"CG Power and Industrial Solutions Limited

Q2 FY27 Earnings Conference Call"

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MODERATOR: **MS. RENU BAID PUGALIA – IIFL CAPITAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to CG Power and Industrial Solutions Limited Q2 FY27 Earnings Conference Call, hosted by IIFL Capital Services Limited. 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. Please note, this conference is being recorded.

I now hand the conference over to Ms. Renu Baid Pugalia from IIFL Capital Services Limited. Thank you, and over to you, ma'am.

Renu Baid Pugalia: Thank you, Nazmi. Very good afternoon, everyone. On behalf of IIFL Capital, we'd like to welcome the management team of CG Power for the second quarter FY27 earnings call. From the leadership team today, we have with us Mr. Amar Kaul, Managing Director and CEO; Mr. Susheel Todi, Chief Financial Officer; Mr. Marais Nel, EVP, Drives and Automation and International Motors Business; Mr. Gaurav Makhija, Vice President, Switchgear and EPD Business; Mr. Dhananjay Bapat, Vice President, Railway Business; Mr. Jatinder Kaul, EVP, Motors Business, India Subcontinent; and Mr. Samit Khanna, Vice President, Consumer Products.

With these words, I now welcome the management for the opening comments. Once again, Amar and your team, many congratulations for a strong result. And sir, over to you for your opening comments. Thank you.

Amar Kaul: Thank you. Thanks, Renu, and rest of the team. Good afternoon, everyone, and welcome to the CG earnings call. At the outset, I'm pleased to share that CG has continued to build on the growth momentum, delivering record high quarterly revenue along with margin expansion. Our quarter 2 and H1 performance reflects the continued strength of our diversified portfolio, disciplined execution and continued focus on operational excellence, leveraging CG EDGE, which is our operating rhythm.

Our Q2FY27 sales grew by 32% year-over-year and order intake grew by about 90% year-over-year and profit before tax grew by 47% year-over-year, ensuring the positive leverage and also outpacing the revenue growth with about 180 basis points on the margin expansion. This makes it another one of the strongest quarter performance in the recent times. Further, our orders remain robust with 90% growth year-over-year and order book strengthened further at INR21,820 crores, offering multi-quarter visibility for the organization.

Now as I go deeper into the standalone performance, aggregate sales for the quarter was at INR3,505 crores, recording a growth of 32% year-over-year. PBT had a growth of 47% at INR602 crores, which is 17.2% of sales as against INR409 crores, which was 15.4% in Q2 in the previous year. So 180 bps, better margin improvement year-over-year, primarily driven by the Power Systems segment and also a contribution from our Motors business as well.

Return on capital employed annualized was at 27%. Order intake for the quarter was INR8,016 crores, which is 90% growth year-over-year and unexecuted order backlog as of 30th September 2026 was INR21,820 crores, which is 61% higher year-over-year.

Now if I double-click on each segment, going to the Industrial segment first, strong growth across revenue and PBIT despite a dynamic cost environment. Aggregate sales for the quarter was INR1,738 crores, which is 25% year-over-year, driven by strong growth across all the businesses.

PBIT was at INR164 crores, which is 9.4% of the sales against INR135 crores in Q2 last year, which is 60 bps improvement in a sequential manner versus the previous quarters, driven by the margin expansion in motors. Order intake for the quarter was INR1,758 crores, which is 12% year-over-year and unexecuted order backlog as of 30th September remains healthy at INR2,856 crores, providing visibility for the coming quarters.

Now if I double-click on the Power Systems performance, there was a strong growth and further margin expansion, reflecting continued operating momentum and the robust demand. The aggregate sales for the quarter was INR1,769 crores with a sharp rise of 41% year-over-year, supported by the disciplined execution using our vehicle of CG EDGE.

PBIT was at INR443 crores, which is 25% of sales as against INR260 crores, which was 20.7% of sales in Q2 financial year '26. 430 basis points improvement year-over-year, underpinned by the strong price realization and better operating leverage amid resilient demand. Order intake for the quarter was INR6,258 crores, which is 137% growth year-over-year and unexecuted order backlog as of 30th September was INR18,964 crores, which is 81% up, providing again the multi-quarter visibility.

With that, we conclude deep dive into our standalone performance, and I'll now move to the consolidated performance. And for consolidated results, it includes performance of our operating subsidiaries in Sweden, Germany and Netherlands (Drives and Automation Europe), CG DE Sub LLC, CG Adhesive Products Ltd., which is based in Goa, CG Semi Private Limited, GG Tronics, Axiro Semiconductor and other non-operating subsidiaries.

Aggregate sales for the quarter was up at INR3,802 crores and a growth of 30%. Profit before tax was 44% higher at INR559 crores, which is 14.7% of sales as against INR388 crores, which was 13.3%. Now margin expansion led by strong power performance, partially offset by continued talent investments that we are doing in our subsidiaries like CG Semi and Axiro, which is a semiconductor business and the impact of about INR35 crores, which is 91 bps.

Return on capital employed for the quarter was 25%. Order intake for the quarter was 78% year-over-year at INR8,485 crores. And the unexecuted backlog as of quarter ending 30th September was 58% up at INR23,646 crores.

Now some of the key events that I would like to highlight is that CG strengthened India's power infrastructure manufacturing capabilities with the rollout of first transformer from India's largest

transformer manufacturing facility at Sehore in Madhya Pradesh. On 4th of September, the greenfield facility was made operational within 13 months and is spread over 50-plus acres.

This facility is India's one of the largest single location power transformer manufacturing facility built for 220 kV to 1,200 kV class power transformers with the capacity to roll out 35 power transformers every month, reaching its peak. And we are honored to have Honorable Chief Minister of Madhya Pradesh, Dr. Mohan Yadav, who graced the occasion of the first transformer rollout.

Axiro Semiconductor, which is a wholly owned subsidiary of CG, acquired 100% of equity stake in TOSIL Systems Private Limited for INR16.44 crores. The transaction was completed on 20th of August and makes TOSIL a wholly owned subsidiary of Axiro. TOSIL is engaged in the business of providing semiconductor and embedded engineering services company, providing silicon design, verification and physical implementation, embedded software and Linux BSP development with edge AI engineering services to global semiconductor and electronics OEMs. Now this is a step forward in the direction of what I have been saying earlier into building our competence and capability and the design capability of semiconductors.

CG's existing manufacturing facility in Switchgear business is witnessing peak capacity utilization. In view of the increasing order pipeline and growing demand for extra high-voltage products and in order to cater to the growing domestic and export demand, CG proposes to undertake the following capital expenditure projects.

S1 unit, which is based in Ambad in Nashik, the proposed project involves an investment of INR300 crores to increase the manufacturing capacity of OIP bushings and instrument transformers up to 800 kV by 4,236 equivalent units per year, taking the total capacity of S1 unit to 11,436 equivalent units per year. The project will involve augmentation of manufacturing, assembly, testing and associated infrastructure with production tentatively expected to be commenced within 30 to 36 months.

S3, which is again at the same location in Nashik Unit 2 Phase 2 -- further to our disclosure dated 4th of June 2026, we wish to inform that the Board has approved an additional investment of INR15.31 crores to enhance EHV circuit breaker manufacturing capacity by 3,600 units annually at S3 Unit 2 facility, taking the total capacity to 10,800 units per annum. The proposed capacity addition is planned to be completed within a period of 6 to 9 months.

Going to the GIS division in Vilholi. Further to our disclosure on 24th of July '26, we wish to inform that the Board has approved enhancement of capex investment for the GIS brownfield at Vilholi, Nashik from INR35.17 crores to INR44.62 crores, representing an additional investment of INR9.45 crores.

The enhancement primarily provides for procurement of 800 kV high-voltage testing system, along with contingency to enable testing of 245 kV and 400 kV gas-insulated switchgears. Approximately 90% of the project assets are expected to be transferred to the greenfield facility when it comes up and is commissioned fully.

Accordingly, the capacity per annum will increase from 228 equivalent bays last year to 468 equivalent bays as it matures. The above investments are part of greenfield investment proposed for switchgear business.

And the existing power transformer manufacturing facility, which we name as T3, is currently operating at its maximum capacity. And CG has taken as part of CG EDGE, the lean manufacturing initiative and basis the work done by the teams there, the scope is to enhance the capacity by another 10,000 MVA within the same facility.

So taking T3's overall capacity to 75,000 MVA. Given the current and projected order pipeline for the division, the Board has approved the capacity enhancement. The total estimated project investment is INR68 crores net of taxes. The project is planned to be completed within a period of 12 to 15 months and is expected to significantly enhance the plant's manufacturing capacity, enabling the division to meet the growing market demand and strengthen its competitive position.

That sums up summary of our financial performance and key events. Looking ahead, we remain focused on capitalization on the opportunities across power infrastructure, industrial manufacturing, railways, semiconductors and while continuing to invest in technology, capacity and capabilities. We'll maintain our focus on the profitable growth, execution excellence and a long-term approach to value creation for all our stakeholders.

With this, I conclude my opening remarks. The unaudited financial statements with detailed notes are available as part of stock exchange filings and on our company website. Thank you for listening in, and back to you, Renu, for Q&A.

Renu Baid Pugalia: Sure, and Nazmi, we can open the session for Q&A, please.

Moderator: Okay, thank you very much. We will now begin the question-and-answer session. First question is from the line of Prathamesh from Abakkus.

Prathamesh: Congratulations on great set of numbers. I just wanted to understand the new Madhya Pradesh facility, when we said 35 transformers per month, is it our peak potential? And what kind of transformer capacity like 100 MVA transformer or 100 kV…?

Amar Kaul: Prathamesh, can you hear us?

Prathamesh: Yes, sir, I can hear you. Am I audible?

Amar Kaul: Yes, very well.

Prathamesh: Yes. Sir, I just wanted to understand, when we are saying that this Madhya Pradesh transformer capacity at 35 units per month, so just wanted to what specification of transformers are we talking about, and is that our peak output capacity?

Amar Kaul: Yes, this is the peak output capacity, and as I mentioned in my previous, in the notes, it's the range -- transformers ranging from 220 kV to 1,200 kV.

Prathamesh: Okay. No, but when we say 35 units capacity, so that must be, when you're taking consideration of, you know?

Amar Kaul: No, this is, this is, the way it is done is typically averaging it out. Basis the order pipeline that we have, so you take averaging out from the, you know, the highest area, which is 1,200 kV to the smallest one, and then average it out. So, approximately it comes to 35. It could be 30 also, it could be 40 also, depending on what kind of orders you get. So, this is a ballpark kind of figure.

Prathamesh: Okay. So, can we put it out in terms of total MVA produced in a month, or can we have a idea of on that number?

Amar Kaul: So, right now, this calculation is based at approximately 70,000 MVA, because that's the direction we are getting into.

Prathamesh: Okay, sir. And on the commissioning front, was it difficult, or is it, has there been any labor issue or skilled labor issue getting at the new plant at Madhya Pradesh?

Amar Kaul: No, you see, the labor skill issue will happen if we don't plan it well. We have been working on this project for more than, more than 2 years, even before we conceptualized. So, from all our technical people to everybody, they were all hired much in advance, and since we already have the existing plant, so a lot of these people were trained on the job, in action, for almost 6 months to 12 months. So, all that investment has already gone inside training and development of people.

Moderator: Thank you. Next question is from line of Ankur from HDFC Life. Please go ahead.

Ankur: First, on the order inflows in the power system side, and we've seen this very strong growth. I think typically you do about INR 3,500 crores of quarterly run-rate. This quarter it's closer to INR 6,200-odd crores. So, if you could just help us understand where and what is this order? And are these -- anything recurring there? How are you seeing that?

Amar Kaul: It's not recurring. I think it's a combination. And again, if your question is hinting towards, is it specific to a sector or anything? No, it's not like that. It's a combination of -- if I look at the orders that have come in, it's right from utility companies to your AI to your data centers. So, its domestic, exports, it's a combination of all of those. So it's not skewed towards one direction.

Ankur: Sorry. So, I mean, is there any large order there, any large couple of thousand crores order there? Or is it spread over?

Amar Kaul: No, it's not material. If it was material, then we would have informed the stock exchange. So, it was not material, but yes, I mean, larger size of orders, yes, were there, but not material that it justified reporting.

Ankur: Okay. And therefore, the last piece on this would be, can you kind of sustain this kind of momentum given the pipeline that is at this point?

Amar Kaul: Sir, same thing, you know, I keep saying every meeting, I keep saying that future is bright. So we look at it positively. So it depends on, unless something is changing worldwide or which we cannot control, but yes, our efforts are on.

Ankur: Perfect. Okay. And just the second question would be on the motor side. If you could just help us, especially on the LT motors, which is our largest piece, what kind of price hikes have you really taken, say, over the last 6, 12 months? How much more remains to be done? And you did talk about some margin recovery on a Q-on-Q basis, right? So how is that kind of shaping up? Yes, that's all from my side.

Amar Kaul: Yes. So the price hike, you know, it's a direct correlation of the way commodity has been increasing. So some of that has not been playing a good towards the favor of the industry. So we increased the prices upwards of 30% plus in the last 12 months, if I look at it. Will there be more increases? Immediately, I would say no, because you have to see how much the market is able to take and how much the commodity inflation is happening. So it's a pricing game technically that I look at.

But I think what is important over and above price is also our operational excellence. If I see the good results done by the team, motors team business is fundamentally the work on CG EDGE on the operational excellence that we have been doing, optimizing our portfolio, eliminating the waste in the system. I think that is giving much more results than really the price increase. Price increase is directly only nullifying the commodity inflation. But the improvement that you see is coming purely from the work done by our teams in motors.

Ankur: Sure. And just on margins in this segment, can we expect double-digit margins given we've taken -- I'm hoping a lot of the price increases have been taken here...

Amar Kaul: So, see -- so if you see, Industrial is -- if you see sequentially, we are improving consistently on at least 50, 60 basis points every quarter. And motors has already gone to double digits.

Ankur: Okay. So, it's more of the rail side, that's kind of weighing...

Amar Kaul: Yes. It's the same story that I even last quarter, I mentioned the same thing. So railways, I would say, flat or it might go down as well. And that's a conscious decision. We could still be making the top line meet, but then we don't want it at the expense of bottom line. So we'll see as we are progressing, our strategy work is happening on the railway side as well.

So we might take a bit of a step back on that. Instead of just worrying about the top line and bleeding bottom line, we are working on the technology upgradation and build on the capabilities that we don't have there. So you might see a bit of -- of course, we don't declare it, but then I'm sharing what I'm supposed to share is that for a year or so, we will not have huge improvements in the railway side because that's the time we want to use to build on our capabilities around technology and what is required for the market.

Moderator: Next question is from the line of Rahul Gajare from Macquarie Capital. We move on to the next question. The next question is from the line of Umesh Raut from Nomura.

Umesh Raut: Congrats for a very strong set of results. My first question is pertaining to, again, Power Systems order inflow. So if you could help us with the number on domestic and export side separately? And what was the growth on a year-on-year basis in domestic Power Systems and export Power Systems in terms of order inflows?

Amar Kaul: Yes. Thanks, Umesh. Yes, the orders are definitely strong, but we don't give the split of between export and domestic. But yes, there's a good mix that what -- the direction that we wanted, it's getting in that direction.

Umesh Raut: Hello. Am I audible?

Amar Kaul: Yes. Could you hear me?

Umesh Raut: Yes. So, any color on year-on-year growth at least on the export side, how it was during the second quarter in terms of inflows? And any color in terms of the geographical mix as well if you are seeing traction in terms of export order intake in North America, Europe or any other market?

Amar Kaul: So, I can maybe give you a flavor of percentage increase. So, year-over-year increase during quarter is about 200% for the exports.

Umesh Raut: Understood. And geographical color?

Amar Kaul: No, that I mean, you're asking me too many details, my friend.

Umesh Raut: Is it audible?

Moderator: Yes, it is.

Umesh Raut: Yes. My second question is pertaining to the Industrial segment, where if I look at subsidiary revenue number, that has increased by about 10%. So, is it fair to assume that we have started execution on the Kavach order side? Or is it pending for the quarter?

Amar Kaul: Yes. No, no, Kavach has not started yet, although the routine business is improving. But yes, Kavach should start very soon because most of the approvals are in place. We're just waiting for the final approval. So, it should happen anytime now, definitely in the current quarter.

Moderator: Next question is from the line of Harshit Patel from Equirus Securities.

Harshit Patel: Congratulations on a great set of results. Sir, firstly, on our capex, I think we have already spent about INR600 crores in the first half of FY27. And you have announced another INR400 crores of capex across various projects. On top of that, a lot of greenfield and brownfield projects are

already going on. So, could you just summarize on what will be our overall capex for both FY27 as well as FY28, and of course, excluding the OSAT capex that we are already doing?

Susheel Todi: So, if you look at our core business -- we spent this first half around INR550 crores to INR600 crores. Maybe another we are looking at some INR300 crores to INR400 crores for this another 6 month. So maybe it will touch INR1,000 crores for this year. And next year, again, it remains in the similar range, around INR700 crores to INR800 crores.

Harshit Patel: Understood. And this is excluding OSAT, right? That is on top of it?

Susheel Todi: Correct, yes.

Harshit Patel: Perfect. Sir, my second question is on Axiro. Could you help us with the first half of FY27 performance in terms of either EBITDA or the PBIT margin? I believe, obviously, much of the revenues of the semiconductor segment would have come from Axiro only. So, if you can bifurcate the PBIT between OSAT and Axiro, that will be very helpful.

Susheel Todi: So, if you look at the number, this is -- revenue number is only coming from Axiro. And Axiro in quarter 2, they were at breakeven point.

Harshit Patel: Understood, sir. Just lastly, a bookkeeping one. On the consumer business, if you can give us an update, the revenue scale currently? And have we reached a breakeven level in this business or not yet? That will be my last question.

Amar Kaul: So consumer business, as you know, we restarted that a couple of years back. We are almost there because some months will be positive, some will be close to that. But it has been -- net, it has been positive, but we have been reinvesting the money that is being earned back into the marketing.

As you know, it's a B2C business. So we are reinvesting it back into the business. And we have a leadership change also there. We have a new leader joining in, Samit, who is on the call as well. And he's looking at the overall strategy on this business and additional product portfolio, any innovation that we can bring in. So yes, excited to see how it is going to grow in future.

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

Sameer Thakur: Most of the questions are answered, but just on this Kavach part. So, I think there's still certification pending, right? And just on the timeline of execution. So, will there be any risk of execution on Kavach if the approvals are delayed? Or just your view on that.

Amar Kaul: Yes. The risk, I would say -- see, I think the basis where we stand on the project, I think this quarter, we should definitely get it and the production should commence, including installation and commissioning of these Kavaches.

Worst-case scenario, if it goes, then definitely, there could be a risk in terms of some of the orders may lapse next quarter, end of next quarter, but it doesn't mean that it's lost kind of thing.

It gets retendered and again, you will get it back. So that would be the only additional work. That's the only thing that I'm worried about.

Moderator: Next question is from the line of Sumit Kishore from Axis Capital.

Sumit Kishore: My compliments on the strong quarter. My first question is on CG Semi's G2 facility. What is the progress there? Are you on track to meet your timelines on commissioning? And could you give us some flavor of how the ramp-up is likely to happen over the next few quarters?

Amar Kaul: Sorry. Can you hear me?

Sumit Kishore: Yes. Yes. Now I can hear you.

Amar Kaul: Yes. So, on G2, which is your question specific to G2, so the construction is progressing well. And we are targeting the qualification to commence middle of next year and the commercial production because it takes about 2 to 3 quarters to get the qualification done. So, I would say somewhere towards the end of '28 or '29 is where we should be seeing the commercial production.

Sumit Kishore: Okay. And on G1, I mean, is there any sort of new customers that you have tied up? Or could you give us a flavor of how things are progressing for your initial products that got -- pieces that got rolled out?

Amar Kaul: Yes. So that's the work that's happening in parallel -- that's our business development team is continuously working on. And as you would know, this qualification time is very high. But yes, the work is continuously on that.

Sumit Kishore: Okay. Just a repeat question on power system inflows, which kind of...

Moderator: Sorry to interrupt you, sir. Should you have a follow-up questions, may I request you to kindly join the queue again. Next question is from the line of Amit from UBS.

Amit: Congratulations on a great set of results. Sir, I have a question on the overall capacity expansion and orders for that. Where are we in the journey of qualifications in US utilities? Do you think the ordering is already reflecting orders from clients in US who are large utilities, or we will take time to get qualified because that's a spread-out market? We need to go utility by utility. So, any color on that?

Amar Kaul: Yes. I think your question is absolutely valid. And that's a long-term work that is happening in parallel. And as you know, it takes time. So that's happening in parallel. But again, that's not the only thing we are banking on for the American market.

Amit: Okay. Fair point. Second question on industrial. A lot of emerging segment has a very different product requirement, a very different grade of motors and drives. For us, can I say right now we are -- because if you see the revenue run rate and the order run rate, I think pricing is double digit now for last six months, holding up, right?

I do not have the exact break of rail right now. If you can help us understand the growth rate in orders in industrial, ex of rail. Do you think the industry short cycle improvement in volume and then pricing is enough for us to have a 20% kind of growth in this business in the next 12 months, or do you think it's too ambitious a number?

Amar Kaul: Yes, so, so, so yes, if you would have seen that NPD, which is the core to our business, we already accelerated for motors. You know, we, we didn't have the full range of IE3, IE4 motors, which starting with 3rd of August, was the first frame, 280 frame that we launch. And every 45 days, we are launching additional frame that is coming into the picture. So, so that'll upgrade our whole portfolio over the next 9 months to 12 months.

You know, we should get upgraded to that, and then in parallel, we are also looking at advanced technologies, whether it's the permanent magnet motor or it is the IE5-plus kind of motors, which will help us open the doors for export market as well. So, that work is absolutely happening, and we also have on the call, you know, our Chief Technology Officer, who joined us recently. That's also to help us give a boost to our technology leadership in the market.

Amit: Sure, sure. So, we'll wait for more color on industrial upgrading product.

Moderator: Next question is from the line of Atul Tiwari from JPMorgan.

Atul Tiwari: Sir, on the Power Systems margins, now you are hitting 25%. And previously, you have alluded that margins will improve. So, you have achieved that. Can margins improve from here as well?

Amar Kaul: So, Atul, I keep saying the same thing. Future is always bright. If you don't think positive, it will not happen. That's the intention where we want to get into, but it's not only the pricing game that comes from the customer because customers will always have a threshold beyond which it will not go. I think important is how are we becoming efficient day by day, week-over-week, year-over-year. That's exactly where we spend a lot of energy on. So, I'm pretty hopeful that we either maintain or go above these margins.

Atul Tiwari: Great, sir. And sir, my last question is on transformer manufacturing capacity. So, with this commission, just confirming, with this commissioning of this facility in MP, now we are at 75,000 MVA currently, is that a right understanding or?

Amar Kaul: Which one, the old facility or the new facility?

Atul Tiwari: The total transformer manufacturing capacity today, after commissioning of the new facility in MP. What is the current capacity?

Amar Kaul: The existing plant, which we have in Bhopal, that's about 65,000 MVA. The new plant will start, hopefully, the quarter should be about 10,000 MVA-plus. Then you have distribution transformer, which is about 12,000MVA approximately.

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

Shirom Kapur: Hi, sir, thanks for the opportunity. Just a quick bookkeeping question. What would be your order book right now in GG Tronics? Have you received any new orders so far here? Last quarter, you had mentioned it's around 1,000 crores. So, has there been any update there?

Amar Kaul: No, currently, it's about the same, INR1,069 crores approximately. And that's at the moment you start shipping out, then it gets reduced. But yes, there are other tenders coming up, and we're looking forward it to be a positive side.

Shirom Kapur: Got it, sir. And sir, sorry, just a follow-up on the, the capacity. The new 10,000 MVA that you just announced, so that will take your Bhopal plant up from 65,000 to 75,000. And balance, you still have a 45,000 greenfield manufacturing facility coming up, right? So, including all of that, your power transformer manufacturing capacity should eventually come to around 120,000 MVA. Is that correct?

Amar Kaul: Yes. And still counting.

Moderator: Next question is from the line of Lovish Soien from Burman Capital Management. Please go ahead.

Lovish Soien: Congratulations, sir, on the strong set of results. My question is regarding the new Sehore facility that we have started, I think, last month. I just wanted to understand, will we require fresh short-circuit testing approvals from PGCIL for starting shipping from this facility? Or would our existing approvals be sufficient?

Amar Kaul: So, that work is going on -- depends on the customer and the country. So, somewhere it is required, somewhere it's not required. So, it goes case-to-case basis.

Lovish Soien: Got it. And sir, what would be the timeline for getting that approval?

Amar Kaul: No, it's different. No, it's not -- that's what I said, it's order to order. So, right now, for our ramp-up plan on the order book that we have placed on the new facility, there's no bottleneck there.

Lovish Soien: Understood. Understood. And sir, recently, we also heard that GEC-III has been approved. So, just wanted a sense from you on how that impacts the overall demand scenario for us. And secondly, on that one, I think more of -- going forward, the addition would be more in the intrastate segment. So, also wanted to understand what -- whether the interstate would be more focused towards 400 kV category, while the interstate was more towards 765?

Susheel Todi: Mix of everything. Interstate is more about equity.

Amar Kaul: So, we didn't get your question. Can you be more specific on your question?

Lovish Soien: Sure, sir. So, given that GEC-III has been approved, so firstly, I wanted to understand what would be the impact on demand for us from this approval? And secondly, would the mix of transformers change from 765 kV, which was there in interstate towards more 400 kV in intrastate?

Amar Kaul: Yes, it's across the board. And for us, it doesn't matter, whether it's 400 kV or 765 even up to 1,200, we are fully equipped to cater to the whole range.

Moderator: Next question is from the line of Kishore from Fortune Wealth Management.

Kishore: Congratulations on another strong quarter. My question is, with the new capacity addition in Transformer and Switchgear, could you share how much revenue they can add and when you expect it to start contributing?

Amar Kaul: Yes. See, I think this will be linked to our business plan because the way we look at next year, year after coming in, that's why we are making these investments now. So, we would prefer to execute and then you see where we are getting in. And our aspiration definitely is to keep high double-digit growth. So, you can do the rest of the calculation backwards.

Kishore: Okay. Can you give me overall revenue growth guidance for FY27?

Amar Kaul: No, we don't give this forward-looking forecast.

Susheel Todi: Guidance, we don't give that.

Moderator: Next question is from the line of Rahul Gajare from Macquarie Capital. Mr. Rahul, you're not audible.

Rahul Gajare: I hope you're able to hear me now.

Moderator: Yes.

Rahul Gajare: Okay. So, I'll use this. So, I have 2 questions. First is on the power side. I want to understand if you were to get a 765 kV transformer order today, when is it that you can deliver it?

Amar Kaul: So, do you have the RFQ for that? We will be happy to give you.

Rahul Gajare: Sorry, I didn't get you. What did you say?

Amar Kaul: That was on the lighter side. I said...

Rahul Gajare: No, I didn't hear you only. Sorry.

Amar Kaul: Can you hear me now?

Rahul Gajare: Yes, I can hear you, yes.

Amar Kaul: So, I said that was on the lighter side. I said if you have any requirement, you tell us, we'll give you priority delivery. So, typically, depends, 765 would be about 18 to 24 months.

Rahul Gajare: Okay. Fine. That's great, actually. And how much is export in the orders that you've got in this particular quarter or in the backlog? We just need a color on export as an overall share in your backlog or intake.

Amar Kaul: Yes. I think there was a similar question before you as well. So, about the numbers, we cannot give you the split, but yes, the increase in order booking is about 200%.

Rahul Gajare: Okay. So, export has picked up. Now, on the semiconductor side, I want to know how much is it that you have spent from the total INR7,500 crores? How much have you totally spent? And how much is the money that you have received from the government? And maybe Susheel can throw more light in terms of how are you accounting for it in your financials?

Susheel Todi: You are asking, I don't know how many questions. So, okay. So, first piece about the total investment CG has made so far is around INR1,000 crores. And what was your second question?

Rahul Gajare: No, no. So, total, out of that INR7,600 crores, how much is totally spent? So, CG has invested INR1,000 crores. So, balance INR6,600 crores is expected to be spent. Is that what you're saying?

Susheel Todi: No, because that similar money has come from the government as well. So, INR2,000 crores -- almost INR1,000 crores we got that central government capital support, right? So, INR2,000 crores we already spent.

Rahul Gajare: Okay. So, there is no delay in terms of your spending and government money receiving. There's no -- so, that's great. And how are you accounting for this government money which comes...

Moderator: I am sorry to interrupt, sir. Should you have a follow-up question, please rejoin the queue.

Susheel Todi: I can answer it. So, maybe we just do the netting with that, our assets. So, we report as a net numbers in our balance sheet.

Moderator: As that was the last question for today, I now hand the conference over to Ms. Renu Baid Pugalia for closing comments.

Renu Baid Pugalia: Sure. Thank you, operator. I would just like to take the last question for today's session for Amar and his team. Well, for Power Systems, I think the kind of capacity expansions, brownfield, greenfield that you have done, that should broadly take us almost 2x the revenues in the next 2 years. My question here is, we have done a variety of initiatives on new product development in the Industrial segment.

What are we exactly doing to fill in the product gaps and to tap new technology initiatives in the Power Solutions segment for us beyond the conventional power transformers, distribution transformers and the switchgear portfolio that we have. That's the last question of today's session.

Amar Kaul: Okay. Thanks, very, very intelligent question. So, over and above industrial, you have seen already on the power side, over and above switchgear transformers, we are actually working on

the power electronics side. And I think over the next few quarters and years, you will see us getting ourselves deeper into the holistic solution over and above what we are already doing.

Renu Baid Pugalia: And would it be largely organic, inorganic?

Amar Kaul: It could be anything because we are looking at both.

Renu Baid Pugalia: Got it. Well, on behalf of IIFL Capital, I would like to thank the team of CG Power for this conference call and giving us the opportunity and the audience for an interactive Q&A session. Amar, any closing remarks from you would be welcome.

Amar Kaul: Thank you so much, Renu, and thanks, everybody. Thanks, appreciate your questions and continue to support us, and we'll keep doing our hard work. Thank you so much. Have a good rest of the day.

Renu Baid Pugalia: Thank you.

Moderator: Thank you. On behalf of IIFL Capital Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.