Management Discussion

Puneet Bhatla - Managing Director, GE Power India Limited

Thank you. Thank you, Tovin. Good evening, ladies and gentlemen. Thank you for joining us today and thank you for your continued trust and support in GE Power India Limited. Joining me on this call is also our Chief Financial Officer, Mr. Rahul Rojal. We are here to share our business progress, our turnaround journey and the strategic rationale behind the proposed demerger of the Durgapur business. Our objective is to communicate clearly how the company has evolved over the past two years and why we believe this proposed step is in the long term interest of the shareholders.

Tovin, can you go to slide number three directly? Thank you. Over the last two years, GE Power India has taken series of deliberate and disciplined actions to strengthen the business. Since 2024, we have focused on high margin, cash accretive opportunities with faster cash conversion cycles. We have restructured the business, frozen the commercial strategy around the services, expanded our reach in the third party fleet or what we call it as the other OEM fleet and increased our presence across international market including Saudi Arabia, Turkey, Austria, UAE, Malaysia, Indonesia and Morocco. In parallel, we have undertaken important portfolio actions such as hydro and gas lump sale, the BHL settlement and now the proposed demerger of the Durgapur business.

Can I request you to go to the next slide, please? These initiatives have materially improved the company's financial position. Over this period, GEPIL has delivered a significant increase in the net worth, a substantial improvement in bank balance and major reduction in outstanding bond exposures. EBITDA has improved meaningfully from negative levels to positive profitability and the company's market capitalization has strengthened significantly. We have also seen an improvement in our long-term ICRA credit rating to BBB+ with a stable outlook as of June 2026. The declaration of dividend in 2026 further reflects the progress made in restoring the financial strength and the stability of the company.

While quarterly reports capture the progress, demonstration of true transformation is by the sustained momentum over multiple years. Since the fiscal year 2024, we initiated a series of hard disciplined choices. We stopped chasing volume for the sake of revenue and began chasing this value for the sake of profitability. This discipline has been the bedrock of our recovery. Consider the trajectory of our balance sheet as detailed in our uploaded slides. We have seen our net worth grow from more than eight-fold in just three years, climbing from INR227 crores in March 2023 to INR483 crores by March 2026. This is not happenstance, it is a result of deliberate cash accretive strategy.

Similarly, our liquidity position has shifted from a deficit of INR66 crores in 2023 to a robust INR880 crores by March 2026, an 18-fold improvement in our cash position that provides us with the agility to maneuver in an unpredictable global market. Most indicative of our turnaround is our deleveraging story. We have shed INR1,364 crores in bank guarantee exposure over two years, untethering our capital from historical burdens. Our EBITDA, which was once reflected a loss of INR251 crores in FY 2023 has crossed into positive territory reaching INR277 crores in FY '26. This is not just a recovery, it is a renewal. Our credit rating as already said, elevated to BBB+ stable outlook and this stands as a testament of this financial stability culminating in the declaration of dividend in 2026.

Can I request to move to the next slide please? Our core services business remains central to our future. The order booking trend clearly reflects this momentum. Order bookings have grown from INR299 crores in 2021-2022 to INR734 crores in 2025 to 2026, representing a CAGR of

approximately 25%. In financial year 2025-2026 alone, we delivered around 34% overall order booking growth in core services compared to the previous years. We are also seeing strong progress in the other OEM segment which is very unique for your company where order growth has increased from INR162 crores to around INR320 crores. This demonstrates the strength of our service-led business model and our ability to unlock sustainable profitability and cash flow.

Can I request to go to the next slide please? Now let me come to the Durgapur facility. The Durgapur facility in West Bengal has played an important role in the manufacturing and supply of critical power equipment including our boiler components, pressure vessels, pipings and coal mill for thermal power plants. It includes both an industrial factory unit and a residential township spread across approximately 661 acres of leasehold land. However, in recent years the facility utilization has become limited largely to the service work and non-coal activities. During the last two years from 2023 to 2025, there has been significant underutilization of its capacity and this has resulted in an average loss of approximately INR27 crores per year being booked in GEPIL.

Given this situation, GE Power India Limited evaluated multiple options including retention of the factory as well as the merger of the Durgapur business. The key objective was to simplify GEPIL's portfolio by exiting an underutilized asset and sharpening focus on business that are better aligned with our growth and profitability. After careful evaluation, we believe the proposed demerger is the right path forward. Request for the next slide please. Under the proposed scheme of arrangement, GE Power India will demerge the Durgapur business unit to JSW Energy Limited. JSW Energy is an established Indian public listed energy company and a well recognized name in the sector. We believe that the acquisition of the Durgapur facility by JSW Energy will help ensure better future utilization of the facility, particularly in view of the broader demand outlook for the Indian power industry.

Upon sanction of the scheme by the National Company Law Tribunal, the business will transition on a going concern as is various basis retrospectively effective 1 July 2025. This demerger is designed with a strong focus on maximizing shareholders value. First, shareholders receive a clear and direct entitlement. For every 139 fully paid equity share of GE Power India Limited, shareholders will receive 10 fully paid up equity shares of JSW Energy. This entitlement ratio has been rigorously evaluated by third party independent valuers and has received a formal fairness opinion ensuring the scheme is equitable for all the shareholders.

Second shareholders existing number of shares in GEPIL will remain unchanged and I repeat this existing number of shares in GEPIL will remain unchanged. In other words, the shareholders preserve their equity ownership in GEPIL while also getting direct equity participation in JSW Energy. This is an important feature of the transaction as it allows shareholders to participate in the potential value creation from Durgapur business under GSW Energy without dilution of their current position in GE Power India Limited. Third, the transaction brings strategic ability to both the businesses. It enables Durgapur undertaking to pursue its own growth trajectory under JSW Energy while allowing GE Power India Limited to further streamline operations and accelerate its core services strategy.

Can I request for the next slide please? We also recognize that investors may have questions regarding continuity of the manufacturing and the fabrication support after the demerger. Let me address that clearly. Management does not expect any disruption to the manufacturing and fabrication support for the core services business. A five-year manufacturing services agreement with JSW Energy has been put in place to secure reserved capacity at a pre-aggregate schedule and pricing. At the same time, concurrent efforts to establish an independent supply chain are

progressing very well with full supply chain independence targeted to be achieved very soon. This phase transition is intended to protect order execution, maintain service delivery commitments and build resilient long-term manufacturing ecosystem.

To illustrate the shareholders' value proposal proposition more simply. If a shareholder currently owes 139 shares of GE Power India Limited, that shareholder will continue to hold the same 139 GE Power India shares after the demerger. In addition, based on the approved shareholder share entitlement ratio, the shareholders will receive 10 shares of JSW Energy directly. This means preserved ownership in GE Power India Limited, additional ownership in JSW Energy and no dilution of the existing GE Power India stake.

In summary, this proposed demerger is a strategic step that supports portfolio simplification, sharper operating focus and enhanced shareholder participation. It addresses the challenge of an underutilized asset support long term operational continuity and creates a framework for both GEPIL and Durgapur business to pursue more focus growth in their respective areas. The Board of Directors has unanimously approved this resolution and we invite shareholders to exercise their discretion to vote on this scheme to help enable a smooth and timely transfer process and position both the entities with the focus and the agility needed in the evolving energy sector.

Thank you once again for your confidence in GE Power India Limited. We remain committed to transparency, execution discipline, long term value creation for all our shareholders. If you have any questions, please write to us at Investors Relations mail ID. Thanks. Thank you, all.

Operator
[Operator Closing Remarks]