

November 04, 2020

GE Power India Limited (erstwhile Alstom India Limited) - Update on Material Event

Summary of Rated Instrument:

Instrument	Rated Amount (Rs. crore)	Rating Outstanding
Fund based - Working Capital Facilities	10.0	[ICRA]AA- (Stable)
Non-fund based – BG/LC	3,800.0	[ICRA]AA-(Stable)/ [ICRA]A1+
Unallocated	190.0	[ICRA]AA-(Stable)/ [ICRA]A1+
Total	4,000.0	

Material Event

As of October 30, 2020, GE Power India Limited's (GEPIL) share price has declined sharply over the past few trading sessions.

Impact of the Material Event

GEPIL's share price has witnessed sharp correction over the past few trading sessions. The company has recently made a disclosure on the likely impact on its operations, given its parent's (General Electric Co.; GE) intention to exit new-build coal power business globally. GEPIL's ratings remain unchanged at [ICRA]AA-(Stable)/[ICRA]A1+, given its sizeable unexecuted order book of ~ Rs. 7,500 crore (as of June 2020), which provides revenue visibility of up to three years; and as the company's management is evaluating the long-term prospects of its key business segments with respect to its dependence on the parent company, ICRA will continue to monitor the developments in this regard. In terms of future order inflow, GEPIL has executional/technological capabilities to bid for projects in its key business segment (air quality control systems¹, primarily flue gas desulfurisation; FGD installations) on a standalone basis from independent power producers and industrial customers. Additionally, GEPIL is in discussions with its parent to acquire independent capabilities to bid for opportunities in the FGD segment for Central and state government customers.

On a consolidated basis, GEPIL reported an operating income (OI) of Rs. 2,492.1 crore and a net profit of Rs. 84.6 crore in FY2020 against an OI of Rs. 1912.5 crore and a net profit of Rs. 75.4 crore in FY2019.

The previous detailed rating rationale is available on the following link: [Click here](#)

¹ Accounted for ~60% of the unexecuted order book as of June 2020

ANALYST CONTACTS

Sabyasachi Majumdar
+91-124-4545304
sabyasachi@icraindia.com

Anupama Arora
+91-124-4545303
anupama@icraindia.com

Deepak Jotwani
+91-124-4545870
deepak.jotwani@icraindia.com

RELATIONSHIP CONTACT

L. Shivkumar
+91-20-61143406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

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