

Research Report

CG Power & Industrial Solutions Limited



Prepared By-

SAHIL SHARMA

EQUITY RESEARCH ANALYST

About

CG Power & Industrial Solutions is a global enterprise providing end-to-end solutions to utilities, industries and consumers for the management and application of efficient and sustainable electrical energy. It offers products, services and solutions in two main business segments, viz. Power Systems and Industrial Systems.

Key Business segments

1. Industrial Systems (64% in FY25 vs 71% in FY23): The Industrial Business is engaged in the production of power conversion equipment, including motors and generators ranging from 25 MW to 100 MW, drives up to 3 MW.

2. Power Systems (35% in FY25 vs 29% in FY23): The power business manufactures a wide range of power and distribution transformers, extra high voltage (EHV) and medium voltage (MV) circuit breakers, switchgears, EHV instrument transformers, lightning arresters, isolators, and vacuum interrupters.

Synopsis of Financials

- Stand-alone sales for Q3 FY '25 reached ₹2,389 crores, reflecting a 28% year-over-year growth.
- Order intake was ₹3,636 crores, marking a 61% year-over-year increase, the highest for the quarter ever.
- Order backlog stood robust at ₹8,952 crores, indicating an upward trajectory.
- Profit Before Tax (PBT) before other income was ₹306 crores.

Stock data (as 20th May 2025).

Nifty Price	: 24,903.75
52 week High (in Rs.)	: 875
52 week Low (in Rs.)	: 518
Market Cap. (in Crore)	: 1,07,146
NSE Code	: <u>CGPOWER</u>

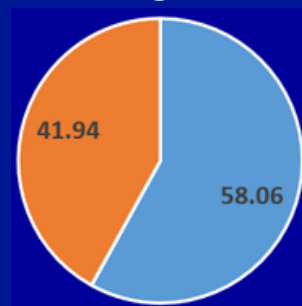
Stock data



-NIFTY50

-CG Power & Industrial Solutions Limited

Shareholding Pattern (March 2025).



-PUBLIC GROUP

-PROMOTER GROUP

Financial Summary.

Particulars	Mar-23	Mar-24	Mar-25
Sales	6,973	8,046	9,909
Sales Growth %	27.15%	15.40%	23.15%
Expenses	5,967	6,904	8,604
Operating Profit	1,005	1,142	1,305
OPM %	14%	14%	13%
Net Profit	963	1,428	973
EPS in Rs	6.3	9.34	6.37

Quarterly Results

Particular	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Sales	2,002	1,979	2,192	2,228	2,413	2,516	2,753
Expenses	1,693	1,718	1,908	1,900	2,118	2,185	2,406
Operating Profit	309	261	284	327	295	331	347
OPM %	15%	13%	13%	15%	12%	13%	13%
Other Income	43	579	42	33	29	34	71
Interest	0	1	1	1	2	1	3
Depreciation	23	24	24	24	28	28	32
Profit before tax	329	816	301	336	294	335	384
Tax %	26%	8%	22%	28%	25%	29%	29%
Net Profit	242	748	234	241	220	238	274

Source: Screener

Key Ratios

Sr. No.	Particulars	Numerator	Denominator	31 March, 2024	31 March, 2023	Variance	Explanation on variance of more than 25%
1	Current Ratio (In times)	Current assets	Current liabilities	1.80	1.45	24.14%	-
2	Debt Equity Ratio (In times)	Total Debt	Shareholder's Equity	0.00	0.00	-	-
3	Debt service coverage ratio (In times)	Earnings available for debt service = Net profit after tax + Non cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Scheduled principal repayments (excluding prepayments of debt)	145.27	47.46	206.09%	Reduction in interest cost on account of repayment of loan in previous year contributed to improvement in ratio.
4	Return on Equity Ratio (%)	Net profit after taxes	Average shareholder's equity	35.39%	36.96%	(4.25)%	-
5	Inventory Turnover Ratio (In times)	Cost of goods sold	Average Inventory	9.03	9.93	(9.06)%	-
6	Trade Receivable Turnover Ratio (In times)	Revenue	Average Trade receivable	5.65	6.21	(9.02)%	-
7	Trade Payable Turnover Ratio (In times)	Net Credit Purchases (Purchase of raw materials and stock-in-trade)	Average Trade payable	4.12	4.04	1.98%	-

Source: Annual Report

Yearly Results

Particulars	Mar-23	Mar-24	Mar-25
Equity Capital	305	305	306
Reserves	1,485	2,712	3,538
Borrowings	16	17	41
Other Liabilities	2,861	2,590	3,532
Total Liabilities	4,668	5,625	7,417
Fixed Assets	971	1,059	1,510
CWIP	38	94	355
Investments	1	588	438
Other Assets	3,658	3,884	5,115
Total Assets	4,668	5,625	7,417

Synopsis Quarter Results

Concall Notes - Feb-2025: Key Highlights

Financial Performance:

- Free cash flow generated was ₹235 crores, resulting in a free cash flow to PAT ratio of 96%.
- Return on Capital Employed (ROCE) was reported at 34%.

Segment Performance:

- - Industrial Segment:
 - Sales were ₹1,470 crores, up 21% year-over-year; PBIT was ₹184 crores (12.5% margin).
 - Order intake grew 37% year-over-year to ₹1,877 crores; unexecutable order backlog was ₹2,968 crores (50% increase).
- - Power Systems:
 - Aggregate sales were ₹920 crores, a 42% year-over-year growth; PBIT was ₹162 crores (17.6% margin).
 - Order intake nearly doubled to ₹1,759 crores (97% growth); unexecutable order backlog was ₹5,984 crores (67% increase).

Key Developments:

- Greenfield expansion for an additional 45,000 MVA power transformer capacity approved with an investment of ₹712 crores, targeting completion by FY '27-'28.
- G.G. Tronics secured a prestigious order for the Locomotive TCAS (Kavach) system valued between ₹500-600 crores, to be executed within one year, including 11 years of maintenance.

Market Insights:

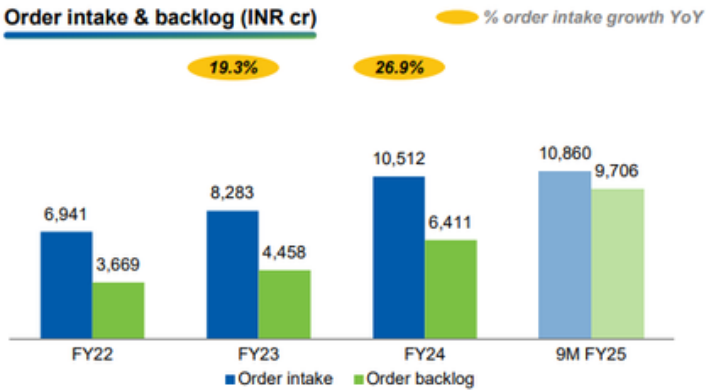
- The management sees a significant opportunity in the power transformer sector, driven by increasing solar capacity and domestic demand.
- Distribution transformers are not facing capacity constraints due to prior investments; growth is expected to be double-digit in the industrial segment.
- Switchgear segment growth is anticipated to align with the power transformer business.

Challenges and Strategic Focus:

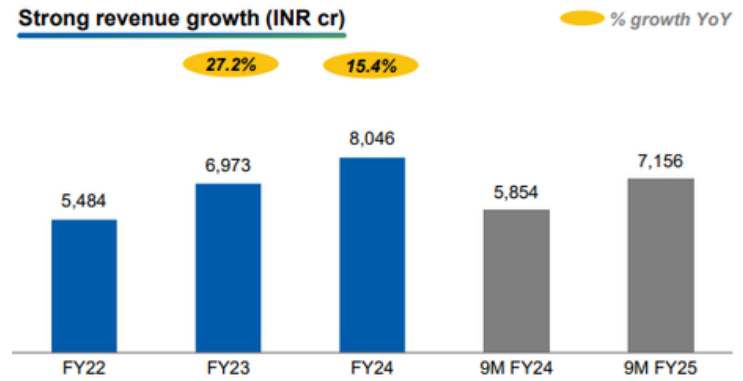
- The management remains optimistic about the industrial segment, particularly in the railway business, despite some concerns about order off-take.
- Price realization and operational leverage have positively impacted margins, although railway orders may not be margin-accretive.

Highlights

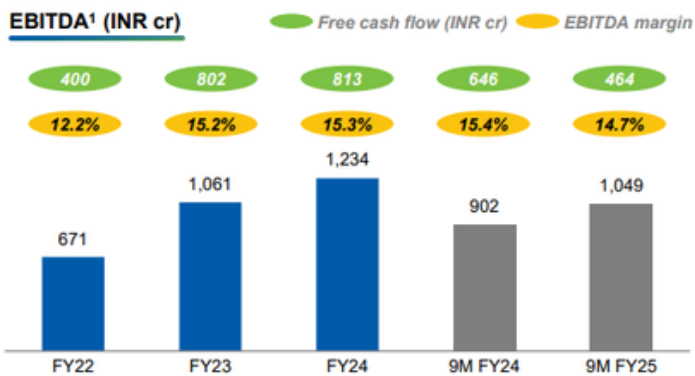
Order intake & backlog (INR cr)



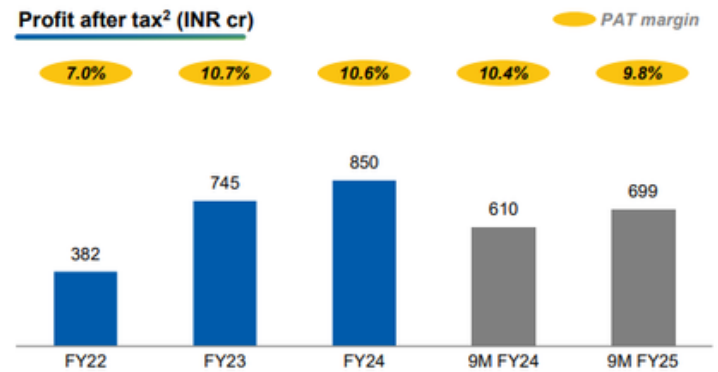
Strong revenue growth (INR cr)



EBITDA¹ (INR cr)

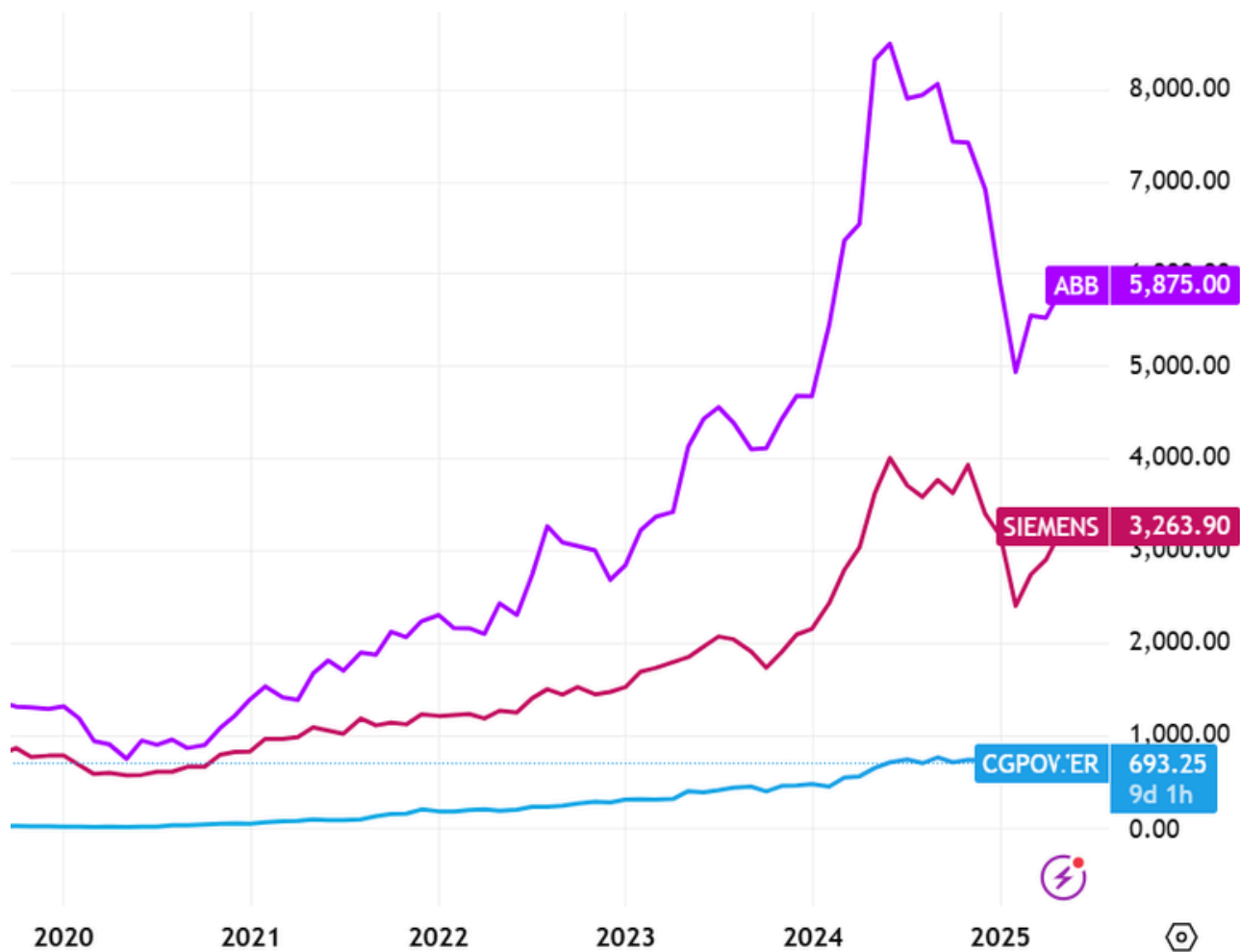


Profit after tax² (INR cr)



Peer Comparison

Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	ABB	5825.00	65.34	123436.61	0.76	474.63	3.16	3159.56	2.57	38.65
2.	Siemens	3201.00	60.63	113994.17	0.38	582.50	-37.19	4259.00	2.57	23.61
3.	CG Power & Ind	700.75	110.18	107146.42	0.19	274.26	14.18	2752.77	25.60	38.09
4.	BHEL	248.45	162.05	86511.85	0.10	504.45	3.03	8993.37	8.88	4.46
5.	Waaree Energies	2967.35	45.60	85246.99	0.00	644.46	129.68	4003.93	36.38	35.12

Source: Screener

Final Outlook



CGPOWER: HOLD | LTP: 701

2022–23 financial year had a profit growth of around 40%, and for 2023–24, profits rose by 33%, indicating strong and consistent financial performance and expansion in core operations.

Subsidiaries and associate companies of CG Power have contributed significantly to revenue and margin improvements, while the standalone performance saw a decline of nearly 38% from November 2024, reflecting temporary market corrections or profit booking phases.

CG Power has benefited from large-scale infrastructure and industrial automation demand, with a robust order book that includes government and private sector projects in energy, railways, and automation systems.

CG Power has shown exceptional long-term performance with a high CAGR and multi-bagger returns over the last five years. Given its strong order book and position in the industrial and energy infrastructure segment, the stock is expected to deliver consistent value to investors over the next 3–5 years.

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