

April 12, 2024

GE Power Systems India Private Limited (erstwhile Alstom Bharat Forge Power Private Limited): Update on material event

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term/Short-term – Non-fund based – BG/LC	2475.0	2475.0	[ICRA]BBB+ (Negative)/[ICRA]A2; outstanding
Unallocated	525.0	525.0	[ICRA]BBB+ (Negative)/[ICRA]A2; outstanding
Total	3,000.0	3,000.0	

*Instrument details are provided in Annexure-I

Rationale

Material Event

GE Group has announced a change in the ultimate holding company from General Electric Company (GEC) to GE Vernova Inc (GEV). This would result in transfer of the entire ultimate and indirect shareholding of GEC in GE Power Systems India Limited (“GEPSIL”) to GE Vernova LLC and GE Vernova LLC will substitute GEC and become the ultimate holding company of GEPSIL.

Impact of Material Event

Following the announcement, ICRA has kept the ratings unchanged, as the entire financial and operational support that was earlier expected from GEC will now be coming from GEV. Moreover, in ICRA’s view, there is no material change in the credit profile of the new ultimate parent vis-a-vis the earlier one, given GEV’s strong liquidity, its limited external debt and its strong order book position. Thus, ICRA does not foresee any material impact on GEPSIL’s credit profile due to this change in parentage. Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description, liquidity position, rating sensitivities, and key financial indicators: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Ultimate parent company: GE Vernova. Ratings are based on implicit support from the ultimate parent, primarily in the form of technological and financial synergies.
Consolidation/Standalone	The ratings are based on the standalone financial profile of the company.

About the company

GEPSIL was incorporated in January 2010 as a joint venture between Alstom Power Holdings and Bharat Forge Limited (BFL). The GE Group had taken over Alstom’s shareholding in November 2015 and subsequently acquired BFL’s stake in 2017-2018. As a result, GEPSIL is now a 100% GE Group-owned company. GEPSIL’s manufacturing facility at Sanand (Gujarat) has a 3,000-MW installed capacity for manufacturing turbine generators for supercritical thermal power projects. The company was owned by GE (General Electric Company, US) with a 100% shareholding in the company through its group companies- GE Power

Netherlands BV and GE India Industrial Private Limited. With the recent spin off at the global level, the company has now become a subsidiary of GE Vernova.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2025)		Chronology of rating history for the past 3 years				
		Amount rated (Rs. crore)	Amount outstanding as of Mar 31, 2024 (Rs. crore)	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023		Date & rating in FY2022
				Apr 12, 2024	Oct 09,2023	Jan 06,2023	Jul 29,2022	Feb 22,2022
1 Non fund-based facilities – LC/BG	Short-Term/Long-term	2,475.00	-	[ICRA]BBB+ (Negative)/[ICRA]A2	[ICRA]BBB+ (Negative)/[ICRA]A2	[ICRA]BBB+ (Negative)/[ICRA]A2	[ICRA]A- (Negative)/[ICRA]A2+	[ICRA]A- (Stable)/[ICRA]A2+
2 Unallocated	Short-term/Long-term	525.00	-	[ICRA]BBB+ (Negative)/[ICRA]A2	[ICRA]BBB+ (Negative)/[ICRA]A2	[ICRA]BBB+ (Negative)/[ICRA]A2	[ICRA]A- (Negative)/[ICRA]A2+	[ICRA]A- (Stable)/[ICRA]A2+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Non-fund based facilities-LC/BG	Simple
Unallocated	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Non-fund based facilities-LC/BG	NA	NA	NA	2,475.00	[ICRA]BBB+ (Negative)/[ICRA]A2
NA	Unallocated	NA	NA	NA	525.00	[ICRA]BBB+ (Negative)/[ICRA]A2

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis-NA

Company Name	GEPSIPL ownership	Consolidation Approach
NA	NA	NA

Source: GEPSIPL

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