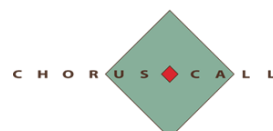




“CG Power and Industrial Solutions Limited
Q4 FY'26 Earnings Conference Call”

May 06, 2026



MANAGEMENT: **MR. AMAR KAUL – MANAGING DIRECTOR & CEO – CG POWER AND INDUSTRIAL SOLUTIONS LIMITED**
MR. SUSHEEL TODI – CHIEF FINANCIAL OFFICER – CG POWER AND INDUSTRIAL SOLUTIONS LIMITED
MR. MARIAS NEL – EVP- DRIVES & AUTOMATION AND INTERNATIONAL MOTORS BUSINESS – CG POWER AND INDUSTRIAL SOLUTIONS LIMITED
MR. GAURAV MAKHIJA – VICE PRESIDENT, SWITCHGEARS AND EPD BUSINESS – CG POWER AND INDUSTRIAL SOLUTIONS LIMITED
MR. AJAY JAIN – VICE PRESIDENT, TRANSFORMERS BUSINESS – CG POWER AND INDUSTRIAL SOLUTIONS LIMITED
MR. DHANANJAY BAPAT – VICE PRESIDENT, RAILWAYS BUSINESS – CG POWER AND INDUSTRIAL SOLUTIONS LIMITED
MR. JATINDER KAUL – EVP, MOTORS BUSINESS - INDIA SUB-CONTINENT – CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

MODERATOR: **MS. RENU BAID PUGALIA – IIFL SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the CG Power Q4 FY '26 Earnings Call hosted by IIFL Capital Services. 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 this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Renu Baid Pugalia, Senior Vice President, Research, IIFL Capital. Thank you and over to you.

Renu Baid Pugalia: Thank you, Jitesh. Very good evening, everyone. On behalf of IIFL Capital, I'd like to invite the senior leadership team of CG Power and Industrial Solutions to discuss the fourth quarter FY '26 earnings performance. From the management team today, we have with us today, Mr. Amar Kaul, Managing Director and CEO; Mr. Susheel Todi, Chief Financial Officer; Mr. Marias Nel, EVP Drives & Automation and International Motors business; Mr. Gaurav Makhija, Vice President, Switchgear and EPD business; Mr. Ajay Jain, Vice President, Transformer Business; Mr. Dhananjay Bapat, Vice President, Railway Business; and Mr. Jatinder Kaul, EVP Motors Business, India sub-continent.

I now hand over the call to Mr. Amar for his opening comments and explain us how do we deliver stellar performance in the business, especially Power Systems surprising yet again. Thank you and over to you, Amar.

Amar Kaul: Yes, thanks. Thanks, Renu and team. Good afternoon, everyone and welcome to CG earnings call. I'm happy to share with you all that CG had once another strong set of results for the quarter and year ended 31st March 26, reflecting our continued momentum powered by disciplined execution and strategic focus. This is a record fiscal year performance for CG in recent times. Very strong Q4 caps off a record fiscal year with highest ever standalone revenue, order book, and PBT after accounting for exceptional items.

Our Q4 FY26 sales grew by 22% year-over-year, PBT (excluding EI) at 43% year-over-year with 260 basis points margin expansion, delivering a strong finish to a record year. And for the full year, our sales grew by 21% year-over-year, PBT (excluding EI) at 34% year-over-year with 143 basis points margin expansion and again making it a strongest standalone fiscal performance yet. Further, the order flow remained pretty strong during the quarter with penetration into several new and emerging verticals and markets, taking the order backlog up 59% year-over-year to INR15,719 crores and offering a strong revenue visibility for financial year '27.

Now as I go deeper into standalone performance starting with Q4, the aggregate sales for the quarter was high at INR3,129 crores recording 22% as mentioned earlier. Profit after tax was higher at a growth of 49% at INR412 crores, which is 13.2% of sales as against INR275 crores which was 10.7% of sales in Q4 financial year '25. Return on capital employed for the quarter was at 27% and order intake for the quarter was INR4,505 crores, which is 23% growth year-over-year, and unexecuted backlog at a closer of financial year '26 was at INR15,719 crores which is 59% up year-over-year.

Now going further deep into standalone performance for financial year '26, the sales was at INR11,331 crores with a growth of 21% year-over-year. Profit after tax (before EI) was higher at 39% at INR1,352 crores which is 11.9% of sales as against INR974 crores which was 10.4% of sales in financial year '25. Return on capital employed for the year was 22%. Order intake for the year was INR17,574 crores which is 30% growth year-over-year, and unexecuted order backlog as of close of the financial year was at INR15,719 crores which is 59% up versus the last year.

Now moving to the sector-wise or the segment-wise performance starting with Industrial Systems. While performance for Q4 continued on a sequential upward trajectory despite volatility and the rising commodity costs, the aggregate sales for the quarter Q4 was at INR1,643 crores, which is 5% year-over-year up with robust double-digit growth in motors, which for the last few quarters you must be hearing me saying that we have stabilized a lot and the team is doing a fantastic job to stabilize that.

So that has started showing the results there. PBIT was at INR157 crores, 9.6% of sales as against INR176 crores, 11.2% of the sales in Q4 '25. Margin deviation is due to the mix change and the competitive pricing in railways business as well as higher MSR for motors due to commodity impact. But the disciplined pricing along with focused efforts on efficiency gains via cost and productivity programs over the last few quarters helped partially mitigate this adverse impact. Business continues to prioritize margin expansion through ongoing cost initiatives, structural improvements, pricing, and mix shaping.

We have improved margins by 20 basis points sequentially and the order intake for the quarter was INR1,478 crores and the unexecuted order backlog towards the closure of the financial year was at INR3,075 crores. Healthy growth in orders and order backlog in motors and drives also has a contribution towards this.

And when we come to the full year performance, the sales for the year was INR6,197 crores which is 6% up year-over-year with a healthy growth primarily in motors. And PBIT was at INR613 crores which is 9.9% of the sales as against INR707 crores, 12.1% in the previous year. And that's a margin deviation that you see here is due to the mix change and the competitive pricing in railways business and a bit of impact from us consciously slowing down because of the tariff impact from some countries that we had, so that was a conscious effort to delay that.

Then disciplined pricing along with focused efforts on efficiency gains via cost and productivity programs over the last few quarters had helped partially to mitigate the adverse impact. And business continues to prioritize margin expansion through ongoing initiatives and structural improvements with pricing and mix shaping. The order intake for the year was INR6,365 crores and the unexecuted order backlog as of close of the year was INR3,075 crores and a healthy growth in order backlog in motors.

Now if I go to the other segment which is the Power Systems, the performance continued upwards trajectory with the sustained margins and continues to be in Q4, underscoring the robust market dynamics with disciplined execution. The aggregate sales for the quarter was at

INR1,487 crores with a jump of 50% year-over-year reflecting strong execution discipline. PBIT was at INR354 crores at 23.8% of sales as against INR208 crores which was at 21% of sales in Q4 FY25, and significant 287 basis points margin expansion underpinned by efficient order execution and strong operating leverage. Order intake for the quarter was INR3,027 crores, which is 72% growth year-over-year, and unexecuted backlog as on 31st of March 2026 was INR12,644 crores, 91% up year-over-year, offering revenue visibility spanning several future quarters.

When we consider full year performance for Power, the aggregate sales was higher at INR5,138 crores with a rise of 46% year-over-year reflecting a strong execution discipline. PBIT was at INR1,123 crores, 21.9% as against INR668 which was at 19% of sales in financial year '25, which again comes to 281 basis points of margin expansion and underpinned by the efficient order execution and strong operating leverage. Order intake for the year was at INR11,210 crores, 69% growth year-over-year, and unexecuted backlog as on 31st March 2026 was INR12,644 crores which is 91% up year-over-year, offering revenue visibility spanning several future quarters.

With this, we conclude deep dive into our standalone performance and I will now move to the consolidated performance. And as you know consolidated results includes the performance of our operating subsidiaries in Sweden, Germany, Netherlands, (Drives & Automation Europe) and CG Adhesive Products, CG Semi Private Limited, G.G. Tronics, Axiro, and other non-operating subsidiaries.

Starting with Q4 performance, aggregate sales for the quarter were up at INR3,442 crores at a growth of 25% year-over-year. Profit after tax was 32% higher at INR362 crores which is 10.5% of sales for the quarter as against INR274 which was 10% of the sales in Q4 last year. Margin gains driven by strong performance were offset by continued investment in talent pool for semiconductor business and total semiconductor segment impact of INR38 crores, which is 110 basis points. Return on capital employed annualized for the quarter was 24%. Order intake was INR5,335 crores 39% growth year-over-year for the quarter and unexecuted order backlog as on 31st of March 2026 was 61% year-over-year at INR17,107 crores.

And when we consider our full year consolidated performance, aggregate sales for the year was INR12,418 crores with a growth of 25% year-over-year. PAT (before EI) was 27% at INR1,232 crores, 9.9% of sales for the year as against INR973 crores which was 9.8% of sales in financial year 25. Margin gains driven by strong standalone performance were offset by continued investment in the talent pool for semiconductor businesses (total semiconductor segment impact of 111 Cr, 89 bps) as mentioned before. And return on capital employed for the year was at 20%. Order intake for the year was INR19,616 crores, 33% growth year-over-year, and unexecuted backlog as on 31st of March 2026 was 61% up year-over-year at INR17,107 crores.

Now moving to the key events for the last financial year. As you would have seen we had announced that we have bagged an order for the supply and servicing of 765kV transformer packages 7TR-12 Bulk from the large customer PowerGrid Corporation. You know that total

order value was about INR641 crores (\$74M) is the highest single order domestically received in the transformer business in CG. The order expected to be completed between 18 to 36 months.

And CG secured the single largest order of INR244 crores for EHV business from Techno electric for supply of instrument transformer, circuit breaker, lightning arrestors.

And CG also launched successfully and completed QIP of equity shares and raised INR3,000 crores. The issue opened on 30th June, 2025 and closed on 3rd July, 2025. It was oversubscribed by >3x and saw participation from both Indian and global marquee investors.

CG Semi Pvt. Ltd. ("CG Semi"), a subsidiary of CG, unveiled one of the India's first end-to-end OSAT facility in Sanand in Gujarat on 28th August 2025. With this launch of G1 facility, CG Semi becomes one of the first full- service OSAT providers offering solutions across both traditional and advanced packaging technologies. This marks a major step in strengthening India's semiconductor capabilities and supporting the country's goal of becoming self-reliant while also serving global markets. The G1 facility will operate at a peak capacity of half a million units per day, which we are trying to even increase that output. We should be in that situation. over the next few months or quarters.

And G2 facility located about three kilometers from G1 is under construction expected to be completed by end of the calendar year 2026. Once operational, G2 will scale up to the capacity of approximately 14.5 million chips per day. Together, the two facilities are projected to generate about 5,000 direct and indirect jobs in the coming years.

CG Semi is also eligible for Capital Assistance as per the scheme for setting up OSAT facility launched by India Semiconductor Mission, ISM, under the Ministry of Electronics and Information Technology vide approval dated 8th March 2024. The approval covers a five-year period from financial year '24-'25 to '28-'29 for a total project cost of INR7,584 crores with central government assistance of INR3,501 crores and additional state government support equating to 40% of the central government assistance coming to about INR1,400 crores. The fiscal support agreement was signed on 17th January, 2025 and the trust and retention account agreement was signed on 15th September, 2025.

The board of directors on 29th October '25 approved a greenfield expansion for switchgear business with an investment of INR748 crores (net of taxes). The expansion is proposed considering the expected increase in demand for medium voltage and extra high voltage circuit breakers, instrument transformers, gas insulated switchgears for domestic and also for export markets.

CG secured about INR900 crores (\$99.2M) worth of power transformer export order from one of the US customer, which was a substantially large one. It's for the data centre in United States. The order was received on 16th of January 2026 and is the largest single order received by CG for supply of power transformers. And under this contract, CG will supply the power transformers specifically engineered to meet the stringent reliability, efficiency, and uptime

requirements of hyperscale data centre applications. This order will be executed for a delivery period of 12 to 20 months with the delivery terms of FAS Mumbai port (Incoterms® 2020)..

The board of directors of the company at its meeting held on 27th January, 2026 considered and approved the payment of interim dividend of INR1.3 per equity share, i.e. 65% of the face value of INR2 per share for financial year 25-26. With this, I conclude my opening remarks and audited financial statements with detailed notes are available as part of stock exchange filing and on our company website. Thank you so much for listening in and over to you Renu for Q&A.

Moderator: Hello Renu ma'am?

Renu Pugalia: Yes, can we open the session for Q&A please?

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Ankur Sharma from HDFC Life. Please go ahead.

Ankur Sharma: Yes, hi sir. Good afternoon. Thanks for the opportunity. I had three questions. First, it's good to hear that you know that we finally seeing double-digit growth in motors. Just wanted to understand you know how much is volume growth and how much is price led? Also you know given the current inflationary environment, how much more of price hikes you know would you intend to take in the motors side of the business?

Amar Kaul: Sure Ankur, I think great question. So on the motors side, I would say it was a combination of the price increase that we got from there from the customers and a combination I would say about 50-50% of both and the volume hike as well. So the volume hike is almost in sync with the market growth that we have seen but also we didn't let our, you know pricing leakage also to happen from there.

Ankur Sharma: Okay. And how much more do you think you may have to take, I mean how much you know to cover the current increases?

Amar Kaul: We keep a laser sharp eye on, focused eye on the commodity inflation the way it is happening because it's a little tricky for motors or drive business versus some of the large long lead item because where you get the PVC. So here we keep a laser sharp focus on how it is going or the projections on that and basis that we take the decision case to case basis. Maybe it is not required but what we are also honing our skills on is the pricing discipline you know how do we make sure that we are not having the leakage for by giving additional discounts. So I think that's another thing that we are working closely on.

Ankur Sharma: Okay. Fair. Fair. Okay. A second question sir would be on the power product, the orders. You know while it's very, very strong given we got this INR900 crores order for the data centre but if I exclude that and I look at the domestic orders you know that's up about 20% you know X of that data centre order, you know it was up about 16% last quarter.

Sequentially, we are in that INR2,000 crores to INR2,200 crores ballpark. So you know just trying to understand is this like the most sustainable kind of growth rate that we should be kind

of expecting in that 15% to 20% ballpark as we head into next year? Obviously, the base also starts catching up. Just your thoughts on the overall you know trajectory here on the domestic transformer power products business?

Amar Kaul: So I think Ankur the, you know if I had to give a short answer, the game is just started. So INR900 crores is what we had to report because it was a substantial order that we have but after that also the tap is open and as you know we put our feet on the ground outside India as well, anything we touch you know it just opens up.

So there's so much of opportunity available for everybody. You just need to know how to encash on it, how to make sure that you execute with the right quality, right standards, right reliability. I think that's what will be the differentiation, nothing else. And if you should have the appetite on that. So, so I'm not going deeper whether it's transformer or it's switchgear but I think overall for power we see a still see a huge demand all over the world.

Ankur Sharma: No fair. I understand excluding of India, but the account specific of India is what I was talking about. How would you see the Indian power product you know market shaping up as you head into next couple of quarters?

Amar Kaul: Yes, that's also growing at a very, very fast pace you know in fact as we are adding if you see just one year back we were at some 18,000, 17,000 MVA capacity for transformer, today we are almost close to 65,000 MVA. That I don't think anybody has done that kind of increase and still we feel as we meet the large customers or even the government companies in the utility sector what we keep hearing, give us more, give us more. I don't think anybody is saying stop it.

So I think it's a good it's like Amrit Kaal for power sector in India as well.

Ankur Sharma: Okay. And just one last one is on the balance sheet. You know I see this item called other financial assets totalling almost INR3,000 crores you know in Q4. Can you just help us understand, what is that?

Susheel Todi: Ankur, you know the QIP money which has come up so it is parked into the different asset class.

Ankur Sharma: Ah, got that. Great. Okay, got that sir. Thank you so much. Yes.

Moderator: Thank you. The next question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar: Yes, good afternoon sir and thanks for the opportunity. My first question is can you help us with the G.G. Tronics order inflow and how did the year panned out in terms of revenue, EBITDA, and PAT and how do you see the order outlook in the segment here?

Amar Kaul: Yes, Mohit. So I think G.G. Tronics if your question is specific to the order book, I think it's pretty strong right now. I think the order backlog should be the tune of close to INR1,000 crores approximately. So right now you know if the second question might come for you know how, when do we start executing? We are at the last leg of the approval process which is the passenger

trials which is already going on. So there are about as of today morning, 12 trials have already been completed and so I think maybe another month, month and a half all these trials should be done. So then we start executing.

Mohit Kumar: And how, what was the last year revenue EBITDA and PAT if the number is available with you, available?

Amar Kaul: You mean for GGT or what?

Mohit Kumar: G.G. Tronics, G.G. Tronics. Yes.

Susheel Todi: What is your, what is your question? Sorry?

Mohit Kumar: My question is what was the revenue and profitability for the G.G. Tronics especially?

Susheel Todi: Oh, so they are at I think, at INR100 crores at a full year basis and they are making money, they are not losing the money. They are at you know at least around INR3 crores to INR4 crores PBT number.

Mohit Kumar: My second question is can you help us with the understanding the receivable jump in receivable which was INR2,000 crores last year? I think it has jumped to INR2,900 crores if I'm not wrong. So it's up by around maybe 50% while the top line is up by 20% odd.

Susheel Todi: No, you are talking about the trade receivables? Only trade receivables?

Mohit Kumar: Yes. Yes. Yes.

Susheel Todi: Okay. So you look at that the growth which is coming mainly in the power segment, right? So if you look at even that the return of capital employed on the power side is more than 100% plus. So the receivables which are there today it's coming more from the power side and the average credit period is ranging between 90 to 100 days.

Mohit Kumar: Understood. Understood. Okay. Thank you sir. That's all.

Moderator: Thank you. The next question is from the line of Harshit Patel from Equirus Securities. Please go ahead.

Harshit Patel: Hi sir. Thank you very much for the opportunity. Sir, firstly on motors, what would be the mix of IE3 and above in our overall FY26 volume and where do you see that growing in next 2 to 3 years? Does this change in mix help our margins or this change in mix will be margin neutral?

Amar Kaul: So the specific I'm not allowed to give exact numbers of IE3, IE2, IE4 numbers but I can tell you it is not very substantial at this point of time because even though we talk about energy efficiency but Indian market is a bit slow on adoption of IE3, IE4, IE5 technologies.

But I'm sure it's going to pick up in next couple of years as government is tightening and the need for energy is increasing further so and our R&D and development is also accelerating the same you know to complete, to have the complete portfolio of IE3, IE4 motors. So that is progressing well. So to your question to be specific it's not very big in terms of the percentage of the overall portfolio because of market side, not because we cannot supply.

Harshit Patel: Understood sir. Secondly on the GIS, we were in the development stage for 440 kV GIS. So if you could share an update on its commercialization and also the development plans for 765 kV GIS if any?

Amar Kaul: So Gaurav you want to pick up that question?

Gaurav Makhija: Yes, sure Amar. So thank you for that question. So for 400 kV GIS the plan is exactly on the schedule there. We have already tested the phase one of our GIS portion. The phase two is scheduled between quarter two and quarter three. So yes, once we have the type test done in any of these international labs we should be out with our commercialization for 400 kV GIS. Yes, further to that 765kV is on the conversation there. Yes, so 2027 financial should see the commercialization happening for 400kV GIS.

Harshit Patel: Understood. Sir, lastly if you could share an update on the drives business in terms of how much sales, assembly, value addition, localization that we are now doing in India?

Amar Kaul: So drives I think there's a series of new product launches that is planned from April onwards. It's already started getting launch you know it's called AMX Drives which is the next generation drives and again low voltage drives and medium voltage the percentage is not so high but low voltage drives is almost 100% indigenous.

Moderator: The next question is from the line of Sumit Kishore from Axis Capital. Please go ahead.

Sumit Kishore: Thanks for the opportunity. Phenomenally strong results in Power Systems. Could you give us an update on the power transformer capacity expansion how that's panning up and what are the sort of the timelines as you add capacity and reach your target?

As a second question is on the export business within CG. So what has been the scale or size of exports, overseas revenue separately for Power Systems and Industrial Systems in FY26 and what is your outlook for growth through FY27? What are the opportunities that you are pursuing? Those are my questions.

Amar Kaul: So Ajay if you can take the first question in terms of transformer capacity and then send it back to me for the exports I will answer.

Ajay Jain: Thanks Amar. Thanks for the question. Regarding the transformer capacity addition, we have completed the brownfield expansions both in Gwalior and Bhopal. The Gwalior facility has now capacity increased from 6,000 MVA to 10,000 MVA and the Mandideep, Bhopal facility so there we have done capex and as per the capex plan the capacity is increased to 40,000 MVA

first and then we had our lean plans we worked along with the lean consultant and this capacity has grown to further 65,000 MVA at the end of the last year.

Now for the upcoming additions in capacity our Greenfield expansion – so Greenfield plant erection is in progress and we hope to commission the plant somewhere between July and August. And initially we will be starting with the capacity of around 25,000 to 30,000 MVA and by the end of this calendar year we will be touching the peak of 45,000 MVA there.

So as of now if we total up between Gwalior and Bhopal, we have a capacity of 75,000 MVA and another 45,000 MVA to be added by the end of this calendar year. So this will be around 1,10,000 MVAs by the end of this calendar year. So over to you Amar.

Amar Kaul: Okay thanks Ajay. And I think Sumit on your other question we would not give the split of exports by business but yes exports and services is a focus area for us. The only thing I can talk about is both the areas we have more than doubled our order bookings between last year and this year. So we have much larger aspirations, so more to come so stay tuned on it. Exports and services will stay as our key focus areas.

Moderator: Thank you. The next question is from the line of Atul Tiwari from JP Morgan. Please go ahead.

Atul Tiwari: Yes, so my question is again on the motors and drive business. So since the start of the war, I mean, because a lot of clientele we understand is SME and MSME. So how has the demand been for that part of your business where you sell stuff to SME and MSME?

Amar Kaul: So see in any case our -- for motors and drives our exports is not substantial today. So I'm keeping out our European business for drives because that is primarily the European plant which supplies to Europe as well as to US. That is going on that geography. So there's not any specific dip or anything that we see from these regions because of war or anything.

Atul Tiwari: But sir, what about in India? I mean, I believe you will be selling to small industries quite a bit right? Is the demand holding up in India or is there an impact on demand because of shortage of gas and increase in fuel price?

Amar Kaul: We don't see the dip in that. In fact, with our GTM getting activated now with the senior leaders in place, in fact we see improvement in the order intake.

Atul Tiwari: Okay so good to know. And sir my last question is on again the transformer capacity. So currently operational 65,000 MVA. How much of it will be 400 kVA plus capacity or is it fungible across all the kVA ranges?

Amar Kaul: It is across all the ratings that we have. Even up to 765. In fact, we are now getting with the new plant coming in up to 1,200 also.

Moderator: Thank you. The next question is from the line of Amit Mahawar from UBS. Please go ahead.

Amit Mahawar: Hi Amar, I just had two quick questions. First is on the power side...

- Moderator:** Sorry to interrupt Amit sir. Your voice is very low. Can you just get the headset little bit closer?
- Amit Mahawar:** Is it fine now?
- Moderator:** Yes okay. You can go ahead. Thank you.
- Amit Mahawar:** First of all congratulations on great set of results. On the power business when you tap the American market beyond data centers for American grid utilities?
- Amar Kaul:** Yes Amit. I couldn't hear you. You will have to come close to the mic.
- Moderator:** Sir, the line for Amit sir has been dropped. I'll move for the next question. The next question is from the line of Aditya Mongia from Kotak Securities. Please go ahead.
- Aditya Mongia:** Congratulations to the entire team on a fairly strong set of results once again. The first question that I had from my side was, if you could give us a sense of the addressable market on the GIS side in the 475kV category domestic overseas whichever we want to think through today, how do you think through the addressable market for yourself?
- Amar Kaul:** I think Gaurav, if you want to answer that, of course, not going too specific into the ratings, but you can generally talk about GIS market.
- Gaurav Makhija:** Yes. So not to get into any specifics of the details of GIS today. If you see the overall spread here today would stand close to about INR12,000-odd crores as a market total rate of which I believe around 24%, 30% still would be GIS rest of them could be be an AIS figure so that's the quantum possibly a potential addressable market that we could also be aiming at in the future.
- Aditya Mongia:** Sure. understood. And I am assuming this is the domestic part. Is that also an overseas part that you believe can fall inside our kitty?
- Gaurav Makhija:** Yes. I think Amar mentioned, I think exports as well as service remains our key focus. So whatever we are developing or whatever is under the plan is both for domestic as well as exports for product development, whether it's a 145kV GIS ranging to 170-245 as well as 400 are under plan for both domestic and international markets now.
- Aditya Mongia:** Understood. One of your peers was talking about in the similar zone that you are in terms of capabilities was talking about moving on the HVDC side of things. Is there a plan that the company has? And what are the key milestones certain have to achieve to kind of reach that level of capabilities here?
- Amar Kaul:** Yes. So we're still at the infancy stage. We have laid down a bit of road map on that, but the plan is not fully mature. So when we are ready for it, we'll surely share.
- Aditya Mongia:** Sure. Maybe the final question from my side, which is more on the semiconductor part. You made a recent investment of INR50 crores in EdgeCortix. Could you talk a little bit more about

that and how to think through investments inside semiconductor design from there on? Maybe a little bit more on the medium-term basis there? Thank you. That will be my final question.

Amar Kaul: This is just one of the steps that is into this direction, you must have heard me every quarter in the earnings call or any of the interactions that -- can you hear me? Okay. So, let me repeat. So what I was saying is that -- so these investments, as you would have heard me in the last couple of quarters that we are looking at the retail pipeline of candidates on potential M&A to keep building on our design capability.

So the first step was on our design capability, but that's not where Axiro stops. So the investment that you see is just one step forward in that direction and especially with AI coming in, that's so much every day the technology is changing. So you will see more and more of these investments coming into even the start-ups or these kind of companies where we will get to have the latest in the world that is happening. So more to come on that.

Moderator: The next question is from the line of Rahul Gajare from Macquarie Capital. Please go ahead.

Rahul Gajare: Hi Amar. I have a question on motors. So on the motor, is it fair to say that the worst is behind and we can see improvement in growth and margins from here? And also, I think you've talked about this earlier, where you've taken some price hikes but through the last entire year, how much price side did you actually take? And your comments on competitive intensity and market share in the motors? That's the first question.

Amar Kaul: Okay. Super. So I think to start with the question was how much price increase did we take, is about all put together, it was 7.5%, so in total of 17.5% price increase that we did in the last 3 to 4 quarters and with decent realization. The good news also is that the team led by Jatinder who leads this business is -- they have kind of maintained their market share in spite of such a steep price hike. I generally say that we are blessed to be the market leader. So the moment we do something like this, so everybody has followed us. So that's what has happened in that direction.

Rahul Gajare: And to quantify that, that will be in the range of 33-odd percent market share?

Amar Kaul: Yes, it depends on different types. So if you look at overall LT motor side, we will be approximately 38%- 39%. Approximately, if I go to larger industrial motors, it will be around 19%- 20% approximately.

Rahul Gajare: Okay. And fair enough. So that's on the motors. Now on the Power, I want to understand the order that you've got from the data center that actually indicated that delivery time anywhere between 12 months to, I think, 18 or 20 months. Is that the quickest you can deliver or transform into the US market? Or you think you can do it much faster?

Amar Kaul: Ajay you want to answer that?

Ajay Jain: I see the delivery of transformers for the US market basically depends upon the delivery of the components like tap changer and bushings. Even though we can manufacture a transformer earlier than that, but we will always be dependent on the tap changer deliveries which come from

Germany. And they are anywhere between 9 to 12 months. So as of now, we are constrained, we can deliver from 12 month onwards only because of this reason.

Rahul Gajare: Because I understand, Koreans can actually deliver in closer to 10 months. You know, that's the reason of this question. My last question is on the semiconductor business. You know, while you did indicate that the chip revenue will start in two quarters, the INR500 crores which is currently booked into the financials, all of that is design-led revenue or there is some other part in that revenue? That's my last question. Thank you.

Moderator: Mr. Rahul, you can go ahead with your last question again, please. Thank you.

Rahul Gajare: Yes, I don't know if you heard the question or I will repeat the question.

Amar Kaul: Yes, please. Yes, Rahul, because the line got disconnected.

Rahul Gajare: Yes. So, my last question was on the semiconductor. Now, you have indicated that, the semiconductor chip revenue essentially will start in but two quarters or so. So, I want to understand, you know, the INR500 crores which is booked into the financials, all of that is design-led revenue or there is something else in that INR500 crores?

Amar Kaul: Which INR500 crores you're talking about?

Rahul Gajare: You know, the segmental breakup that you'll give of the revenue over there, for the full year, the number is INR500 crores. So, I just wanted to be sure what exactly is that number?

Susheel Todi: This is the revenue which is coming that, the company what we bought from Renesas, the RF business from the Renesas,

Rahul Gajare: So, RF and design, these are the two things?

Amar Kaul: Not two things. Axiro is the name of the company that we created. RF business is what we bought from Renesas and that is what has started generating the revenue. So, I think, yes, it's about 65 million was the plan. So, which comes to about INR500 crores. You're right. So, Yes, because it is a running operational company. So, that is the number you would have seen there.

Moderator: Thank you. The next question is from Amit Mahawar from UBS. Please go ahead.

Amit Mahawar: Yes Hi, Amar. Amar, first question is on the power system exports. How do you see the timeline for the grid utility approvals for us now that we have data center orders basis, maybe the quicker timeline. How soon can we expect the grid utility turnaround for us on orders? That's the first question.

Amar Kaul: Grid utility, you mean in terms of supply or approval process?

Amit Mahawar: Yes, in terms of approval and potential orders from the American grid utilities. Is it more like six to 12 months or a longer period and some contours around that?

Amar Kaul: So, it purely depends on you know what we're talking about like you know America works very differently than the way we work in India. So, America there are 478 utility companies because every area is divided and even if I take top 100 utility companies that amounts to about 70% - 75% of the total revenue so every utility is pretty independent. So, and everybody has different timeline so you cannot categorize in six months or one year or three months or five years. It will vary from utility to utility.

Amit Mahawar: Sure. And the second question is on industrial segment. You know we have a very, very formidable competition you know from maybe the likes of Nidec or WEG etc. Some of them are very, very aggressively expanding their manufacturing footprint in India.

So, my question is more on in fiscal '27 do you think the delta for us on profitability and growth is more on the rail part of industrial as we execute the propulsions and the G.G. Tronic's book? Or do you think industrial motors also will contribute significantly to profitability in '27 or that's the year where you know we still not hopeful on the motor's profitability. Some color on you know industrial versus rail profitability in '27? Thank you.

Amar Kaul: So, I think it's these are different verticals under the segment of industrial. You know rail is a separate vertical you know which is led by Dhananjay. I think he's doing some good work there to turn it around to make sure that it's coming to much bigger number the way Jatinder did turn around for the motors business, so which is doing fairly well.

So, I'm sure railways also in next few months or quarters should be inching upwards. So, it's a combination of both. And to your question on competition with the biggies and all and that's fine I think competition is always healthy because that keeps us on the toes.

So, we are just honing our skills on keep building NPDs, you know build our design capability, and also make sure that we are cost competitive, not cheap but cost competitive so that we continuously keep eliminating the waste from the system. So that's the ongoing effort.

Amit Mahawar: Sure. Thank you, very much and good luck.

Moderator: Thank you. The next question is from the line of Girish from Morgan Stanley. Please go ahead.

Girish: Hi sir, thanks for the opportunity. I had a question on railways excluding -of G.G. Tronics. So, what's been the growth rate in revenues for FY26 and also if you can share any outlook on this piece of the business?

And second, I wanted to understand the pipeline for US transformers if you can share any qualitative color around how things are I know you spoken about it in the past but any L1 status here or how does it work there like what's the size of the opportunity that you are looking at in the medium term? And the final question was on capex if you can just color what will be the FY27 and FY28 capex numbers?

Amar Kaul: So, I think you're supposed to be limited to two questions, three-four questions you've asked so but anyway let's let me go one by one. So, which one do you want me to answer first?

- Girish:** So, you can take up railways and then transformer for US and then capex?
- Amar Kaul:** So, railways is so your question was specific to G.G. Tronics. So G.G. Tronics as..
- Girish:** Excluding of G.G. Tronics what's the growth sir and outlook for that excluding of G.G. Tronics?
- Amar Kaul:** Except.
- Girish:** Yes, except G.G. Tronics. Excluding G.G. Tronics?
- Amar Kaul:** Yes. So, the breakup we don't give, it's part of industrial business. So, we are not allowed to give the breakup of each of the businesses.
- Girish:** I was looking for growth rate sir and the outlook?
- Amar Kaul:** Yes, that's what I'm saying we don't go specific to each of the business lines in the business. So, if you talk about industrial or something then we can talk about it but we don't go deeper into each of the businesses.
- Girish:** Okay, if you can share some perspective on railways outlook?
- Amar Kaul:** Yes, so railways I think maybe Dhananjay if you can give just a flavor of you know how do you look at the market and your key one or two initiatives there without getting too deeper into numbers or anything.
- Dhananjay Bapat:** Yes, thanks Amar. So, on railways yes, we see a sizeable potential with some of the new products that we are working through. In addition to that we also see some good opportunities on the export side which we have still to explore long way to go and then on the service side is another area where we see good potential for you know high double-digit growth there and then of course helps us improve our profitability and margins on that. Thank you.
- Amar Kaul:** Good. Thanks Dhananjay.
- Moderator:** Thank you. The next question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.
- Parikshit Kandpal:** Congratulations on a great quarter. My first question is on the margins. So are we facing any impact of the geopolitical issues currently there on the margins and have we been able to pass on the commodity price impact to the customers, any impact on the transformer oil prices impact on margins or bushings etc.? Specifically, if you can give some color on the margin on the Power Systems business and going ahead how do you look for FY27 do we see further expansion in this business margins?
- Amar Kaul:** So, thank thanks for the question. So, I think a lot of your questions have already been answered. One is the numbers if you look at Power Systems if there was stress on the margin then it would have shown up in the numbers, right?

So, if we are doing better by 200 to 300 basis points on each of these segments so that means the margin pressure is taken care of and this margin pressure is not only from what we get from the customer it's also how operationally efficient we are becoming. So, I think that's the critical thing and that's the edge that we have from CG point of view. So that's one. So, what was the second question?

Parikshit Kandpal: I was asking largely on how the commodity inflation hitting us and are we being able to pass it on to the customers. So, is it entirely pass-through or will we see some impact in Q1 coming in on the residual order book which we have which may get hit because of the commodity inflation?

Amar Kaul: So, that is a simple you know different businesses different areas so like I talked about motors we discussed just now a few minutes back is most of it we have been able to pass on with steep increase in the pricing.

For other large businesses it's really not a problem you know for example transformer or rest of the large businesses because you always have the price variation clause with the customer. So, whenever commodity goes up and down it gets passed on to the customer.

Moderator: The next question is from the line of Shirom Kapur from Jefferies. Please go ahead.

Shirom Kapur: Hi sir, thanks for the opportunity. Just had a question so export while you don't give the breakup between industrials and power systems could you share what is the overall contribution to your consolidated sales of exports this year?

Amar Kaul: It's right now I think it's very small it's about 5% approximately but again the aspiration is to be in the much larger like as I said you know we kind of more than doubled in this previous year and this year we are taking much more ambitious targets so stay tuned on that.

Shirom Kapur: So, I mean in FY25 we saw exports contributing about 10% you're saying it's smaller at about 5% - 6% now so did we see some kind of decline?

Amar Kaul: No. It was never 10%.

Shirom Kapur: Sorry.

Amar Kaul: It was never 10%.

Shirom Kapur: In the overall consolidated mix?

Susheel Todi: Yes, so if you include the Sweden, Germany, and Netherlands it can go up to 8% to 9% but if you talk about from India to outside country it is around 5% to 7%.

Shirom Kapur: Understood, sir. And just my second question is on you know your railways business you know while you highlighted that you don't give the breakup between railways and non-railways could you give some direction in terms of you know margins on the railway business because you been

mentioning some kind of pressures because in the competitive railway business so how do you see margins tracking going ahead?

Amar Kaul:

Yes, so that's what I said and I think Dhananjay touched a bit on you know how he is prioritizing and as you know in India railways you won't be able to get too you know too big a margin. Important is your operational efficiency and second lever that Dhananjay has already activated as a part of overall theme I mentioned is services.

So service is going to be a big function of us and he's already created that vertical and is getting driven so that will give us substantial increase in our margins but again it doesn't happen tomorrow it takes a bit of time but he's executing it fairly well.

So that's another lever and last one I would say is also on the NPD that's where the activation is on the R&D to get more and more new products that helps us to become more competitive. So, these are some of the high-level actions being taken to continuously move this from single-digit margins to double-digit. I think that's the maximum I can reveal to you.

Moderator:

Thank you. That was the last question for the day. I now hand the conference over to Renu ma'am for closing comments. Please go ahead.

Renu Baid Pugalia:

Thank you Jitesh On behalf of IIFL Capital, I'd like to thank the management of CG Power for taking the time and discussing the results with us. Sir, any closing comment that you would like to make?

Amar Kaul:

So, thank you Renu and thank you everybody. I know there's a large crowd here and interesting questions. Thank you, stay tuned with us. I mean there are exciting days and months and years ahead of us. So, thank you for your time with us and appreciate it. Have a good rest of the day. Cheers.

Moderator:

Thank you. On behalf of IIFL Securities, thank you for joining us and you may now disconnect your lines.