GE VERNOVA

November 5, 2026

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai-400 001

Code No. 522275

The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex, Bandra (East)
Mumbai-400 051

Symbol: GVT&D

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Dear Sir/Madam,

Sub: Transcript - GE Vernova T&D India Earnings Conference call with Analysts / Institutional Investors

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and further to our letter dated October 30, 2026, please find enclosed Transcript of earnings conference call with analysts/ institutional investors held on October 30, 2026, in respect of Un-audited financial results of the Company for the quarter and half year ended on September 30, 2026.

This is for your information and records.

Thanking you,

For GE Vernova T&D India Limited

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

“GE Vernova T&D India Limited

Q2 FY26-'27 Conference Call”

October 30, 2026

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

Moderator: Ladies and gentlemen, good day, and welcome to conference call hosted by GE Vernova T&D India Limited for Quarter 2 of financial year 2026-'27. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone.

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

Megha Gupta: Good evening, everyone. Welcome to the earnings call of GE Vernova T&D India Limited. I'm Megha Gupta from Investor Relations team, and I'm joined by Mr. Sandeep Zanzaria, CEO and MD of the company; Mr. Sushil Kumar, Whole-Time Director and CFO of the company; Mr. Abhishek Srivastava, Head Business Operations; and other members of the leadership team.

Before we begin, I would like to highlight that today's discussion may contain a few forward-looking statements, which are subject to risks and uncertainties. These statements are based on our current expectations, and actual results may differ materially from those expressed or implied.

Now I hand over the conference to Mr. Sandeep Zanzaria to open up the discussion.

Sandeep Zanzaria: Thank you, Megha. Good evening, everyone, and thank you for joining the second quarter earnings call. The Indian power transmission sector is at its historic inflection point moving from a centralized grid towards a more dynamic digitalized and decarbonized architecture. Three key pillars are defining the industry.

First is unprecedented grid expansion and modernization. India's energy demand is scaling at a pace that requires aggressive expansion of transmission infrastructure. The integration of large-scale renewable energy often far from consumption centers requires robust long-distance high-voltage direct current and alternating current corridors.

Second is the digital transformation of the grid. The grid has grown more complex, making advanced automation, real-time smart substations and predictive maintenance essential to reduce AT&C losses and improve the reliability. GE Vernova is focused on providing the software and digital infrastructure required to manage this complexity.

Third, the T&D sector is the backbone of India's energy transition and net zero ambition. The greener grid requires not only solar and wind capacity, but also the hardware and intelligence to balance the intermittent power sources. Systems such as flexible AC transmission solutions and energy storage integration are therefore becoming essential for grid resilience.

Coming to the financial performance, during the second quarter, we saw an order book of INR24.4 billion, up 52% year-on-year compared to INR16.1 billion in quarter ended September '25. Our Q2 revenue stood at INR20.3 billion versus INR15.4 billion in Q2 FY25-'26, up by 32% year-on-year.

Order backlog stands at INR214.4 billion as of September '26, versus INR214.6 billion as of March '26. The order backlog stands at more than 3 years of revenue for FY25-'26. Our profit before tax and exceptional items for the quarter ended September 26 was at INR5.8 billion compared to around INR4 billion in the corresponding quarter of the last financial year, growing by 1.4x. Cash generation of INR10.1 billion during H1. With this cash, our balance stands at the end of September at INR32.5 billion.

Looking ahead, our priorities are consistent. First, execution excellence on mega projects, especially our HVDC; Second, deeper localization, expanding our manufacturing footprint in India, reducing exposure to global supply chain risk and supporting the vision of self-reliant energy sector.

Third, growing our services and software business, particularly grid automation and asset performance management, where predictive maintenance and software optimization help utilities get more from the assets they already have. A heartful thanks to our colleagues at the project sites and in our factories. As the volumes grow, they continue to deliver with rigor and never compromise on safety.

Now I turn to Abhishek to walk through the specific operational highlights for the quarter.

Abhishek Srivastava: Thanks, Sandeep. Good evening to all of you. So, I will take you through the key network augmentations that we achieved in the last quarter. So first of the notable mentions is 400 kV substation for NEA in Nepal. So, this is for the backbone of 400 kV grid network that Nepal is trying to develop. So earlier, we had commissioned Khimti, and this is the second in the league. After that, 400 kV GIS station was commissioned for GETCO at Babarzar.

In addition to that, we have been strengthening the transformation capacities at various existing and new substations. And in that, we commissioned 765 kV reactors for our customers PGCIL at Bidar, Resonia at Beawar and then 765 kV generator transformer for NUPPL at Ghatampur.

In addition to that, we had GIS commissioning done at Narela in Delhi and some export jobs, one in Spain and another one in Senegal. All these commissionings are a testament of our focus in terms of network augmentation and our commitment towards operational excellence and continuously delivering on our promises to our customers.

So, I hand over to Sushil now to take us forward.

Sushil Kumar: Thank you, Abhishek. Good afternoon and good evening, everyone. First, I will talk about the order booking highlights for the quarter. During quarter 2, we secured an order intake of INR24.4 billion, bringing our cumulative H1 order intake to approximately INR35.8 billion. This represents an 11% growth year-on-year.

Key wins during the quarter reflect our strong technical capabilities and diverse market reach, including a major package for 400 kV generator transformer and 420 kV GIS for a 1,500-megawatt pumped storage hydro project in Maharashtra, 800 kV and 420 kV GIS packages for transmission projects in Andhra Pradesh, supply of 400 kV reactors and 420/220 kV GIS package for a TBCB transmission project in the state of Himachal Pradesh.

Supply of 765 kV shunt reactor for a TBCB transmission project in the state of Andhra Pradesh, and continued export momentum with multiple equipment orders for GIS/AIS across North America, Europe, Middle East, Africa alongside steady grid automation packages.

Our order backlog closed strong at INR214.4 billion, reflecting a healthy baseline as we efficiently convert our backlog into revenue.

Turning now to the financial performance for the quarter and some highlights of the first half. Revenue for the quarter, stood at INR20.3 billion, up 32% year-on-year with H1 revenue reaching about INR38.6 billion, up 35%.

Gross margin for the quarter stood at 44.5%. Disciplined cost management across operations enabled us to deliver an EBITDA of INR5.5 billion, approximately 27.1% of revenue. This EBITDA is at the higher end of our mid-20 guidance band that we had been communicating to the stakeholders in the past.

Profit before tax for the quarter rose to INR5.8 billion and profit after tax is at INR4.3 billion, representing 21.3% of revenue. Finance costs remain negligible with our continued net zero debt position.

On the balance sheet side, we generated INR10.1 billion of cash during first half, taking our total available cash and cash equivalents, including funds lent to the cash pool to approximately INR32.5 billion.

Regarding our capital expenditure, as previously announced, the company is progressing with the capacity expansion program of approximately INR10 billion, out of which roughly 20% has been already incurred. Management continues to evaluate various options for the utilization of balance cash to optimize returns to the shareholders.

I would also like to highlight the contract quality and segmentation of our orders and revenue. For the quarter, our order and revenue mix reflects a strong balance with export orders sitting at 21% and export revenues at 32%. Looking at our order and revenue split for the half year, orders stood at 29% export and revenue stood at 31% of exports.

Further, our ongoing counterparty derisking strategy ensures that private customers and central utilities & PSUs continue to form an overwhelming majority of our order backlog, maintaining a robust and secure risk profile.

In the presentation, we have also given the status of material related party approvals. So we had secured an approval of roughly INR31 billion in the AGM of 2025. This was for export of various high-voltage switchgear components to 2 related parties in Middle East and France. This lapsed in AGM of 2026 because the shareholder approval for the related party is valid for a period of 1 year. And the reason is that the order is on hold from the customer side due to the operational planning delays from their side.

We had also secured another approval for a related party from a U.S. entity, largely for export of goods from India for approximately $151 million. This approval is valid till 15th of May

2027, and the order is in discussion stage with the customers. We hope that in H2 of this financial year, we should be able to conclude this order.

So, summarizing before I hand back for the questions, order intake grew steadily. Revenue growth, execution pace, cash generation and backlog quality all remained strong and consistent with our full year expectation. And we are confident of converting our INR214 billion backlog profitably over the coming years.

With that, I'll hand over for the question and answers.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. First question is from the line of Sameer Thakur from Ambit Capital.

Sameer Thakur: My first question is that GE Vernova Global, they announced acquisition of Trench. They also said that they are evaluating expanding the manufacturing of Trench products in India. So is there any view on that, whether that will be part of GE Vernova India? Or is it too early to say? Just wanted your comments on that. That's the first question.

Sandeep Zanzaria: Thank you, Sameer. The acquisition has been announced only 2 days back. The whole acquisition process is expected to end in the later part of FY27. So, it's too early to comment on that.

Sameer Thakur: Okay. And the second question is what is the revenue contribution from services and software at the moment? And is there any target which you have in mind or any ambitions regarding this?

Sushil Kumar: Good evening, Sameer. So, software and services business, we don't give a breakup as such because we operate as one segment, which is the high-voltage products on transmission side.

But I can give an overall color that we off late have been booking lot of equipment orders because our order booking, including the HVDC order has been very strong in the last few years. So as a ratio of the total revenue, the share of software and services may have dropped, while every business is growing year-over-year.

Moderator: Next question is from the line of Mohit Kumar from ICICI Securities.

Mohit Kumar: Congratulations on a super quarter. My first question is on the GE Vernova Global is talking about $900 million order, which they have booked for, for giving the orders to global factories. My question is, are we in contention for those? And how many factories globally GE has for producing transformers, especially in Asia?

Sandeep Zanzaria: Mohit, In Asia, we have two transformer factories. One is in Indonesia, but that's a much smaller factory because, they build up till 245 kV only. And the higher rating transformers are all built in Vadodara. In the $900 billion orders, yes, there will be some orders which are going to flow for which we have taken a related party approval for INR1,300 crores and the finalization process is on.

Mohit Kumar: My second question is, I think you mentioned in the PPT that is hold up on the 2 related party approval orders. One is, I think, GE Middle East and one is, I think, France, right? In your

opinion, do you think in the next 6 to 12 months that hold up will get clear and there is an opportunity to participate in those orders?

Sandeep Zanzaria: That project actually is of a much bigger size and the hold has been put by the customer. So, we are not very sure whether the hold is going to get lifted in 6 months, 8 months or a year. So, it will be too early to speculate on that.

Mohit Kumar: Understood. My last question is, how are you seeing the new opportunities for HVDC developing over the next 12 months? And is there a need to invest still more from our side to improve the indigenization content for HVDC as we go forward, yes.

Sandeep Zanzaria: We have a very strong pipeline of HVDC going forward. We expect minimum 2 to 3 projects to come next year. And HVDC is going to remain our key focus area as well. If you look at HVDC practically, most of the things have been localized. So today, we are manufacturing transformers in India, valves in India, controls in India.

So, at one point of time, a large part of the transformers and 100% of valves and controls are coming from outside. But with whatever capex we have done or whatever capex is under progress, all these things have been localized.

However, there are components still which come from outside, not manufactured by GE Vernova, but manufactured by our subcontractors or sub-vendors. So as a long-term strategy, we will be working in the next phase, on localization of that as well.

Moderator: Next question is from the line of Parikshit Kandpal from HDFC Securities.

Parikshit Kandpal: Congratulations on a great quarter. So, in this quarter, we have seen a very significant pickup in the domestic orders. So last quarter was subdued. So how do you see rest of the financial year in terms of domestic market? And was there any one-off in this quarter, any large orders in the domestic markets, which would have contributed significantly to the overall order inflows?

Sandeep Zanzaria: We see order intake for the year as a positive story only. There was no one-offs. It was all regular orders which have come in. Also, we have already declared that we are the lowest bidder in power grid for Barmer, and Barmer has already been acquired by Power Grid. So we expect that this quarter will also be significant in terms of booking that order as well. On the order side, we are pretty confident that this year is going to be a much stronger year than what we delivered last year.

Parikshit Kandpal: Any color on the domestic ordering, sir, how is it panning out for the second half

Sandeep Zanzaria: It is strong because in last 3 to 4 months, there was a substantial strong pipeline of TBCB projects and still the opportunities are coming in. So, I look at least in the next 4, 5 months, the pipeline to remain strong.

Parikshit Kandpal: On the RPT side now, so we have seen a fallback of 2 orders. I mean they've got an indefinite suspension as of now and may take time to come back. So, in terms of RPT opportunities, so how does one look at it from here on, given even the U.S. data center order has been, kind of,

slightly delayed and may come up, as we said, later part of the year. But as an overall pipeline from Asia, Europe, Americas, so how does one look at RPT from here on? Are there significant orders which can replace the lost opportunity which we had faced from these 2 orders?

Sandeep Zanzaria: For larger opportunities, definitely, yes, they are like really one-off, but we are seeing a strong pipeline for the smaller orders, which don't fall under the category of material RPTs, but then the order inflow for the normal product business is much stronger this year as compared to last year.

Sushil Kumar: I'll just add on, Parikshit. This year, in the first half, we have booked INR10.4 billion of export orders and most of, like, a significant part of these orders booking are from related parties, compared to INR11.8 billion in the entire financial year '25-'26. So, on a like-to-like basis, you can see that there is a significant growth in the normal order flow, excluding the large one. And if we are able to close the material RPT, the U.S. one in the second half, then the entire year from the export perspective will be also very significant growth.

Parikshit Kandpal: So, what is driving the smaller inflows, sir, from the related parties? I mean, is it broad-based? Or is it from some specific geographies? How would be the geographies?

Sandeep Zanzaria: It's all broad-based, Parikshit.

Parikshit Kandpal: Is it the effort of the certification, which we have done for our factories in new countries and that's yielding this, kind of, performance? So, what is driving the sudden change, I mean, from the small orders.

Sandeep Zanzaria: Everything, many geographies are now seeing a lot of investment coming in and supply chain also getting stretched. So that's creating an additional opportunity. And definitely, in many cases, it is the certification, which we are working for last 1 year, are also yielding results.

Parikshit Kandpal: Sir, the last question, sir, on the competitive intensity. We are now seeing Chinese players coming in, some of the other domestic players are tying up with some foreign partners and planning to enter into HVDC and below 400kv, we are seeing huge competition now. So how do you see the competitive intensity panning out from here? Are you seeing the pricing now cracking down? So, any color on that will be helpful for the future orders.

Sandeep Zanzaria: So, after we have won Barmer, there has been no HVDC tender, so we don't know that. So whatever strategy you are talking about, Chinese tying up, that is not yet seen in the market. There has been no tender subsequently. So we cannot talk about competitive intensity as of now.

Parikshit Kandpal: But regular transformers, sir, I mean, your regular stuff with high-voltage transformers beyond HVDC, excluding HVDC. So how is the competitive intensity?

Sandeep Zanzaria: There's some slight pressure on the prices, yes, but very little, not significant.

Moderator: Next question is from the line of Umesh Raut from Nomura.

Umesh Raut: Congrats on a very good set of numbers again. My first question is again pertaining to acquisition done by parent for Trench Group. So just wanted to have your view on two comments which are

made by parent. One is basically expanding Trench Group's reach in select regions, including India. And second, they are talking about growing Trench revenue potential in India through GE's commercial capabilities.

So, if I look at probably product offering by Trench as well, it looks like they can complement us by providing additional supply of bushings as well as coils, which are necessary for HVDC projects as well as other products. So, in your view, how synergies can play out? I mean, just a primary view?

Sandeep Zanzaria: Thank you, Umesh. Yes, you are right that the synergies are going to play out because, obviously, when we are talking about good HVDC pipeline and HVDC and STATCOM being our focus. So with a larger control over the supply chain, it's going to make us more competitive. Not only competitive, but more secured position in terms of supply chain. So, it's a very positive development as far as India is concerned.

Umesh Raut: Understood, sir. My second question is pertaining to the order that you received regarding pumped storage hydro project. So, is this the same project which was awarded to other Group company of GE?

Sandeep Zanzaria: No, no, no. This is stand-alone transformer and GIS packages. So, this has nothing to do with other GE Vernova entities.

Umesh Raut: Okay. Understood. And at what stage hydro project potentially in India in future you can order for packages like transformer or GIS, whether it is in first year or second year of ordering in that particular project?

Sandeep Zanzaria: Normally, when the machines are ordered at the start of the project, today, customers are ordering transformers and the balance of plant, which in most of the cases is GIS. So, it's at the start of the project. People don't wait till, for example, 1 year or 2 years because for transformers, etcetera, the time frame is also a bit higher. So, it's at the start of the project.

Umesh Raut: Got it. And on the STATCOM side, if I look at probably order wins, I think even in Q2 as well, there were no orders on STATCOM even for the other players in the industry. So, when we can expect a sizable portion of ordering on STATCOM to start in India?

Sandeep Zanzaria: I will expect just a sizable portion to get ordered in Q4.

Umesh Raut: Understood. Understood. Last question is only on the bookkeeping side. If I look at probably other expenses, they have grown by about 38% in the quarter gone by. Was there any one-off provisioning or ForEx loss that you have reported in other expenses?

Sushil Kumar: Umesh, there has been some ForEx loss, but it's all operational. And overall, I think the growth is in line with the revenue. So, nothing to worry about in terms of the overall impact on the P&L.

Moderator: Next question is from the line of Amit Anwani from PL Capital.

Amit Anwani: Congrats for the strong performance. So, first question on the gross margins. This quarter, gross margins has been quite resilient. Just wanted to understand, what led to this gross margin

performance? And are we sticking to the mid-20s EBITDA margin guidance for this financial year? And that is my first question.

Sushil Kumar: Good evening, Amit. So yes, you're right. We are sticking to our guidance because for the H1 performance has been good. We have been able to achieve an EBITDA of approximately 26.2%, which is slightly on the higher end of the mid-20s range. And in terms of gross margin, see, quarter-on-quarter changes because of the mix of different products, exports and so on.

But we, as you rightly mentioned, have been able to maintain resilience and able to deliver the targeted EBITDA margin. I think as we have been communicating in the earlier calls as well, so EBITDA becomes the right operating metric in our business. And there also a longer 1-year view is relevant rather than the quarter-to-quarter performance.

Amit Anwani: Right. Second, on this RPT order of INR1,400 crores, INR1,500 crores in U.S., what does it relate to? Is it a transformer order, data center order? Any color on that? And second, also some color on the data center, kind of, contribution or number in terms of order book related to data centers that we'll have?

Sandeep Zanzaria: Yes, it is related to data centers in U.S. definitely. And it's related to transformers for data centers in the U.S. Second, India data center, of course, there was not a very significant ordering which got decided during the quarter. So, the numbers are not that significant to call out for the India data center market.

Amit Anwani: Right. Lastly, on the localization, which you highlighted and with this Trench order by the Global parent, you also highlighted about the synergies. So, in India also, are we, like, to secure the supplies as we hear that the lead times are just getting elongated and amid the strong demand. So, are we also maybe looking for related acquisitions or something like that?

Or maybe there would be more investments for localization? And second, in terms of total addressable market, if you could give some color whether are we aiming to further increase the total addressable market in India?

Sandeep Zanzaria: Yes, definitely, by acquisition of Trench, it is going to give a much better control over the supply chain when we are bidding for HVDC and other projects as well. Regarding the capex or localization part, of course, we keep on working on improving the localization, as we said earlier.

But for example, it could be part investment by us, but we also work with our developing new vendors or products which are actually coming from outside and finding an alternate supply chain in India. So, it's a bit longer journey because we need to then work with various suppliers to develop the product according to our requirement. It goes through an extensive testing and then only it gets launched into the market.

We have already declared a capex of about INR1,100 crores, and we have said that we are continuously evaluating the market. And if need be, we will not shy away from investing further capex in the country.

Amit Anwani: Right. And what's the utilization levels today?

Sandeep Zanzaria: So, I'd put it as pretty high for most of the factories.

Amit Anwani: Like more than 75%?

Sandeep Zanzaria: Yes.

Moderator: Next question is from the line of Rahul Gajare from Macquarie.

Rahul Gajare: Congratulations on a very strong Q2. Sir, my first question is, you did briefly touch upon localization. I want to understand how much time does it take you to deliver a 765 kV transformer for an order that you would have got today, okay?

And I'm sure with the acquisition of Trench, the delivery timeline would shrink. And is there any sense that you can give us in terms of the shrinking of that timeline? And continuing with the same question, as of today, are all the bushings manufactured locally, or you are sourcing it from outside? Yes, that's the first question.

Sandeep Zanzaria: So, thank you, Rahul. First of all, what I said was that it's going to give a better control, but it doesn't mean that it is going to shrink that Trench would also be having a pipeline of their own and they would also be having their own delivery commitments, which they would have made in the market. So, I don't think that simply they would be ignoring those delivery commitment and start diverting all to internal GE Vernova factory. It's not going to work like that.

Today, when we look at our bushing 765 kV, most of the bushings are coming from outside because the manufacturing capacity in India is pretty limited. But now there is an expansion of capacity going on. So today, it is getting imported, but in times to come, it's going to get localized. That's for sure.

I think if we really look at 765 kV bushing lead times, that itself is more than 15 to 18 months. And to manufacture a transformer, it will takes 3 to 4 months only. But then the raw material lead times are pretty high. So that's what gets defined the manufacturing timelines.

Rahul Gajare: But any timeline, 1.5 years, 2 years for you. If I were to give you an order today, when you will be able to deliver?

Sandeep Zanzaria: So that will also depend upon our factory loading and other situations as well.

Rahul Gajare: Okay. Sir, my second question is on the data center side. I mean all major global companies are focusing on data center, including GE Vernova. Today, how much of data center you can, the opportunity that you are able to capture today? And how will this TAM change over the next 2 to 3 years?

Sandeep Zanzaria: So today, the Indian data center market is mostly like a 200, 300-megawatt data centers, which are there, which is mostly operating at about 220 kV. So, the TAM is not that great. But once the larger size data centers will be coming, then it will be 400 kV and 765 kV. So there, there will be a significant uptick of the TAM, which is going to happen.

Rahul Gajare: Okay. Sir, and my last question is on this HVDC and STATCOM, you are manufacturing valves over here. So how much of HVDC will be actually localized? Any way to put a number, 50% or 70% of HVDC value will be localized?

Sandeep Zanzaria: See, there's a difference in how we think of localization and what the government formula talks about localization. So, I'll just give you an example. When we manufacture a transformer in India, then we design the whole transformer, then we buy all the material, our supply chain buys it.

We manufacture it in our factory, we test it and we supply it. So, in a way, if you talk in a general sense, then 100% transformer is localized. But for example, you look at CRGO. So CRGO is going to be imported, so the government doesn't count it as a localized part.

For example, oil. So, the oil would be coming from somewhere outside and you are just processing it. So, a large part of that oil will not be considered as localized. So, there's a difference between if you really look at that way, what definition, what we think internally, most of the HVDC is localized because all transformers we manufacture here, thyristor valve, we are manufacturing here. Controls, we are manufacturing here. So, the complete engineering solution because we have a back-end engineering center for HVDC in India. So, it's like mostly an India-dependent or India supply chain story, but then there's a difference how government monitors or captures the information.

Rahul Gajare: Okay. So, whatever is possible, you are already doing it. That's the way.

Sandeep Zanzaria: What happens is - as and when we will start manufacturing, after our valve factory is commissioned. And then when we'll start manufacturing thyristor valve, then we'll go for individual component-wise. So, for example, gas-insulated switchgear, when we opened the factory in 2009, everything was coming from outside.

But then what we did was we took component by component. So certain things we got it developed. So, when the supply chain got stabilized in India, so that component became an Indian source and there are times when those component manufacturers became so mature that they started supplying to our global factories as well.

So, when we localize, for example, thyristor valve, when we are going to localize, then we're going to go component by component, try to see if we can work and develop those components with local Indian manufacturers as well. It could be different industries, it could be an automobile industry, it could be another industry as well. So, we work with those industries, we get. So, it's a journey. It's not something like that in one shot; you do it at 100% or 0%. It is like a journey.

Moderator: Next question is from the line of Aditya Vikhram from DB Securities Private Limited.

Aditya Vikhram: Just wanted to check quickly upon a few things. First one, even though we have achieved the higher end of the guidance EBITDA, right, 27-plus percentage. Are we going to sustain it at this level for the next 2 quarters?

Sushil Kumar: So, for the entire year, Aditya, we will maintain our guidance of mid-20s EBITDA.

Aditya Vikhram: Okay. Okay. And the second question I have is this the project which we took from Power Grid, the Barmer project, right? Will that have any negative impact on our EBITDA margin?

Sushil Kumar: The order is going to be executed probably in next 2 to 3 financial years, maybe 4 financial years.

Aditya Vikhram: Okay. So, there won't be any impact this year. Is that what you're saying?

Sushil Kumar: Yes. There won't be any significant execution from any of the HVDC orders, in this financial year.

Aditya Vikhram: Okay. And the last question I have is, sir, this related party, where the approvals have lapsed, right? Is that still part of our order backlog or that has been removed?

Sushil Kumar: No, Aditya, the order was not booked because we took the approval and customer put the project on hold. It's not a part of our backlog.

Aditya Vikhram: Okay. And are we sensing -- considering all the things we are hearing right now, are we sensing some cancellations of order from the data center side or anything? Have we encountered any such queries from our existing customers?

Sandeep Zanzaria: There is no sense of any cancellation or anything. This is a news to me what you are talking about.

Moderator: Next question is from the line of Basant Bansal from NBG Investments.

Basant Bansal: My question is around AI. We are hearing nowadays that AI companies are not getting funding and going slow on their expansion. So, are you also seeing any, kind of, impact because of this?

Sandeep Zanzaria: So Mr. Basant, a large part of our order is basically coming from the transmission utilities or the TBCB segment, which is the TBCB industry and these segments. So, India, for example, if you really look in many years, the installed capacity of data center is close to about 1.5 gigawatts, which is very small. In fact, by 2030 also, it is expected to go up till 8 to 10 gigawatts. So not very significant as comparison to U.S. market and other places as well. So at least in India, we don't see a significant challenge in terms of these companies' capacity to raise capital and put data centers for AI.

Basant Bansal: So, you are not seeing any, kind of, demand pressure from that side? Am I right?

Sandeep Zanzaria: No. When the large data centers will start coming in, there will definitely be pressures because they will be requesting for early deliveries, etcetera. But yes, today, many projects are on the drawing board. So, we expect a much stronger traction on data centers to happen starting from Q4 or most probably next year.

Moderator: Next question is from the line of Suraj Malu from Catamaran.

Suraj Malu: Sir, in January 2026, we had taken RPT approval for INR3,000 crores, which you mentioned last quarter that it was on hold. So, what is the current status on that project, sir?

Sushil Kumar: Suraj, good evening. The approval that we had taken in January, that was largely on the buy side, meaning we had placed order on our Group company for largely including the products that we need for execution of HVDC project. So that was on the buy side, which has been executed.

The other orders, two orders for which we have taken approval mainly from the sell side or to get the export order from the customer, we have already given details in the presentation. One order is on hold and the other one is active.

Suraj Malu: Right. So, of the INR3,000 crores, large portion was for importing components for HVDC?

Sushil Kumar: Yes. For January one.

Moderator: Next question is from the line of Vijay Bhasin from InCred Capital.

Vijay Bhasin: I just have two quick questions. One, do you expect gross margins to cool off from the current 55% to 57% levels once the large HVDC projects, sort of, comes into execution starting, let's say, next year, assuming that the current revenue mix is more skewed towards products than it is for projects?

Sushil Kumar: Good evening, Vijay. First, a clarification that the gross margin is not around 55%. It's in the range of 45%. For this financial year, we have already clarified that HVDCs execution are not going to be part of revenue. In fact, the HVDC execution, significant part will start coming from FY28 onwards.

Even in the next financial year, we don't expect significant HVDC contribution. We have maintained mid-'20s guidance for this financial year. We don't share long-range guidance, which include HVDC execution over the next 3- to 5-year cycle. We'll communicate in the due course.

Vijay Bhasin: Sure. Just a follow-up to it. Can we say that the current gross margin levels possibly can hold for the next 1 to 2 years despite competition coming up? Or can it substantially get better from here on?

Sushil Kumar: We don't give gross margin guidance. We have given EBITDA guidance because as I mentioned earlier, gross margin changes quarter-on-quarter or even year-over-year depending on mix of product versus projects and then export versus domestic and so on. And also, we have significant operating leverage benefit that we can avail.

So, we have already shared guidance for this financial year, and we are actually executing well in the first half. We'll communicate the expectation for the next year in due course of time. As of today, we don't actually share the long-range guidance.

Vijay Bhasin: Sure. Just lastly, how much would be, let's say, the data center mix in your backlog right now?

Sandeep Zanzaria: It's a very small percentage, Vijay. Actually, few products in 220 kV and segment and grid automation.

Sushil Kumar: Less than 2% in fact.

Moderator: Next question is from the line of Amit from UBS.

Amit: Sandeep, congratulations on maintaining a very strong quality of business. My first question is on the capacities in manufacturing and power transformers and switch gears that are lined up in the next 2, 3 years in the country. Do you think, and this is a question for industry maybe not particularly for GE Vernova's profitability because that's a different business mix, in 2027, the ordering pattern is going to be such where the capacities will start having some impact on profitability and pricing because the demand supplier mix especially in CY '27 ordering will be very, very different vis-a-vis what we have seen in the last 2 years? That's my first question for the domestic market.

Sandeep Zanzaria: There's a lot of capacity expansions, what companies have announced. So, if you hear them what they have been saying, so they're putting up capacity mostly for the export market, not for the domestic market. And if they follow what they are saying, then I don't see too much pressure coming on the domestic market prices.

Amit: Okay. Because qualifications at their own time and not everybody who are planning export might be able to do that going by last 20 years history in the country. So that's why I had that question.

Sandeep Zanzaria: But there's a large capacity expansion happening mostly on the transformer side, but not on so much on the switch gears side.

Amit: Okay. Fair point. And second question is, when GE Vernova T&D India exports to U.S., Europe and the MENA region, you also have a lot of domestic companies, large ones who are stuck outside to get capacity orders and you can directionally give this answer, sir, what part of your business today is vulnerable/in direct competition to, say, 4, 5 large exporters, non-MNCs in India? Because I understand a lot of your business is technology-led where Indian companies don't have a competition or offerings like GIS, etcetera.

Sandeep Zanzaria: So normally, I've not seen us competing too much in the market globally with Indian companies. So, then it is very difficult for me to predict that how this whole thing will play out with the Indian companies getting more export. If there is a trend which starts emerging, and suppose I'm just giving a hypothetical example, don't take it -- suppose in Europe, some X country, for example, Spain or Portugal or whatever it is.

If my bid is there and with that, there are 3 Indian companies, then I can make an assessment that what impact it can have. But today, that is not the scenario. So, it is very difficult to me directionally that which markets will get impacted and where and what is the volume which is going to get impacted.

Amit: Sure, sure. Third and last question, quick one, and it is basically regarding the capacity expansion. So, we've seen Korean companies expanding capacities, a lot of investors raise questions about the conservative behaviour in expanding. Do you think even GE Vernova T&D India, in the capex -- in your INR11 billion capex, you would want to call it a conservative expansion going by the global demand assessment and domestic demand assessment?

Sandeep Zanzaria: So, if you look at that way, Korean companies are not that big in India, right? For example, transformer and all, there is no Korean company, Korean companies are putting the capex either in Korea or they are putting a large capex, which is happening in U.S. So, we cannot compare them with GE Vernova T&D India's capex.

And regarding the conservativeness of our capex, I will say that we take an informed view about the market, the supply chain demand, our ability to play in that market, and then only we decide on the capex numbers after due diligence with the Board.

Sushil Kumar: And I'll just add on; we also consider what maximizes the return to the shareholders. Most of the investment that we are doing almost more than 90% is in our existing plants where we already have the land and it makes real integrated expansion. So, the need of capex versus other players is lower to produce or generate similar or higher volume.

Amit: Sure. So anyway, I meant Korean companies expanding in Korea for U.S. and Korea. But yeah, helpful.

Moderator: Next question is from the line of Aritra Banerjee from Nomura.

Aritra Banerjee: Congrats on a very good set of numbers in this quarter. I just wanted to ask that for the upcoming three HDVC projects, two in Barmer and one in Navadiya, what is the kind of timeline you are expecting in terms of tendering and awarding if you could provide some clarity on that, please?

Sandeep Zanzaria: The project not yet been cleared by NCT and all. So, it's going to happen in '27 only next year.

Aritra Banerjee: Understood. Sir, my second question is regarding this discussion regarding the ultra-high voltage 1150 kV corridor. So, if that actually fructifies what, kind of, tailwinds you expect regarding your TAM and demand opportunity going forward?

Sandeep Zanzaria: So that will also depend upon how many projects come in a year. So, we have to wait for that, kind of, feedback to come in when the first project comes in and then subsequently, what is the pipeline. Then only we'll be able to give a concrete number on the TAM, about the scope that how many bays are there, how many transformers are required. So, it's still a bit away.

Aritra Banerjee: Understood, sir. And any idea on who might be your competitors in this segment if it comes along?

Sandeep Zanzaria: 1,150 kV?

Aritra Banerjee: Yes.

Sandeep Zanzaria: So for different products, it will be different competition. For instrument transformer, it will be different. For transformers, it will be different. So, it will be different for different products.

Moderator: Next question is from the line of Shirom Kapur from Jefferies.

Shirom Kapur: Just a quick question on the HVDC bit. So, could you somehow quantify typically of an HVDC project, how much would be, let's say, INR20,000 crores HVDC project, how much is typically the equipment component or the component that's addressable by you?

Sandeep Zanzaria: So that changes upon the line length and other factors as well. Because, for example, one HVDC might have 800 kilometers of line and the second HVDC might have 1,200 kilometers or 1,500 kilometers of line. So, the composition in terms of percentage will change. But you can take it somewhere around, say, probably 40% to 60%, 65%.

Shirom Kapur: Understood, sir. And just secondly, you mentioned that, obviously, the last 3, 4 months, the TBCB pipeline has picked up substantially. So, I mean -- I think by my calculations, close to about INR1 lakh crores of TBCB projects have been tendered out so far. So how much of this would you say could still be up for ordering on the equipment side? Typically, once a project is awarded to the developer, how long is it before it's awarded to the equipment supplier?

That's one. And just continuing on that on the TBCB projects is how much do you see in terms of market opportunity coming up from the intrastate TBCB project side as well because a lot of the recent tenders have been in interstate. So how do you see the pipeline shaping up in intrastate as well?

Sandeep Zanzaria: So Shirom, thank you for the question. On the TBCB intrastate pipeline, of course, many states have expressed that in future, all their expansion, at least the 400 and 765 kV, they would like to go it on a TBCB mode. But if you ask me a number for the year, probably it will be difficult for me to quantify because I think the numbers would be tracked more by the developers rather than by us. That is first thing.

Second, I think what you asked about, so normally earlier, what was happening that TBCB projects, the delivery timelines were like 18 to 21 months. So, whenever the developers are winning, they were in a hurry to award the packages in order to secure the timeline and meet those timelines.

But now it has become, like, from 24 months to 30 months. So even after the developer wins the project, they take some time to decide on that. So, there is a float which has got created, which now rest with developers. So, I will say it is difficult to now make a prediction that whatever INR1 lakh crores TBCB pipeline, if it gets decided this year, how much it is going to fructify for the equipment manufacturers like us.

Shirom Kapur: Noted, sir. But fair to say that the timeline is stretched, it could be about 6 months or more? Or could it be less than 6 months?

Sandeep Zanzaria: So normally, it would be like 3 to 5 months, the whole products will get awarded after the developers have win the job.

Shirom Kapur: This is as per the latest longer timeline you're saying, right, given that in the current scenario, it could be 3 to 5 months typically?

Sandeep Zanzaria: Yes. But for transformers and all people do it earlier, but for other products, it then gets slightly delayed.

Moderator: Next question is from the line of Amitoj Singh from 360 ONE Capital.

Amitoj Singh: My first question is on the exports. So, I think as of FY26 end, our exports order book stood at around INR1,700 crores. And if I see the first half execution, we have already executed around INR1,200 crores, roughly INR1,200 crores of exports. So, is it fair to say that exports are relatively short cycle orders compared to domestic? Any commentary on that?

Sushil Kumar: Most of the flow orders or the orders which are spread across multiple geographies, they are short cycle. But in past, we did book certain projects which are long cycle of 3 to 5 years. So, the large projects generally have a longer delivery time period, the material related party orders that we take and rest of the flow business is a short cycle one.

Amitoj Singh: Got it, sir. So roughly the new order that also we have been taking in the first half, they will also be short-cycle products, fair to say?

Sushil Kumar: Yes. Absolutely.

Amitoj Singh: Got it, sir. And sir, the next question is on the IGBT technology. So, our South Olpad project is based on the VSC technology, and we have a tie-up with Mitsubishi Electric for supply of IGBT conductors. So, can we say that, that HVDC order will have a relatively lower gross margin compared to LCC HVDC given that we'll be sourcing some of the components from Mitsubishi Electric, the main semiconductor technology?

Sandeep Zanzaria: So, for example, these IGBTs, which we source from Mitsubishi or for that matter, any other supplier as well, so that's a standard model which we operate. So that doesn't decide whether that's a component. For example, when we build a transformer CRGO, obviously, we source outside from an outside company.

So similarly, in an HVDC, IGBTs are sourced from outside, but the complete valve assembly is done by us. So, the design and manufacturing of the valve, including that IGBT is done by us. So, buying IGBTs from Mitsubishi has no role in defining what gross margin the project will operate.

Amitoj Singh: Got it, sir. Got it. And similarly, for LCC, like, we manufacture the thyristor valves, but do we also manufacture the thyristors or that is also being sourced from international players or from a parent?

Sandeep Zanzaria: So, we source the thyristors from outside, like we source IGBTs, but the thyristor valve as a unit is manufactured.

Amitoj Singh: Assembly?

Sandeep Zanzaria: Yes.

Moderator: Next question is from the line of Jainam Vora from Saltoro Investments.

Jainam Vora: Congratulations on a great set of numbers. My question is regarding the export opportunity, having done exports through related party as well as other orders. I wanted to get some qualitative as well as quantitative color as to how different is it for an Indian company to do exports in markets abroad, particularly in the U.S. Is there any difference in terms of the certification or timeline or approval?

If you could provide some color, that would be very helpful. And particularly right now, given the kind of, demand-supply imbalance that is there, is there a sort of a different approach than vis-a-vis what you've seen probably 5 years or so back? That will be very helpful.

Sandeep Zanzaria: So, I'll not be able to comment that what was happening 5 years back. But definitely, if you want to export anything to European customers or American customers, definitely, it will require an approval of the factory and other things as well from the customer side. I think that is the most important starting point. Then it will also depend upon that whether you are working for a utility or whether you are working for a data center.

If you are working for a data center and the equipment is going to go in the data center itself, then it will depend upon that how flexible they are in terms of technical requirement. But when you go to utilities, they are pretty strict about following the technical requirements, etcetera.

So, I think this also depends upon you. It's not like you have one-stop solution. It will depend upon the equipment. It will depend upon the customer type and what kind of requirement comes for the approval.

Jainam Vora: Understood. And in terms of the biggest bottleneck right now, what is it that the numbers are solid, the inflow is there. We have won the L1 bid is also there. So, I'm just trying to understand right now what is the biggest bottleneck that the company is facing as it plans to continue to forge forward with the growth ambitions that it has? Is it supply chain? Is it the skilled workforce? If you can provide some color on that, that would be very helpful.

Sandeep Zanzaria: Obviously, supply chain remains a challenge, which teams keep on working to mitigate that because one, the global demand is pretty high. And then second, the geopolitical disturbances, they keep on emerging. So yes, supply chain today is one of the things which can have a very severe impact on the operations.

Jainam Vora: So that would be the number one risk in your opinion, okay. And last question is on the GEC III approval that recently the government gave. While you did provide some perspective on the intrastate opportunity, from a broader lens, how big the opportunity or TAM opens up for you, while it may be hard to give color from a yearly perspective. But from a midterm perspective, mid- to long-term perspective, what does it mean for a company like us?

Sandeep Zanzaria: I think if you would have seen that recently, we did an investor meet in Mumbai and at that point of time, we had uploaded the presentation. So, our guidance on the market remains the same. So, a large part of that GEC III corridor is anyhow covered under the electricity plan, which has been issued by CEA.

Moderator: Next question is from the line of Sameer Thakur from Ambit Capital.

Sameer Thakur: I just have one. So, you mentioned that on pricing, there is slight pressure. So just wanted to check, is that on new orders because the copper prices have increased like more than 50% in 1 year. And I thought the order pricing should have at least improved by at least 15% or so just to mitigate the impact. So just wanted to check on this.

Sandeep Zanzaria: I was talking taking into account everything, then there is a slight pressure.

Sameer Thakur: Okay. That's clear. And just one if I can squeeze in. You had mentioned in earlier calls that the base orders like INR70 billion to INR80 billion for the year. So is that impact or you want to increase the target for the year considering the performance for each?

Sandeep Zanzaria: We would like to keep it.

Moderator: Next question is from the line of Parikshit Kandpal from HDFC Securities.

Parikshit Kandpal: Just to draw attention in the past, I think Sushil used to earlier tell that export orders have almost 500 basis points better margins. So, a few quarters have passed. So, any change in the spread? Are the export orders more profitable now versus domestic orders? Any color on that?

Sushil Kumar: So Parikshit, broadly, the trend remains same. Export orders do remain at higher margin than the domestic ones.

Parikshit Kandpal: Okay. And is it right to assume that the current order book of INR20,000 crores plus, so will we carry mid-20s kind of margin, excluding HVDC right now in L1?

Sushil Kumar: Parikshit, I think there have been a few questions in the past in this call as well regarding gross margin and EBITDA and so on. And now your question on the margin backlog. I will draw the attention and reply this differently.

We have been growing at the rate of more than 30% over the last 3-4 years. And if you look at our backlog, INR214 billion and plus HVDC L1 position, we have a very strong order book already with us. With this, going forward in next 3 years, we can continue to similarly grow on average at more than 30%.

With that kind of revenue execution, while we are expanding at our factories, it's only INR10 billion of capex. So, with that small investment, we are able to execute this entire backlog. Which means that without looking at gross margin% or EBITDA%, there will be a significant operating leverage that kicks in leading to growth in the absolute earnings per share with the same amount of capital. So, the return on equity remains high for the future period, and the EPS growth will continue with the increase in the revenue. So, I think the stakeholders or the analysts or investors should consider the absolute profitability and return to the shareholder in terms of return on equity rather than the components of it, which is largely in terms of backlog margin or gross margin, etcetera.

Parikshit Kandpal: Understood, sir. Sir, just one bookkeeping question. In this quarter, we have seen employee costs going up. Any one-off there? Or is it more of a trend now? I mean is there any hike, any one-offs there? If you can just comment on that?

Sushil Kumar: Employee cost has been growing, but it is less than the revenue rate. So in order to execute our backlog and grow revenue at 30% plus year-on-year, we have been adding people. And also, you would appreciate there is inflation. So obviously, there are increment on salaries. So these are the 2 normal business operational factors, nothing exceptional in this number.

Parikshit Kandpal: Just last question to Sandeep sir. Sir, earlier used to see bulk ordering from Power Grids, we have seen a couple of packages we have won large ones like, I think, upwards of INR600 crores to INR1,000 crores. So, any future pipeline there, which you see building out? That would be the last question.

Sandeep Zanzaria: Yes. So, Power Grid normally regularly comes out with tenders. That's based on the TBCB pipeline only.

Moderator: Next question is from the line of Aditya Vikhram from DB Securities.

Aditya Vikhram: Sir, one last question. So, this quarter, we have seen the gross margin at 45%, right? I just wanted to understand from your side that what has led to this outperformance? Is this the product mix or some sort of operating leverage, which will remain in place for the next 2 quarters as well?

Sushil Kumar: So, thank you for your question. And as I mentioned, Aditya, earlier that quarter-on-quarter gross margins do vary. The overall H1 performance, and that variation is because of multiple factors, could be the operational execution, could be the mix of domestic versus export, project versus products and different product components and so on. The performance of 45% is not exceptional. We did the similar, kind of, gross margin in the last financial year as well. So, it's in line with the last financial year.

And last year, we did 27% EBITDA. This year, our performance is more than 26% in H1, in line with our guidance. So, nothing exceptional of what we are doing. But yes, the overall results are exceptional because we are the industry-leading company in terms of the performance of the P&L and profitability.

Aditya Vikhram: I completely understand what you're saying, right? Not going to harp on more about this. This is something which can be sustained for next 2 quarters as well, if you are sticking to your mid-20s EBITDA margin, right?

Sushil Kumar: So again, the mid-20s EBITDA that we normally guide is going to sustain, but not commenting on the gross margin because, as I said, different components within that keep changing.

Aditya Vikhram: No, no absolutely. I understand that. I just wanted to see if there is anything which might stick along.

Moderator: Next question is from the line of Mohit Kumar from ICICI Securities.

Mohit Kumar: One question I have on the Pasauli HVDC expansion. If I correctly, the NCT has approved this INR30 billion, INR3,000 crores project. Have you heard anything on the -- I think that a significant part were done by the GE. Have you heard anything from the Power Grid about this project?

Sandeep Zanzaria: I've not -- actually, your voice was cracking, so I was not able to hear.

Mohit Kumar: My question was on the Pasauli expansion, Pasauli HVDC expansion. I think where the order has been given to Power Grid. And we have implemented the Phase 1. So, Phase 2, I think we will have substantial role to play. So, my question is, have you heard anything on the Power Grid? And the total project cost size was INR3,000 crores, yes.

Sandeep Zanzaria: Pusauli-I was executed by us somewhere in year 2000, if I'm not mistaken, 2003. So, it's like about more than 25 years and about 25 years, and it has outlived its life. So, the refurbishment of that project order has been given to Power Grid. So, Power Grid has launched certain discussions with us, but there is nothing concrete on that.

Moderator: Ladies and gentlemen, that was the last question for today. I now hand the conference over to Ms. Megha Gupta for closing comments.

Megha Gupta: Thank you all for joining the call today. We hope the insights provided by our speakers have been informative and valuable to you. We value the trust and support of our investors and analysts and ensure to remain committed to maintain transparent communication and fostering strong relationships. If you have any follow-up questions, please feel free to reach out to me. Thank you.

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