Rs. 5 crores. But then in ‘22, ‘23, ‘24, we experienced heavy losses with Rs. 83 crores, Rs. 12 crores, and Rs. 4 crores in ‘24. But if I go down for the projected one.

Prashant Jain: In million rupees, that is Rs. 40 crores, Rs. 12 crores, that's right.

Tushar Bhavsar: Correct, million rupees, Rs. 40 crores. Sorry, I misplaced one of the decimals, I guess, yes. But now in 25, 26, 27, 28, 29, and 30, if you go on page 4, right? It is showing like net positive result, right? It's showing Rs. 23 crores, Rs. 103 crores, Rs. 94 crores, Rs. 49 crores, Rs. 26 crores, and Rs. 27 crores of profit of EBITDA.

Prashant Jain: Yes, that's right. It's a very good question. Please go ahead.

Tushar Bhavsar: Right. So, the point is like we raised a calf and now it's becoming a cow, and we are selling the cow at a dollar. Again, like when it's time to milk it.

Prashant Jain: Yes, very good question. I actually clarified this, and I would clarify again. The hydro business has contracts that are lasting over a decade. We have contracts which have started from 2011 and we have not yet come to conclude even this year. So, what you're seeing in the past is year-on-year the dates of the project shifting and therefore we are receiving cost updates year-on-year as the project gets delayed. Because of the delay of the project, we have additional costs on the side for execution of the project and we have in some cases also hit the ceiling of the price variation clause. And those are either subject to independent engineer evaluation or arbitration or such mechanisms to see if we can actually recover any of those costs that we had to escalate in these years. Now the valuation that we have done, which is in the favor of the contracts, what we have done is we have valued the contract on the contractual dates and contractual terms. So from the valuation point of view, that is actually a very valid observation that the reality of what you see in the last few years is the cost updates, project delays. In the valuation of the unfinished work portion of the contracts and also, so that we have assumed that there will be no further delay. That's one. However, we are seeing constantly delays on the hydro projects because of several factors like geology, topology, land acquisition, environmental clearance, labor unrest, etc. All these are continuing every year and therefore we are assuming no further delay in the cost, no further cost update in the valuation for the contract. So that is favorable in valuation because we are assuming zero delays in the future, whereas the reality, every project literally, as you have seen, is constantly getting delayed because of factors which are many external than what we can control in the management. That is the first part. The second part, we have also assumed additional three orders that we will book. And I want to give you an example of one contract for which we have taken an approval almost a year ago from the shareholders for the bank guarantee and related party transactions. Unfortunately, even after almost a year, we have not been able to close the contract. But for the valuation perspective, we are assuming that three more orders will be signed without delay, and they will be executed without any slippage of the margin in the future. Therefore, from the valuation point of view, the management has considered a favorable future as compared to the reality which has been very difficult in the past three years. Now as regards the financials are concerned, I will ask my colleague Aashish to clarify on the EBITDA levels and what actually we are seeing so that you get further clarity. And it's a very good question and I want to follow up further if you still have any open points there. Aashish, over to you.

Aashish Ghai: Thanks, Prashant. Thank you for asking this question, Mr. Tushar. So, like Prashant said, I think if you look at the last 3 years, the EBITDA levels have been around negative 16%, which kind of reflects the reality of project delays and the cost of it, like Prashant said. However, if you look at the next, I mean, till 2030 you have the projection, but let's say, apple to apple 3 years, if you look at the next three years, average Rs. 1000 crores – Rs. 1,100 crores of topline is what we are forecasting for hydro. At an EBITDA level which is there what you're able to see is around 7%. However, what you don't see, and I would just like to clarify that below the profit before tax level which you are comparing when you look at the previous page for the next 2 years, we still expect the net free cash flows to be negative for hydro for 2025 and 2026. But at the EBITDA level, it is yes, positive. For the reasons that Prashant mentioned that the assumption for this in the valuation exercise, there is no further delays assumed, and hence no cost updates on account of prolongation. The backlog margins would remain intact and the new orders which we have baked in into the projections are at a much higher margin that we have on the backlogs currently. So those are few favorable, but at the time of representation or assumption that are baked in into the valuation of it.

Tushar Bhavsar: Okay, my point is, I guess like, but now we are not doing the depromoterization, right? Like, then we should have solid backing from Vernova, right for our guarantees?

Prashant Jain: See the issue on the depromoterization or not, if you look at the condition of the company today, you will see that the net worth of the company is coming to close to zero. And another couple of quarters, we are looking at the projections currently, the company will enter into negative net worth and the credit ratings will be downgraded despite the promoters backing today, we are already deteriorated to the BBB negative. And once we get into negative net worth zone, the credit rating will be further deteriorated, and the cost of capital will go up. And the hydro basically is going to require additional Rs. 500 crores of debt and additional guarantees. A bank guarantee should be issued, which is going to not convert into margin and cash in reality. The valuation, yes, we have considered favorable. But if you look at our practical experience, this is an additional stress on the balance sheet that the company will not be able to take for the next few quarters. And therefore, the condition is quite critical. We have three working capital cycles in the company today. The first is hydro, where we are seeing more than 10 years plus on the cash conversion for a hydro project. It is also having huge liabilities on the company, which is also pulling down the net worth to the negatives. Plus, it has a requirement of additional funding, both funded and non-funded, and the cost of capital, which is incurred by the company in the local entity, which is also growing up, and that is constraining the ability to get additional funding lines for additional growth areas. So, if I again come back to the summary of the working capital, if you invest into these hydro projects, say additional Rs. 500 crores, we think the return will come only after 10 years for us to be able to get back the margin and cash profitably and that's a very long working capital cycle for the company. On the other hand, the new strategy that we are implementing on service group has a working capital conversion of average 6 months with margin and cash for core services and up to two years plus, at the most three years for upgrades, which means cash conversion to margin into the books. The FGD EPC strategy is also helping us convert the margin into cash in about 2-year cycle. So from an average working cycle, capital of the company currently, which is more than 7 to 10 years today because of the long nature of the FGD EPC projects and the hydro EPC plant, the hydro project, we are not able to convert free cash flow that we can get to the books of the company that we can convert into dividend or positive news for the company that we can have, unfortunately. And therefore, we came to this decision that okay, is there potential? The answer is yes. Are we competitive? Not so much. We are struggling with certain things. Number three, it's a very long working cycle capital. The alternative, for example, in the steam business that the company wants to continue to focus on their end-to-end competence. This is the best year ever that we have seen in terms of order intake. And therefore, we are seeing already a strong year and great amount of opportunities for the company to focus on positive margin, positive cash with a path that can convert and create the company debt-free in 2 years and also double-digit EBITDA in 2 years which will enable the company to have free cash flow that the company can utilize for positive, for example, even available for dividends. So that is the part that we think would help us to realize the benefits faster. With hydro, we are facing challenges in terms of competitiveness, and we do not have end-to-end capability in the company, and we are seeing continuous drag on the balance sheet. That is the summary I would like to -- And you want to add something, Aashish?

Aashish Ghai: So just to add on your point of steam strategy, I think this year, like you said, has been a very strong year. And in these four months, we have booked and announced orders more than we have done in the average annual order of 3 years. So just in 4 months, we have surpassed the average annual of the last 3 years. So, it has been a very, very strong commercial year on the steam side. And these are coming at better healthy margins, which we do not see for, you know, and those things that you have already mentioned for hydro.

Tushar Bhavsar: Yes, thank you. But there was a similar situation with another company like GE owned, Indo Tech Transformers, right? And then GE actually gave in like $15 million, $20 million. But I agree with you, but thank you very much.

Moderator: Thank you. The next question is from the line of Sanjay Kohli from Gold Stone Capital. Please go ahead.

Sanjay Kohli: So, Prashant, wanted to check this demerger, the hydro business, which is going out, that's almost half the company and half the people. So, it's not easy to be getting orders in this area, you had a significant order book and lot of intellectual capital in house. So, you know that on valuation throughout, we've been sort of maintaining that there's a lot of capability inhouse and then when all these guys go out, how does that work out?

Prashant Jain: Hello Sanjayji, pleasure to connect again. See on hydro, the competence that we are doing for valuation, what assumption that we are making. See the current challenge that we are facing is because of the delay in projects we are having an underutilization pressure. So, in the future here, what we have said is okay, there will be no underutilization and we will utilize these competencies to serve GE Vernova worldwide and that will be utilized fully for the global company instead of saying that, okay, I have a lot of underutilization hit. So, see two things, right. One, delay of projects, we have not considered. Two, underutilization of the resources, we have not considered in the resource. Rather, we have actually put value for that. You say, okay, these resources will serve the GE organization and therefore it is helping improve the valuation. So, these two we have considered to help improve the valuation of the case. So, it's considering more favorably for the company.

Sanjay Kohli: What is then potential of having, what is the service offering that we have offshore?

Prashant Jain: See currently we do not see a big demand. We have had added several employees, but we have not been getting significant demand there currently for the resources. And I would say currently we don't see actually any amount of capitalization in that. It is only a projection for us in the valuation that we have assumed that we will be able to serve the competence that we have to make. This is a team that is working in a consortium with other GE Vernova entities for projects in India. Today, we do not do projects outside India, neither do we have any opportunities outside India. The project management, the engineering, sourcing capabilities are what we have in the team that works with GE technology, with other parts of GE Vernova hand in hand. By itself, can we design, or can we take a full qualification and run the business? The answer is no. Therefore, that is a dependence, a technology which is suitable for the GE Vernova, but not for other outside GE Vernova. So therefore, we said, okay, we monetize that in the valuation and from 2030 onwards, we've assumed they will serve headquarters so that terminal value gets slightly better in the valuation.

Sanjay Kohli: Okay, that's quite far out. So that's coming in quite far out into your model. And finally, I have a small question on this, on the thermal turbines, the upgrades, great capability again over here.

Upgrades, we will continue doing the upgrades, but what is the traction here, domestic traction on upgrade, order book on the upgrades?

Prashant Jain: Yes, fantastic. So, we have already announced two orders to the exchange. You would see one was the Wanakbori and the other one we have done last week is Vindhyachal. So those two are approximately ballpark about Rs. 600 crores, two opportunities that we have concluded this year. Now that is what we have booked in the current year, strong capabilities and these two units when we upgrade, they will be the best-in-class efficiency for the customer, and this will put the turbine and the power plant operation to the best in class for the country. The country has outlaid and if you see the CEA report, they have outlaid now 60 gigawatts of upgrades going forward. And the government has committed that, okay, we have to upgrade 60 gigawatts. So, we are assuming that yes, even if 20 gigawatts of that converts, that's a fantastic opportunity out there that the company can deliver. And it is in line with our policy of decarbonization via coal, where we are able to reduce the carbon footprint of the existing coal fired power plants. So, 996 grams a unit today. And our goal is to bring it down to about somewhere between 500 and 600 grams a unit by 2030. And one, of course, is by normal services. Second is upgrades. Then third area that we will venture into as we move forward is bringing additional technologies for biomass co-firing. And then we have also signed an MOU with NTPC that we are evaluating in methanol co-firing, ethanol co-firing, ammonia co-firing, and so on and so forth, which we will work on in the future, which is pretty much in line with our competence of the company. And we see a tremendous response, and we are seeing good traction here. That gives us a good confidence and faster way of converting cash in the portfolio than as we compare today, for example, compared to --

Moderator: Thank you very much. The next question is from the line of Aditya Shah from Vikram Advisory Services Private Limited. Please go ahead.

Aditya Shah: Sir, I'll make my point very clear. Sorry to say this, but you make it sound like the problems with the hydro division and the gas divisions are legacy problems, but in reality, you also know that these problems have been created by this management and the promoter. So, it's not a legacy issue. Now, a second point that I would want to make is that I give you two scenarios. One scenario is where GE depromoterizes; Hydro, Gas is sold to GE. So as a good governance, the GE is taking up the bad asset and probably giving the good asset to a new promoter. That's not happening. Second point is that GE is not promoterizing and hydro, gas are sold to some other third party. So, in that case also solves the purpose where it shows good governance. But in this scenario, if GE is ready to fund these divisions in private companies, why does it not fund via GEPIL? Where the shareholders have created for the last four years and are staying with the company in the bad and the worst times. I don't understand the logic of funding it in private companies and not funding it via GEPIL by putting infusions of fresh money.

Prashant Jain: Thank you. I think I will add a couple of other scenarios which we evaluated. Number one, to clarify on a scenario of selling the business to a third party. Hydro, unfortunately, as I said earlier, is not a standalone business. It has dependencies on other parts of GE Vernova to be able to compete in the market. Therefore, there is no third buyer who could buy this as a standalone entity. It is practically not possible because it's always a joint consortium order in partnership with other parties. And therefore, standalone competency is not there in the company. That is one. Second, if we were to consider demerger of the two businesses to say, okay, can we carve out hydro and gas and demerge and provide the same shareholders two shares. Two issues, one, it is time consuming. Our situation for negative net worth is quite alarming and therefore we don't have the time for that. It is going to put the company in a difficult situation. Second, on the demerger, if you look at the liabilities of hydro and gas, the liabilities of hydro and gas in a separated carved out entity would come to a negative of about Rs. 200 odd crores, Rs. 250 odd crores. On the one side, you would have a positive net worth of the carved out thermal entity of Rs. 250 odd crores. On the other side, you would have a negative Rs. 200-Rs. 250 odd crores net worth. That company will just not be fundable by standalone. It is impossible to fund it. You would come and say who provides the lines for this company, it is just not possible to stand alone by itself. So that is the reality that we are facing today with the balance sheet and the performance. Yes, the past five years have seen two waves of COVID and one hyperinflation that has not helped in execution of the projects. But those delays, despite COVID, despite hyperinflation, if you refer to the pages that we have provided on the site, we have had several issues on the, if you refer to the page 6, the reasons for delay are not controllable. It is geology, hydrology, topology. It is the critical electrical, mechanical work where we are depending on external parties. It is delays on the clearances which are again in the hands of the developers. There are local issues on site which are environmental related issues etc. So those are the issues which are beyond our control. Land acquisition is the major issue. We expected 2 years ago that with the PSP now, things would move forward. We announced the project 2 years ago on PSP. Even today, there is no clearance for the project, and we are working hard to see can we move forward. That suspension is not moved, forget about the execution of the project. So, we are sitting with that same delays on the current project. So those delays are not going away. So, if you look at pure the business cycle point of view, the working capital cycle for hydro is not shrinking to 3 to 5 years. Therefore, in the interest of the company, to be able to convert margin cash and positive cash for the company in the fastest turnaround, we have proposed the strategy. Why sell to GE? One, I said this is specific skill set. Unfortunately, it's not standalone. The technology is with GE Vernova. It is not a self-sustaining business. It's a strategic transfer to GE who's paying a premium today. If I have to sell it to a third party, they will ask me to pay Rs. 200 crores to take away the liability. Who will pay Rs. 200 crores liability? How will you sell it to a third party with Rs. 200 crores liability? It is a strategic investor, GE Vernova. In the interest of the company, we are able to get a premium. That premium will not come from a third party. And the COE business of course is adding, which is again completely dependent on GE, but it is adding to the value that we are able to get and a slightly better valuation for this.

Aditya Shah: So, my point sir in this entire conversation is that if GE is willing to fund it in private companies, why does it not add, infuse money by preferential allotment or whatever way to infuse money into the existing entity? That's all.

Prashant Jain: See, I clarified again on preferential allotment. It is not likely to be a positive yield for the hydro and gas. The liabilities are net liabilities. But I would ask my colleague from the GE, Vernova, Stuart, who's the promotor representative, to chime in to further clarify on your question.

Stuart Connor: Certainly. So, I understand the question to be why is GE Vernova willing to fund this business line in a private company but not through GE Private India Limited? The answer to the question is the proposal which is currently on the table to buy out the hydro and gas business lines is the only proposal that is a responsible proposal to solve for the net worth problem. And the promoter shares, the interests of the minority investors to solve for that problem because the promoter wants GE India to be successful in the future and it need to have a positive net worth to be successful in the future to carry out the same product line. So, we looked at all the options and we settled on this as the only responsible solution to the problem and keep in mind that it solves for two issues. One is it provides positive net worth and two is it takes away the future negative cash flowing particularly from the hydro business. And other solutions like the one that you mentioned would not solve for both of those problems. So, this is the proposal that from other things is appropriate to solve the problem at hand.

Aditya Shah: Right. No problem. We can have different views on this, but that's okay. I get your explanation. No problem. Thank you.

Moderator: Thank you. The next question is from the line of Tushar Bhasvar from Cognizance 4D. Please go ahead.

Tushar Bhasvar: So, I heard the discussion, like the last one I was hearing. So what I get, like, is that GE Vernova is trying to revive this company, strengthen it, and then eventually sell it because it wants to get out of the coal business and separate all the other assets which is, I think, would be beneficial for the shareholders, but just wanted to understand, is that the strategy that GE Vernova is planning in the long term?

Prashant Jain: I can answer this, and maybe I will answer, then Stuart to chime in. Look, today, we are working to solve for the net worth, which is impending very serious, because our majority of the business comes from tenders that require positive net worth of qualifying criteria and crucial aspect, number one. Number two, we have seen now for the last several years, in fact, now more than 11 years, both on standard hydro and the new PSP hydro within GEPIL, projects have long cycles. We wanted to make sure that we cut a path which will set the company on double digit EBITDA, quarter-on-quarter growth. And we have found that path with a focus on the service core business, which is growing consistently double-digit quarter-on-quarter. And we are sharing the progress every quarter with you. In fact, this year we are booking the highest core order value ever consistently quarter-on-quarter now for several quarters. So that's something which is working well, good margins that converts into cash within 6 months. The second area of the business service upgrades. This year we have about Rs. 590 crores of these two orders, but overall, about Rs. 700 crores of upgrades order booked. This is converting cash largely in about two years on an average. We have some converting faster and some converting slightly slower, but it's pretty much an average of 2.5 years average of the capital side converting margin cash. Again, positive good margins, double digit margins. The third area that we are working on is an FGD where we still have a good opportunity, 90 gigawatts of FGDs are yet to be ordered. And we are now operating brownfield equipment in this area. And this is converting into cash again between two odd years, 2 to 3 years. We have very good experience with the last projects. Margins are intact. Cash is coming in with much lower risks, with more predictability. The last area that we are working, and we have been working consistently on, is Durgapur. In Durgapur, we have added additional line of business, which is non-coal, which is pressure vessels, cryogenic, tanks, and industrial applications. The factory load was in the range of 10,000 hours coming from these areas about two years ago. This year, we are in the range of about 170,000-180,000 hours per year. The capacity, we have downsized from 800 to about 200,000 hours, and that capacity now we are in a good range. And this is a growing business. We are seeing that we are able to get to a path to be able to get over the line that we need for Durgapur. With these four areas, as I said, we have an Rs. 18,000 crores market in these four areas. This will not be a quarter-on-quarter choppy business. This is stable quarter-on-quarter business, maybe slightly boring, but predictable. Today, with the large projects, especially the hydro and the large FGD EPC project that we had underwritten several years ago, those projects are creating a very high choppiness, both on working capital requirement and quarter-on-quarter returns. One project update takes away the quarter completely. With these four business areas, we are very confident that the company will deliver quarter-on-quarter double digit EBITDA performance in two years from now, that we will have positive free cash flow to be able to deliver dividends and it's a sustainable roadmap. And that is why we said, okay, this is a strategy that we believe we should pursue additional areas, of course. In Durgapur, there will also be exporting services to 13-odd countries to further expand the capabilities of the company, Durgapur. So, Stuart, you want to further add on what Tushar mentioned?

Stuart Connor: Actually, I just want to re-assert the answer that you gave, Prashant. It's exactly correct. I think the original question was, does the promoter want to solve the net worth issue in order to sell off the company later, the answer is no. We want to solve the net worth problem to make a healthy GE Power India Limited because it needs to be healthy to execute on the strategy which Prashant has just laid out. The promoter supports that strategy for all the reasons that Prashant just laid out and that is the reason that we support this proposal.

Moderator: Thank you very much. As there are no further questions, I would now like to hand the conference over to Mr. Prashant Jain for closing comments.

Prashant Jain: Thank you, thank you all for very good questions today. I would like to summarize, in the interest of your company and all shareholders, we need to focus to improve the net worth of your company. This has a direct impact on our ability to bid for tenders, for our credit ratings, and fund availability with banks as well. Hence, the carve-out of hydro and gas business is of paramount importance. This transaction provides a positive impact of Rs. 214 crores plus Rs. 38 crores, which is about Rs. 252 crores net liability reduction, which will improve net worth of your company and will further be boosted by consideration of gas Rs. 44 crores. This is subject to carve out getting approved by the shareholders. It will also unlock Rs. 700 crores of non-funded limits as at 31st March 24 related to hydro business and Rs. 500 crores of cash consumption limit that the hydro business needs for the next 2 years. This is a slump sale with a fair valuation of INR 44 crores for the gas business and the premium of Rs. 100 crores for hydro which generates higher wealth for the shareholders. In future, all this will steer to a business strategy leading to profitable, unrestricted free cash flow, dividend paying company with lower working capital cycle. With that, I would like to now summarize and conclude. Thank you so much. Have a good evening. Thank you, team, for being here on the call with me.

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