

## **CG Power and Industrial Solutions Limited**

Registered Office:  
CG House, 6th Floor, Dr Annie Besant Road, Worli, Mumbai 400 030, India  
T: +91 22 2423 7777 F: +91 22 2423 7733 W: www.cgglobal.com  
Corporate Identity Number: L99999MH1937PLC002641



Smart solutions.  
Strong relationships.

Our Ref: COSEC/170/2022-23

25<sup>th</sup> January, 2023

**By portal**

**The Corporate Relationship  
Department**

BSE Limited  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Building,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001

**Scrip Code : 500093**

**The Assistant Manager – Listing**

National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra-Kurla  
Complex,  
Bandra (East),  
Mumbai 400 051

**Scrip Id : CGPOWER**

Dear Sir/Madam,

**Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Investor Presentation.**

With reference to the disclosure dated 23<sup>rd</sup> January, 2023, informing about the schedule of the analysts/investor meet held today i.e. Wednesday, 25<sup>th</sup> January, 2023 and pursuant to Regulations 30(2) and 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, please find enclosed copy of the Investor presentation made today.

Request you to kindly take the above information on record.

Thanking you.

Yours faithfully,  
For **CG Power and Industrial Solutions Limited**

**P Varadarajan**  
**Company Secretary**

**Encl.: as above.**



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## CG Power and Industrial Solutions Limited

# Investor/ Analyst Presentation

25 January 2023



murugappa



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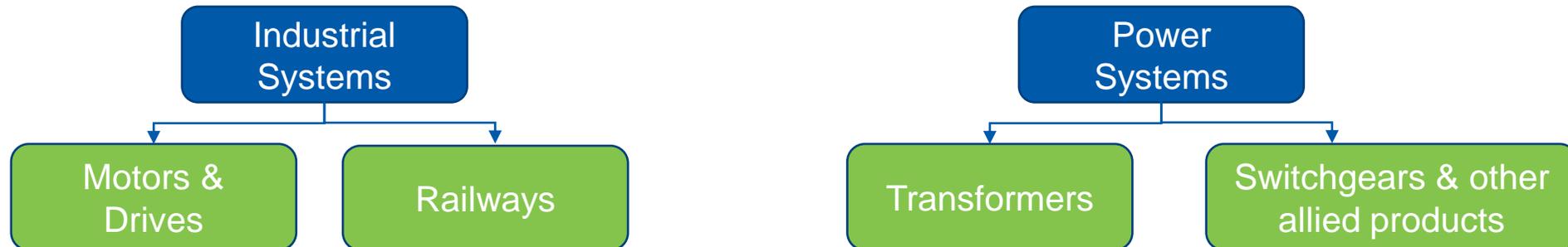
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# Company Background



- CG Power and Industrial Solutions Ltd (“CGPISL”) is a **80+ years old Company** with 16 manufacturing facilities in India and 3 operating subsidiaries (including 2 outside India).
- Consumer products business (B2C business) in the erstwhile Crompton Greaves Ltd. was demerged in FY 15-16 and the name of the company was changed to CGPISL.
- Business Divisions of the Company are:



Subsidiaries	Sales (Rs. In crs)	PBT (Rs. In crs)
Drives & Automation, Europe	320	14
QEI LLC, USA	78	24
CG Adhesives Products Ltd, India	23	4

Note: The above numbers for Subsidiaries are of FY 22 converted at average exchange rates

# Tube Investments of India is the new Promoter effective Nov 2020



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CG Power and Industrial solutions Ltd (CGPISL), due to several reasons including diversion of funds, suffered losses during the years 2017-2019 and became a non-performing asset.



The Lenders initiated steps to revive the company by bringing in a new promoter and in that process, Tube Investments of India (TII) acquired majority equity stake and took control of the company with effect from 26th November 2020.



TII infused capital of Rs. 800 crores, made a one-time settlement of all secured creditors and guarantee obligations and paid all operational creditors. Besides, need based working capital was also infused to revive the operations. TII now holds 58.05% of the Company.



The entire Board of Directors and Key Management Personnel were replaced w.e.f. 26th Nov 2020. Mr. Vellayan Subbiah was appointed as Chairman of the Board and Mr. Natarajan Srinivasan was appointed as Managing Director of the company.

# Leadership Team



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**Mr. Natarajan Srinivasan**

*Managing Director*



**Mr. Ramesh Kumar N**

*President - Industrial Division*

- BE (Electrical) from University of Allahabad
- 37+ yrs of work experience (31+ yrs in CGPISL).



**Mr. Mukul Srivastava**

*President - Power Division*

- M Tech (Mechanical) from IIT Kanpur, B Sc Engineering (Mechanical) from Dayalbagh University
- 30+ yrs of work experience (29+ yrs in CGPISL).



**Mr. Ranjan Singh**

*Executive Vice President –  
Railway Division*

- BE (Electrical) from DAVV (Indore) and MBA from B.U. (Bhopal)
- 34+ yrs of work experience (28+ yrs in CGPISL).



**Mr. Susheel Todi**

*Chief Financial Officer*

- Member of ICAI and Commerce graduate
- 20+ yrs of work experience (17+ yrs in CGPISL).



**Mr. Aniruddha Khakale**

*Executive Vice President – HR*

- PGDBM (Business) from XLRI Jamshedpur and MBA (HR) from Pune University
- 27+ yrs of work experience.



**Mr. P Varadarajan**

*Company Secretary*

- Member of ICSI, LLB (Law) from Osmania University and Commerce graduate
- 30+ yrs of work experience.



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# CGPISL

## Standalone Performance

# CGPISL (Standalone)

## Performance Highlights



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Rs. In crores	FY 18-19	FY 19-20	FY 20-21	FY 21-22	9M FY 22-23	9M FY 21-22
Sales	5,356	3,169	2,526	5,159	4,792	3,752
% YoY growth	5%	(41%)	(20%)	104%	28%	
EBITDA	447	160	157	642	744	477
EBITDA %	8.3%	5.0%	6.2%	12.4%	15.5%	12.7%
PBT (before EI)	41	(179)	(91)	502	675	371
PBT %	0.8%	(5.6%)	(3.6%)	9.7%	14.1%	9.9%
PBT (after EI)	(3,544)	(1,548)	824	742	728	611
PAT	(2,680)	(1,480)	689	627	545	518
Capital Employed	1,835	26	1,887	2,171	2,476	2,228
ROCE % (annualised)	19%	270%	5%	35%	46%	33%
Unexecuted Order Book	4358	3060	2,730	3,550	4,136	3,090

EI: Exceptional items

- **FY 21-22** was the first full year of operation under the New Management. Sales in FY22 have grown by 104% YoY while PBT has grown by 653% YoY.
- **9M FY 22-23** Sales is **93%** of FY22 Sales while PBT (before EI) is **135%** of FY22 PBIT.
- **Order intake during 9M FY 22-23 is Rs. 5,756 Crs (25% growth YoY). Unexecuted Order book as at 31 Dec 2022 stood at Rs. 4,136 crores (34% growth YoY).**

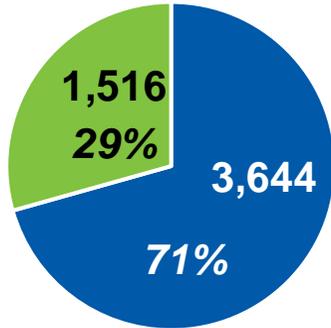
# CGPISL (Standalone)

## Revenue and PBIT Mix



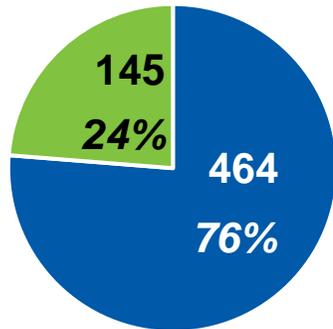
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### Sales (Rs. crs) - FY22



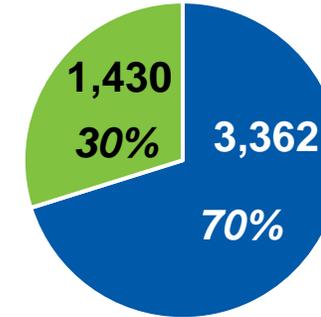
■ Industrial Systems ■ Power Systems

### PBIT (Rs. crs) - FY22



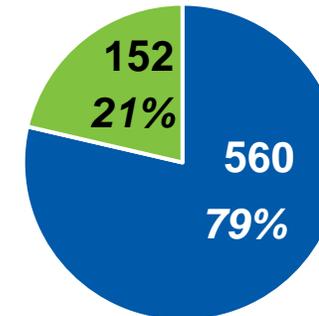
■ Industrial Systems ■ Power Systems

### Sales (Rs. crs) - 9M FY23



■ Industrial Systems ■ Power Systems

### PBIT (Rs. crs) - 9M FY23



■ Industrial Systems ■ Power Systems

# CGPISL (Standalone)

## Balance Sheets and Key ratios



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Rs. in crores	31-Dec-22	31-Mar-22	31-Mar-21
Fixed Assets	777	784	803
Investments	303	302	304
Non-current assets	12	11	8
Deferred tax assets	445	623	733
Inventories	579	447	382
Trade Receivables	1,100	889	522
Other Current Assets	396	314	440
Cash and cash equivalents	635	460	399
Assets held for sale	-	-	280
<b>Total Assets</b>	<b>4,246</b>	<b>3,830</b>	<b>3,871</b>
Shareholders Equity	2,421	1,819	1,034
<b>Borrowings</b>	<b>-</b>	<b>299</b>	<b>942</b>
Other Non-current liabilities	46	47	38
Trade Payables	1,349	1,125	999
Other Current Liabilities	431	539	859
<b>Total Liabilities</b>	<b>4,246</b>	<b>3,830</b>	<b>3,871</b>
<b>Net Cash/ (Net Debt)</b>	<b>635</b>	<b>161</b>	<b>(542)</b>
<b>Net Working Capital</b>	<b>330</b>	<b>211</b>	<b>(95)</b>

Net Working Capital	31-Dec-22	31-Mar-22	31-Mar-21
Inventory days	46	44	47
Trade Receivable days	63	68	60
Trade Payable days	(94)	(97)	(109)
<b>Cash conversion cycle</b>	<b>15</b>	<b>15</b>	<b>(2)</b>

Key Ratios	31-Dec-22	31-Mar-22	31-Mar-21
ROCE % (annualised)	46%	35%	5%
Debt to Equity ratio (times)	0.00	0.17	0.91
Current Ratio	1.53	1.27	0.94
Fixed Asset Turnover	8.19	6.50	2.97
RoNW %	33%	32%	67%
Free Cash Flow (Rs. Crs)	493	388	(379)

- Term loans and Non-convertible debentures are now repaid/ redeemed in full and **Company is debt free.**
- Balance sheet today is strong and all the key ratios have improved significantly compared to 31 Mar 2021.



- ✓ Market leader and Volume player in Motors business.
- ✓ Excellent reach with loyal Channel Partners
- ✓ Proposed expansion in Motors (announced in Q2 FY23) and Transformers (announced in Q3 FY23) to give economics of scale
- ✓ Diversified product portfolio with complete range for Power Transmission and Distribution sub-station.
- ✓ Lean cost structure and capability to serve customised solutions to customers.
- ✓ CGPISL is one of “Early birds” of Indian Railways market and there is a strong entry barrier
- ✓ State of art R&D and Manufacturing facilities.



# Industrial Systems

**(A) Motors, Drives and Consumer products**

**(B) Railways**

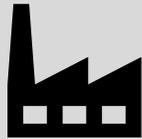
# Motors, Drives & Consumer Products

## Plant Locations and Product Portfolio



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Strong relationships.

### Plant Locations



9  
Manufacturing  
plants

#### Locations

#### No. of plants

Ahmednagar	▲ ◆	3
Goa	▲ ▼ ◆ ■	4
Bhopal	● ◆	2

### Product Portfolio

#### Motors

Low Tension  
Motors ▲



Large Industrial  
Motors ●



Fractional Horse  
Power Motors ▼



Stampings ◆



#### Drives

Drives &  
Automation ◆



#### Consumer products

Commercial  
Products ■



# Motors & Drives

## Customers We Serve



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### LT Motors

### Large Industrial Machines

### FHP Motors

### Drives & Automation

# Motors & Drives

## Approvals & Certifications



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LT Motors	Large Industrial Machines	FHP Motors	Drives & Automation
             	        	     	              

# Industrial Systems (Motors + Railways)

## Performance Highlights



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Rs. In crores	FY 18-19	FY 19-20	FY 20-21	FY 21-22	9M FY 22-23	9M FY 21-22
Sales	3,081	2,052	1,794	3,644	3,362	2,685
% YoY growth	32%	(33%)	(13%)	103%	25%	
EBITDA	404	274	233	493	584	351
EBITDA %	13.1%	13.4%	13.0%	13.5%	17.4%	13.1%
PBIT	377	246	207	464	560	330
PBIT %	12.2%	12.0%	11.5%	12.7%	16.6%	12.3%
Capital Employed	206	(147)	119	281	396	221
ROCE % (annualised)	183%	NA	173%	165%	188%	199%
Unexecuted Order Book	1922	1527	1,673	1,992	1,824	1,553

- **FY 21-22** was the first full year of operation under the New Management. Sales in FY22 have grown by 103% YoY while PBIT has grown by 125% YoY.
- **9M FY 22-23** Sales is **92%** of FY22 Sales while PBIT is **121%** of FY22 PBIT.
- **Order intake during 9M FY 22-23 is Rs. 3,527 Crs (17% growth YoY). Unexecuted Order book as at 31 Dec 2022 stood at Rs. 1,824 crores (17% growth YoY).**
- Capacity utilisation for Motors Division in 9M FY23 is **~85%**. In Q2 FY23, The Board of Directors approved the proposal to expand the Motors capacity with an investment of Rs. 230 crores over a period of 2-3 years.

### ❖ **Key Expansion Highlights:**

- ✓ Total Capex approved for Expansion project is Rs. 230 crs
- ✓ Time Frame: Completion of Project progressively by FY 2024-25
- ✓ Expansion will be implemented in the existing plants taking advantage of the existing infrastructure and Testing facility.
- ✓ CGPISL will use the opportunity to modernize and automate the entire plant using concepts of Industry 4.0

### ❖ **Rationale for Expansion:**

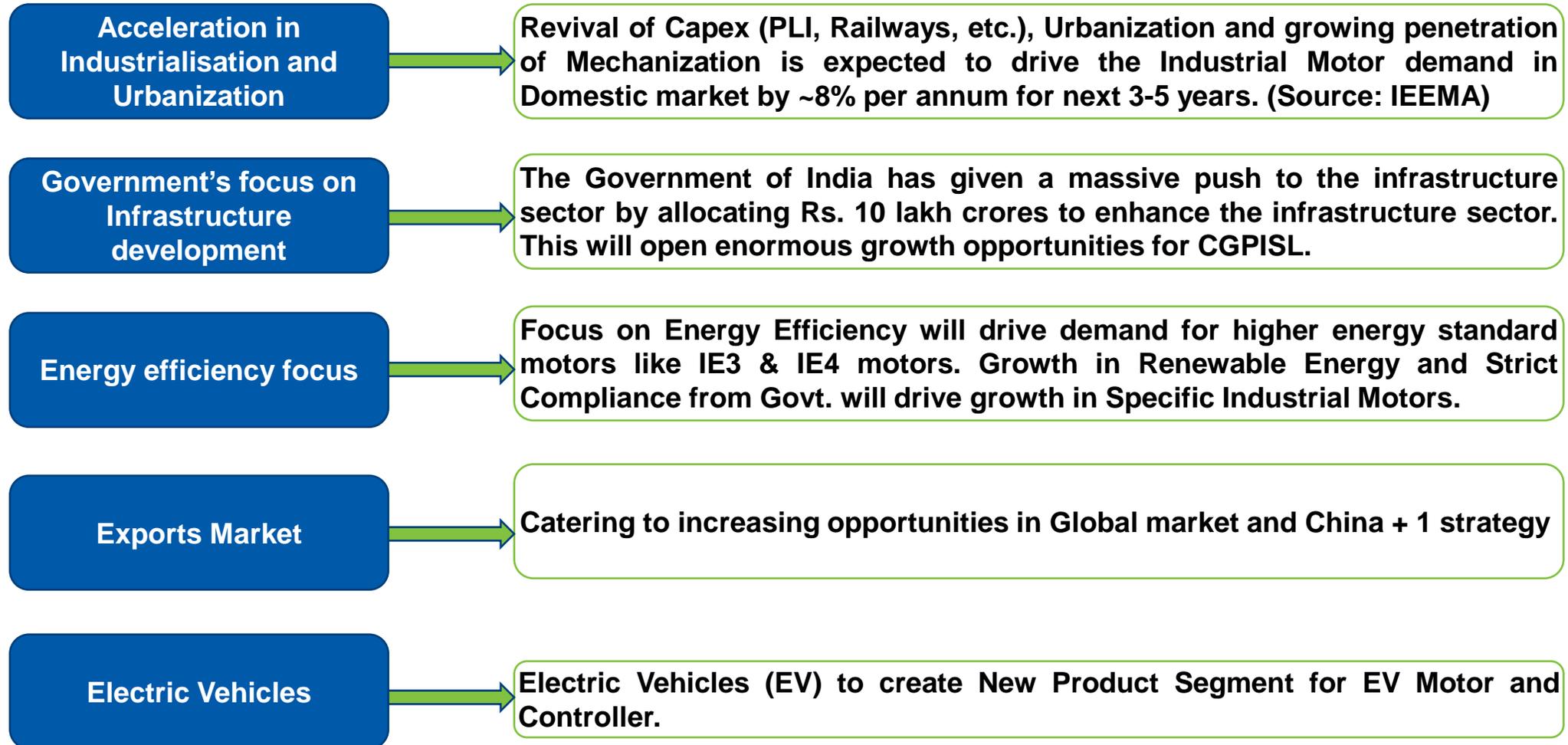
- ✓ Domestic Market expected to grow at a CAGR of 8% over next 5 Years (As per IEEMA)
- ✓ CGPISL targets to be in Export Market – Export to be 20% to 25% of Aggregate sales
- ✓ To position the Company to cater to the emerging Electric Vehicle (EV) Markets
- ✓ To meet the demand from MNCs as part of their China + 1 strategy

# Motors & Drives

## Growth Drivers



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# Railways Business

# Railways Business

## Plant Locations and Product Portfolio



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### Plant Locations



**3**  
Manufacturing  
plants

#### Locations

**Bhopal** ▲ ◆  
**Pithampur** ◆

#### No. of plants

**2**  
**1**

### Product Portfolio

#### Rolling Stock Products

**Traction Machines** ▲



**Railway Transportation  
and Traction Electronics** ◆



#### Signalling products

**Railway Signaling** ◆

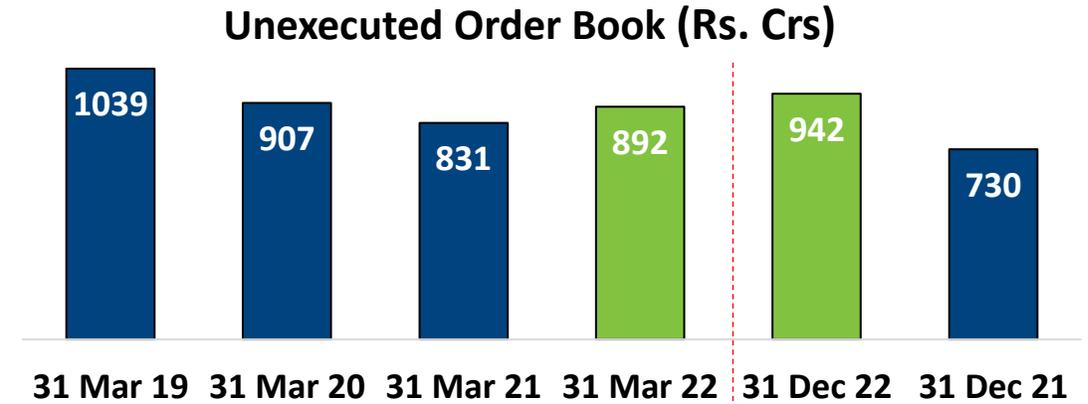
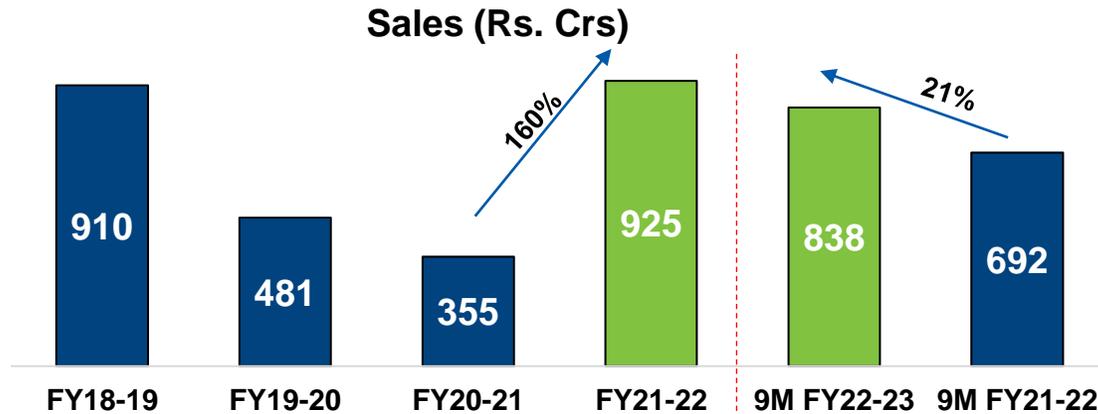


# Railways Division

## Performance Highlights



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- **FY 21-22** was the first full year of operation under the New Management. Sales in FY22 have grown by 160% YoY.
- Order intake during 9M FY 22-23 is Rs. 447 Crs (45% growth YoY). Unexecuted Order book as at 31 Dec 2022 stood at Rs. 942 crores (29% growth YoY).

# Railways Division – Business opportunities



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<b>100% Railway route Electrification</b>	<p>Indian Railways (IR) plans to complete 100% Railway route Electrification by 2024-25. Over 75% of 68,000 route kms. More than 5 times electrification was achieved during (2014-21) last seven years as compared to during 2007-2014.</p>
<b>Demand for urban transport</b>	<p>There is a rapid increase in demand for urban mass transportation systems in the country. Significant jump is expected in EMU/ MEMU and Metro requirement.</p>
<b>Semi high-speed trains projects</b>	<p>Requirement of 500 Train Sets (Vande Bharat Trainset ) of speed 160–200 km per hour next 5 to 7 Year , Manufacturing at ICF Chennai, Latur, Sonipat.</p>
<b>High-speed/ Bullet trains projects</b>	<p>IR plans to build 7 high-speed rail corridors to provide faster rail connectivity for High speed train project ,at a cost of US \$ 17 million. In Union Budget 2018-19, an amount of Rs 7,000 crores (US\$1,081.25 million) was allocated for the bullet train project.</p>
<b>Electronic Interlocking</b>	<p>2221 stations already covered with Electronic Interlocking, which constitutes 34% of the total stations in India and 1550 installations are planned shortly.</p>

# Railways Division – Business opportunities



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<b>Private Trains under PPP</b>	Ministry of Railways received bids from the private and public sectors to operate 29 pairs of trains with about 40 modern rakes, entailing an investment of ~Rs. 7,200 crores
<b>Railway station modernisation</b>	Re-development of railway stations across the country
<b>Gati Shakti programme</b>	IR plans to establish ~500 multi-modal cargo terminals under the 'PM GatiShakti' programme, with an estimated outlay of Rs. 50,000 crore (US\$ 6.68 billion) in four-five years.
<b>AC coach travel</b>	IR plans to a change in composition of coaches so that it can push more profitable AC coach travel in comparison to Sleeper/ General class travel
<b>TCAS (Train collision Avoidance System)</b>	IR plans to carry out large scale implementation of TCAS on 37,000 route kms of HDN and HUN railway routes in next 5 years.

# Opportunities for CGPISL

(over and above the current Business lines)



- **Rolling Stock /Propulsion**

- Consortium/JV/partner route is being actively pursued with the trend of completely/built Loco/Trains with corresponding qualification/products it can offer
- Contract manufacturing for Indian/global projects with winner/s ,some talks and our efforts are on, the market itself has entry barriers such as the limited competition opportunities for those MNCs which are not based in India .
- Efforts on to enter the package propulsion business , to deliver the initial orders first & upgrade the tech/engineering skills inhouse , enhance portfolio like control panels etc.
- Entry into the urban/metro market

- **Signalling**

- To have more products through tech tieups/ cross acceptance of already proven products such as Electronic Interlocking, Axle counters, Digital axle counters etc.



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# Power Systems

## A. Transformers

- Power Transformers
- Distribution Transformers

## B. Switchgears

- Air Insulated Switchgears / Gas Insulated Switchgears
- Vacuum Interrupters
- Circuit Breakers
- Instrument Transformers
- Surge Arrestors
- Numerical Relays

# Power Systems

## Plant Locations and Product Portfolio



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### Plant Locations



4  
Manufacturing  
plants

#### Locations

Locations	No. of plants
Nashik ▼ ◆	1
Aurangabad ▼ ◆	1
Bhopal ●	1
Gwalior ▲	1

1 2

#### Products

Products	Range
Distribution Transformer	315 kVA to 2.5 MVA (3.3kV to 33kV Class)
Power Transformer	3.0 MVA to 500 MVA (66 kV to 765 kV)
Locomotive Transformer	6.531 MVA to 7.775 MVA

### Product Portfolio

#### Transformers

Distribution Transformer ① ▲

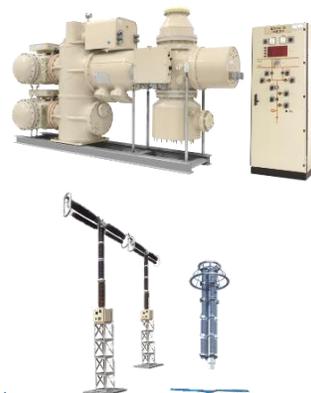


Power Transformer ● ②



#### Switchgears

EHV Switchgears ▼



MV Switchgears ◆



# Power Systems

## Performance Highlights



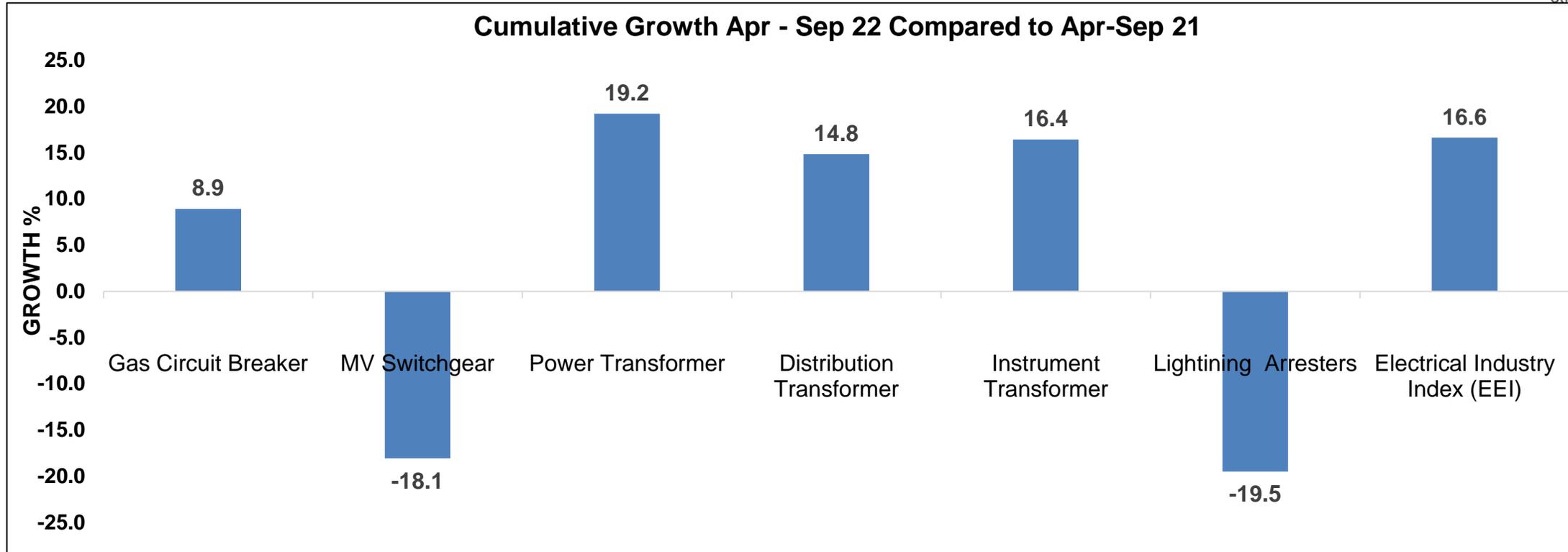
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Rs. In crores	FY 18-19	FY 19-20	FY 20-21	FY 21-22	9M FY 22-23	9M FY 21-22
Sales	2,277	1,117	733	1,516	1,430	1,068
% YoY growth	(18%)	(51%)	(34%)	107%	34%	
EBITDA	124	(12)	(55)	181	178	145
EBITDA %	5.5%	(1.1%)	(7.5%)	11.9%	12.5%	13.6%
PBIT	76	(58)	(96)	145	152	118
PBIT %	3.3%	(5.2%)	(13.1%)	9.5%	10.6%	11.0%
Capital Employed	411	32	66	298	349	247
ROCE % (annualised)	18%	NA	NA	49%	58%	64%
Unexecuted Order Book	2436	1532	1,057	1,558	2,312	1,537

- **FY 21-22** was the first full year of operation under the New Management. Sales in FY22 have grown by 107% YoY while PBIT has grown by 250% YoY.
- **9M FY 22-23** Sales is **94%** of FY22 Sales while PBIT is **105%** of FY22 PBIT.
- **Order intake during 9M FY 22-23 is Rs. 2,228 Crs (38% growth YoY). Unexecuted Order book as at 31 Dec 2022 stood at Rs. 2,312 crores (50% growth YoY).**
- Considering the demand in Transformers, The Board of directors have approved a proposal to expand the manufacturing capacity of Transformers at its plants in Bhopal and Malanpur at an outlay of Rs. 126 crores.



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Source: IEEMA Database



### Renewable Energy

- Planned Establishment of 523GW by 2030
- Business Potential for EHV Switchgear : Rs. 300 Cr (Next 5 years)
- Alternate to SF6 gas
- MV Switchgear with Dry air / Nitrogen

### METRO Projects

- Projects planned in >40 Cities
- Business Potential : 600 Cr (Next 5 Years)
- **Dedicated Freight Corridors**
- Traction Stations
- Business Potential : 200 Cr (Next 5 Years)

### GIS Substations in Urban Area

- GIS projects up by 30% in Power Utilities
- Business Potential : 1000 Cr. (Next 5 Years)



### Demand for Power Transformers

- Tariff Based Competitive Bidding (TBCB) projects of Rs. 2 lacs crores expected in next 5 years.

### Revamped Distribution Sector Scheme (RDSS)

- As on Nov. 2022, total 1.89 L Cr RDSS proposals cleared.
- Business Potential : 1000 Cr (Next 5 Years)



### Data Centres

- Digitalization and local data regulation are drivers.
- Nextra, Brukfiled, Princeton, L&T and Yotta Infra are Investing
- Business Potential : 300 Cr (Next 5 Years)



### Railway

- Railways target 100% electrification by 2023
- Modernization of Railway Stations (300 Nos)
- Business Potential : 300 Cr. (Next 5 Years)



### Service Business

- Long Terms Service Contracts.
- Spare Modules for Older Installations
- Life Assessment and enhancement programs for supplied material.

### Make in India Initiative

- Reduced Chinese Players



### Export Business

- Retrofit Business
- Business Potential : 2500 Cr (Next 5 Years)

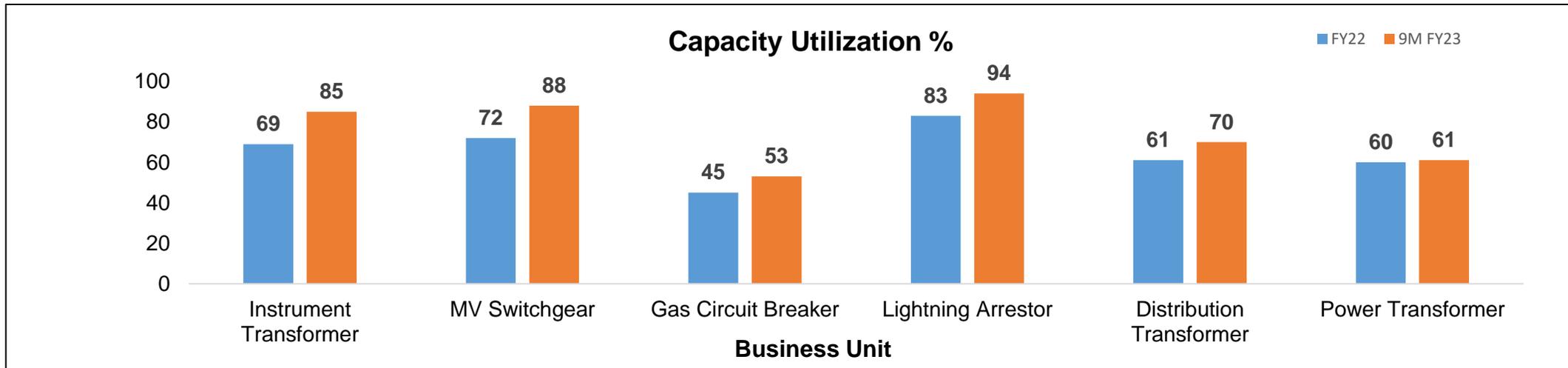
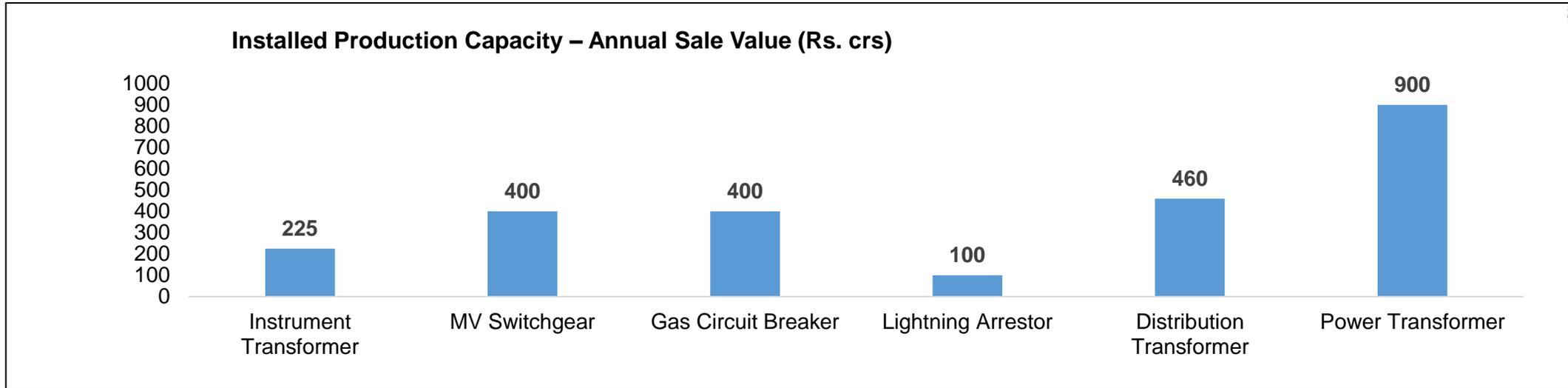


# Power Systems

## Capacity and Capacity Utilisation



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# Power Systems

## Expansion and Cost of Expansion



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**Rs Crs.**

Sr. No	Options	Product Range	Approximate Capex	Capacity Addition/ Incremental Revenue	Remarks
1	Capacity Expansion at T3 Bhopal	Capacity Addition for 220 kV, 160 MVA Range	86 Crs	8000 MVA = Rs. 500 crs of Additional Sales per Annum	Timeline – 15 months
2	Capacity Expansion at T2 Malanpur	Capacity Addition for LPT range , 145 kV, 50 MVA Range	40 Crs	3000 MVA = Rs. 350 crs of Additional Sales per Annum	Timeline – 15 months
<b>Total</b>			<b>126 Crs</b>		



This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international copper, aluminum, oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward-looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward-looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.



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*Thank You!*