Operator: Ladies and gentlemen, good day and welcome to the 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 listen-only mode, and there will be an opportunity to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star and zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Renu Baid from IIFL Capital Services Limited. Thank you, and over to you, ma'am.

Renu Baid – IIFL Capital Services Limited: Thank you, Nazneen. A very good afternoon, everyone. On behalf of IIFL Capital, we would like to welcome the management team of CG Power for the Q2 FY27 earnings call. From the leadership team today, we have with us Mr. Amar Kaul, Managing Director and CEO; Mr. Sushil Todi, Chief Financial Officer; Mr. Mukul Gulati, EVP, Drives and Automation and International Motors Business; Mr. Gaurav Makhija, Vice President, Switchgears and EPD Business; Mr. Dhananjay Bapat, Vice President, Railway Business; Mr. Jitender Kaul, EVP, Motors Business, India Subcontinent; and Mr. Sumit Khanna, Vice President, Consumer Products Business.

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

Amar Kaul – MD & CEO: Thank you, Renu, and the rest of the team. Good afternoon, everyone, and welcome to the CG earnings call.

At the outset, I am pleased to share that CG has continued to build on its growth momentum, delivering record-high quarterly revenue along with margin expansion. Our Q2 and H1 performance reflects the continued strength of our diversified portfolio, disciplined execution, and continued focus on operational excellence, leveraging CGH, which is our operating rhythm.

Our Q2 sales grew by 32% year-over-year, order intake grew by about 90% year-over-year, and profit before tax grew by 47% year-over-year, ensuring positive leverage and also outpacing the revenue growth with about 180 basis points of margin expansion. This makes it another one of the strongest quarterly performances in recent times.

Further, our orders remain robust, with 90% growth year-over-year, and the order book strengthened further to 21,820 crores, offering multi-quarter visibility for the organization.

Now, as I go deeper into the standalone performance, aggregate sales for the quarter were 3,505 crores, recording growth of 32% year-over-year. PBT grew by 47% to 602 crores, which is 17.2% of sales, as against 409 crores, which was 15.4% in Q2 of the previous year. So, there was a 180 bps year-over-year margin improvement, primarily driven by the Power Systems segment and also contributed by our Motors business. Return on capital employed, annualized, was 27%.

Order intake for the quarter was 8,016 crores, which represents 90% growth year-over-year, and the unexecuted order backlog as of September 30, 2026, was 21,820 crores, which is 61% higher year-over-year.

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Now, if I double-click on each segment, going to the Industrial segment first, there was strong growth across revenue and PBIT despite a dynamic cost environment. Aggregate sales for the quarter were 1,738 crores, which is 25% year-over-year, driven by strong growth across all the businesses.

PBIT was 164 crores, which is 9.4% of sales, against 135 crores in Q2 last year. This represents a 60 bps improvement sequentially versus the previous quarters, driven by margin expansion in Motors.

Order intake for the quarter was 1,758 crores, which is 12% year-over-year, and the unexecuted order backlog as of September 30 remains healthy at 2,856 crores, providing visibility for the coming quarters.

Now, if I double-click on the Power Systems performance, there was strong growth and further margin expansion, reflecting continued operating momentum and robust demand. Aggregate sales for the quarter were 1,769 crores, with a sharp rise of 41% year-over-year, supported by disciplined execution using our vehicle of CGH.

PBIT was 443 crores, which is 25% of sales, as against 260 crores, which was 20.7% of sales in Q2 FY26. There was a 430 basis points year-over-year improvement, underpinned by strong price realization and better operating leverage amid resilient demand.

Order intake for the quarter was 6,258 crores, which represents 137% growth year-over-year, and the unexecuted order backlog as of September 30 was 18,964 crores, which is up 81%, again providing multi-quarter visibility.

With that, we conclude the deep dive into our standalone performance, and I will now move to the consolidated performance.

The consolidated results include the performance of our operating subsidiaries in Sweden, Germany, and the Netherlands; CG Adhesive Products, which is based in Goa; CG Semi Private Limited; G-Tronics; Exiro Semiconductor; and other non-operating subsidiaries.

Aggregate sales for the quarter were 3,802 crores, representing growth of 30%. Profit before tax was 44% higher at 559 crores, which is 14.7% of sales, as against 388 crores, which was 13.3%.

The margin expansion was led by strong Power Systems performance, partially offset by continued talent investments that we are making in subsidiaries such as CG Semi and Exiro, which is our semiconductor business, and the impact of about 35 crores, or 91 bps. Return on capital employed for the quarter was 25%.

Order intake for the quarter was 8,485 crores, representing 78% year-over-year growth, and the unexecuted backlog as of the quarter ending September 30 was up 58% at 23,646 crores.

Now, some of the key events that I would like to highlight are that, following today's board meeting, CG strengthened India's power infrastructure manufacturing capabilities with the rollout of the first transformer from India's largest transformer manufacturing facility at Sehore in Madhya Pradesh on September 4. The greenfield facility was made operational within 13 months and is spread over more than 50 acres.

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This facility is one of India's largest single-location power transformer manufacturing facilities, built for 220 kV to 1,200 kV class power transformers, with a capacity to roll out 35 power transformers every month at peak capacity. We were honored to have the Honorable Chief Minister of Madhya Pradesh, Dr. Mohan Yadav, grace the occasion of the first transformer rollout.

Exiro Semiconductor, which is a wholly owned subsidiary of CG, acquired 100% of the equity stake in Tosil Systems Private Limited for 16.4 crores. The transaction was completed on August 20 and makes Tosil a wholly owned subsidiary of Exiro.

Tosil is engaged in providing semiconductor and embedded engineering services, including silicon design, verification and physical implementation, embedded software and Linux BSP development, and edge AI engineering services to global semiconductor and electronics OEMs.

This is a step forward in the direction of what I have been saying earlier about building our competence and capability in semiconductor design.

CG's existing manufacturing facility in the 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.

The S1 unit, which is based in Ambad in Nashik, involves a proposed investment of 300 crores to increase the manufacturing capacity of OIP bushings and transformer instrument transformers up to 800 kV by 4,236 equivalent units per year, taking the total capacity of the 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 commence within 30-36 months.

S3, which is again at the same location in Nashik, Unit 2, Phase 2, follows our disclosure dated June 4, 2026. We wish to inform you that the board has approved an additional investment of 15.31 crores to enhance EHV circuit breaker manufacturing capacity by 3,600 units annually at the 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 6-9 months.

Going to the GIS division in Vilholi, following our disclosure on July 24, 2026, we wish to inform you that the board has approved an enhancement of the capex investment for the GIS brownfield project at Vilholi, Nashik, from 35.14 crores to 44.62 crores, representing an additional investment of 9.45 crores.

The enhancement primarily provides for the procurement of an 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 fully commissioned.

Accordingly, the capacity per annum will increase from 228 equivalent base last year to 468 equivalent base as it matures.

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The above investments are part of the greenfield investment proposed for the switchgear business. The existing power transformer manufacturing facility, known as T3, is currently operating at its maximum capacity.

As part of CGH, CG has undertaken the lean manufacturing initiative, and based on the work done by the teams there, the scope is to enhance the capacity by another 10,000 MVA within the same facility, 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 68 crores, net of taxes. The project is planned to be completed within a period of 12-15 months and is expected to significantly enhance the plant's manufacturing capacity, enabling the division to meet growing market demand and strengthen its competitive position.

That summarizes our financial performance and key events.

Looking ahead, we remain focused on capitalizing on the opportunities across power infrastructure, industrial manufacturing, railways, and semiconductors, while continuing to invest in technology, capacity, and capabilities. We will maintain our focus on 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 the stock exchange filings and on our company website. Thank you for listening, and back to you, Renu, for the Q&A.

Renu Baid - IIFL Capital Services Limited: Sure. Nazneen, we can open the session for Q&A, please.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Prathamesh from Abacus. Please go ahead.

Prathamesh - Abacus: Hello? Am I audible? Thank you, sir. Thank you for the opportunity, and congratulations on a great set of numbers.

I just wanted to understand the new Madhya Pradesh facility. When we said 35 transformers per month, is that our peak potential? And what kind of transformer capacity, such as 100 MVA, [trails off]

Management: ...be it a transformer or 100 kV of transformer, are at... Hello?

Prathamesh - Abacus: Hello?

Management: Yes, Prathamesh, can you hear us?

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

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Management: Yes, very well.

Prathamesh – Abacus: I just wanted to understand: when we say that the Madhya Pradesh transformer capacity is 35 units per month, what specifications of transformers are we talking about, and is that our peak output capacity?

Management: Yes, this is the peak output capacity. As I mentioned previously in the notes, the range is transformers ranging from 200 kV to 1,200 kV.

Prathamesh – Abacus: Okay. When we say 35 units of capacity, that must also take into consideration the highest...

Management: [pause] This is typically calculated by taking an average based on the order pipeline that we have. You take the average from the highest rating, which is 1,200 kV, to the smallest one, and then average it out. Approximately, it comes to 35. It could be 30, or it could be 40, depending on the kind of orders we receive. So, this is a ballpark figure.

Prathamesh – Abacus: Okay. Can we express it in terms of total MVA produced in a month, or can we have an idea of that number?

Management: Right now, this calculation is based on approximately 70,000 MVA because that is the direction we are moving toward.

Prathamesh – Abacus: Okay, sir. On the commissioning front, was it difficult? Have there been any labor or skilled labor issues in setting up the new plant in Madhya Pradesh?

Management: The labor skill issue will arise if we do not plan properly. We have been working on this project for more than 2 years, even before we conceptualized it. Our technical people and everyone else were hired well in advance.

Since we already have the existing plant, many of these people were trained on the job, in action, for almost 6–12 months. So, all that investment has already gone into the training and development of people.

Prathamesh – Abacus: Okay, sir. Thank you, sir.

Management: Thank you.

Operator: Thank you. The next question is from the line of Ankur from HDFC Life. Please go ahead.

Ankur – HDFC Life: Hi, good afternoon, sir, and thank you, as always, for your time.

First, on the order inflows in Power Systems, we have seen very strong growth. Typically, you do about 3,000–3,500 crores of quarterly run rate. This quarter, it is closer to 6,200 crores. Could you help us understand where these orders are coming from, what these orders are, and whether any of them are recurring?

Management: This is not recurring. I think it is a combination. If your question is whether it is specific to a sector, it is not like that. If you look at the orders that have come in, they range from

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utility companies to AI and data centers. It is a combination of domestic and export orders, a combination of all of those. So, it is not skewed in one direction.

Ankur – HDFC Life: Sorry, I meant to ask whether there is any large order, perhaps a couple of thousand crores, or whether it is spread over...

Management: No, it was not material. If it had been material, we would have informed the stock exchange. So, it was not material. However, there were large-sized orders, but they were not material enough to justify reporting.

Ankur – HDFC Life: Therefore, the last part of this question is whether you can sustain this kind of momentum, given the pipeline you see at this point.

Management: I keep saying the same thing at every meeting: the future is bright. We look at it positively. It depends on whether something changes worldwide, which we cannot control, but our efforts are ongoing.

Ankur – HDFC Life: Perfect. My second question is on the Motors side. Could you help us understand, especially for LT Motors, which is our largest segment, what kind of price hikes you have taken over the last 6-12 months? How much more remains to be done? You also spoke about some margin recovery on a QoQ basis. How is that shaping up? That is all from my side. Thank you.

Management: The price hike is directly correlated with the increase in commodities. Some of that has not been favorable for the industry. We increased prices by upwards of 30% over the last 12 months, if I look at it.

Will there be further increases? Immediately, I would say no, because we have to see how much the market is able to absorb and how much commodity inflation is occurring. Technically, it is a pricing game that we consider.

However, what is important is that, over and above prices, we are also focused on operational excellence. If I look at the good results achieved by the Motors team, fundamentally, the work on CGH and the operational excellence that we have been pursuing, optimizing our portfolio, and eliminating waste from the system are delivering much more in terms of results than the price increase.

The price increase is directly only offsetting commodity inflation. The improvement that you see is coming purely from the work done by our teams in Motors.

Ankur – HDFC Life: On margins in this segment, can we expect double-digit margins, given that we have taken what I assume are substantial price increases?

Management: Industrial is inching up. Sequentially, we are improving consistently by at least 50-60 basis points every quarter, and Motors has already reached double-digit margins.

Ankur – HDFC Life: Is the Railways business, therefore, weighing on it?

Management: Yes, it is the same story that I mentioned last quarter. Railways is flat, or it might go down as well, and that is a conscious decision.

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We could still make the top line meet the target, but we do not want to do so at the expense of the bottom line. As we progress, our strategy work is also taking place on the Railways side.

We might take a step back on that instead of simply worrying about the top line while the bottom line bleeds. We are working on technology upgrades and building the capabilities that we do not have there.

You might see some impact. Of course, we do not declare it, but I am sharing what I am supposed to share: for a year or so, we will not see huge improvements in the Railways business because we want to use that time to build our capabilities around technology and what is required for the market.

Ankur – HDFC Life: Understood. Great. Thank you so much, and all the best.

Management: Thank you.

Operator: Thank you. Ladies and gentlemen, in order to ensure that management is able to address questions from all participants at the conference, please limit your questions to two per participant. The next question is from the line of Rahul Gajare from Macquarie Capital. Please go ahead.

Rahul Gajare – Macquarie Capital: [line issue]

Operator: Mr. Rahul, you are not audible. [line issue] As there is no response, we will move on to the next question. The next question is from the line of Umesh Raut from Nomura. Please go ahead.

Umesh Raut – Nomura: Hi, sir. Good evening, and congratulations on a very strong set of results.

My first question pertains again to Power Systems order inflow. Could you help us with the domestic and export numbers separately? What was the year-on-year growth in domestic Power Systems and export Power Systems in terms of order inflows?

Management: The orders are definitely strong, but we do not provide the split between export and domestic. However, there is a good mix, and it is moving in the direction that we wanted.

Umesh Raut – Nomura: [pause] Hello? Am I audible?

Management: Yes, could you hear me?

Umesh Raut – Nomura: Yes. Can you provide any color on year-on-year growth, at least on the export side, during Q2 in terms of inflows? Also, can you provide any color on the geographical mix? Are you seeing traction in export orders from North America, Europe, or any other market?

Management: I can perhaps give you a percentage increase. The QoQ increase is about 200% for exports.

Umesh Raut – Nomura: Understood. What about the geographical mix?

Management: No, you are asking me for too many details, my friend. So...

Umesh Raut – Nomura: [pause] Hello?

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Management: Yes.

Operator: Sir, can you please use your handset?

Umesh Raut – Nomura: Is it audible?

Operator: Yes, it is.

Umesh Raut – Nomura: My second question pertains to the Industrial segment. If I look at the subsidiary revenue number, it has increased by about 10%. Is it fair to assume that we have started execution on the Kavach order side, or is it pending for the quarter?

Management: No, Kavach has not started yet. Although the routine business is improving, Kavach should start very soon because most of the approvals are in place. We are just waiting for the final approval, so it should happen anytime now, definitely in the current quarter.

Umesh Raut – Nomura: Understood. Thank you very much. I will rejoin the queue.

Management: Thank you.

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

Harshit Patel – Equirus Securities: Thank you very much for the opportunity, and congratulations on a great set of results.

Firstly, on capex, I think we have already spent about 600 crores in the first half of FY27, and you have announced another 400 crores of capex across various projects. In addition, a lot of greenfield and brownfield projects are already ongoing.

Could you summarize our overall capex for both FY27 and FY28, excluding the OSAT capex that we are already undertaking?

Management: If you look at our core business, we spent around 550–600 crores in the first half. We are looking at another 300–400 crores over the next 6 months. So, it may reach 1,000 crores for this year. Next year, it will again remain in a similar range, around 700–800 crores.

Harshit Patel – Equirus Securities: Understood. This is excluding OSAT, correct? That is on top of this.

Management: Correct.

Harshit Patel – Equirus Securities: My second question is on Exiro. Could you help us with its H1 FY27 performance in terms of EBITDA or EBIT margins? I believe most of the semiconductor segment's revenue would have come from Exiro. If you could bifurcate the EBIT between OSAT and Exiro, that would be very helpful.

Management: If you look at the numbers, the revenue is only coming from Exiro, and in Q2 Exiro was at the break-even point.

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Harshit Patel – Equirus Securities: Understood. Just one last bookkeeping question: on the Consumer business, can you give us an update on the current revenue scale, and have we reached break-even in this business or not yet? That will be my last question.

Management: As you know, we restarted the Consumer business a couple of years ago. We are almost there. Some months will be positive, while some will be close to that, but overall, on a net basis, it has been positive.

However, we have been reinvesting the money earned back into marketing, because it is a B2C business. We are reinvesting it into the business. We have also had a leadership change there, with a new leader, Sumit, joining us, who is also on the call.

He is looking at the overall strategy for this business, the additional product portfolio, and any innovation that we can bring in. We are excited to see how it will grow in the future.

Harshit Patel – Equirus Securities: Understood, sir. Thank you.

Operator: Thank you. Ladies and gentlemen, in order to ensure that management is able to address questions from all participants, please limit your questions to two per participant. The next question is from the line of Sameer Thakur from Ambit Capital. Please go ahead.

Sameer Thakur – Ambit Capital: Hi, thank you. Most of the questions have been answered, but I wanted to ask about the Kavach business. Certification is still pending, correct? Regarding the execution timeline, would there be any execution risk for Kavach if the approvals are delayed? I would also like your view on that.

Management: I would say there is some risk. Based on where we stand on the project, I think we should definitely receive it this quarter, and production should commence, including the installation and commissioning of these Kavach systems.

In the worst-case scenario, if it is delayed, there could be a risk that some of the orders may lapse next quarter or at the end of the next quarter. However, that does not mean it is a loss. If it is re-tendered, we will receive it again. That could be the only issue, but it would involve additional work. That is the only thing I am concerned about.

Sameer Thakur – Ambit Capital: Okay, thank you. That was all from my side.

Operator: Thank you. The next question is from the line of Sumit Kishor from Axis Capital. Please go ahead.

Sumit Kishor – Axis Capital: Thank you for the opportunity, and 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 commissioning timelines? Could you give us some indication of how the ramp-up is likely to happen over the next few quarters?

Management: [pause] [line issue] I hope I was audible. Oh, sorry, we were on mute. Can you hear me?

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Sumit Kishor – Axis Capital: Yes, now I can hear you.

Management: On G2, specific to your question, construction is progressing well. We are targeting the commencement of qualification in the middle of next year. Commercial production takes about 2–3 quarters after the qualifications are completed, so I would say we should see commercial production somewhere toward the end of 28 or 29.

Sumit Kishor – Axis Capital: On G1, have you tied up with any new customers? Could you give us an indication of how things are progressing for the initial products that were rolled out?

Management: That work is happening in parallel. Our business development team is continuously working on it. As you know, the qualification time is very long. However, the work is continuously ongoing.

Sumit Kishor – Axis Capital: Just a repeat question on Power Systems inflows, which almost doubled this quarter. Any particular—

Operator: [cut off] Sir, I request you to follow the question queue.

Sumit Kishor – Axis Capital: Okay.

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

Amit – UBS: Congratulations on a great set of results.

I have a question on overall capacity expansion and the orders for that. Where are we in the qualification process with US grid utilities? Do you think the ordering is already reflecting orders from large utility clients in the US, or will it take time to get qualified? It is a spread-out market, and we need to go utility by utility. Could you provide some color on that?

Management: Your question is absolutely valid, and that is the long-term work happening in parallel. As you know, it takes time. That is happening in parallel, but that is not the only thing we are relying on for the American market.

Amit – UBS: Fair point. My second question is on Industrial. A lot of the emerging segments have very different product requirements and very different grades of motors and drives.

For us, can I say that, based on the revenue run rate and the order run rate, pricing has been in double digits for the last 6 months and is holding up? I do not have the exact breakdown of Railways right now, but if you can help us understand the growth rate in Industrial orders excluding Railways, do you think the improvement in the industry's cycle in terms of volume, along with pricing, is enough for us to achieve approximately 20% growth in this business over the next 12 months, or do you think that is too ambitious a number?

Management: You would have seen that NPD, which is core to our business, has already accelerated for Motors. We did not have the full range of IE3 and IE4 motors. Starting August 3, the first frame, the 280 frame, was launched. Every 45 days, we are launching an additional frame.

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That will upgrade our entire portfolio over the next 9–12 months. We should be upgraded to that level. In parallel, we are also looking at advanced technologies, whether it is the permanent magnet motor or IE5+ motors, which will help us open the doors to the export market as well.

That work is absolutely happening. We also have our Chief Technology Officer on the call, who joined us recently. This is also intended to give a boost to our technology leadership in the market.

Amit – UBS: We will wait for more color on the product upgrade in Industrial. Thank you, Amar, and good luck.

Management: Thank you.

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

Atul Tiwari – JP Morgan: Thank you. On the Power Systems margins, you are now at 25%, and you had previously indicated that margins would improve. You have achieved that. Can margins improve further from here?

Management: Atul, I keep saying the same thing: the future is always bright. If you do not think positively, it will not happen. That is the direction in which we definitely want to move, but it is not only a pricing game driven by customers, because customers will always have a threshold beyond which pricing will not go.

What is important is whether we are becoming more efficient day by day, week over week, and year over year. That is exactly where we spend a lot of our energy. I am highly hopeful that we will either maintain or exceed these margins.

Atul Tiwari – JP Morgan: Great, sir. My last question is on transformer manufacturing capacity. With the commissioning of this facility in Madhya Pradesh, are we now at 75,000 MVA? Is that the correct understanding?

Management: Which one? The old facility or the new facility?

Atul Tiwari – JP Morgan: The total transformer manufacturing capacity today after commissioning the new facility in Madhya Pradesh. What is the current capacity?

Management: The existing plant we have in Bhopal is about 65,000 MVA. The new plant, which hopefully started this quarter, should be about 10,000 MVA plus. Then your distribution transformer capacity is approximately 12,000 MVA.

Atul Tiwari – JP Morgan: Fine. Thank you.

Operator: Thank you. The next question is from the line of Shirom Kapoor from Jefferies. Please go ahead.

Shirom Kapoor – Jefferies: Hi, sir. Thank you for the opportunity. Just a quick bookkeeping question: what would your order book currently be in G-Tronics? Have you received any new orders so far? Last quarter, you mentioned that it was around 1,000 crores. Has there been any update?

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Management: No, currently it is approximately the same, at about 1,069 crores. As soon as we start shipping, it gets reduced. However, other tenders are coming up, and we are looking forward to a positive outcome.

Shirom Kapoor – Jefferies: Got it, sir. Just a follow-up on the capacity: the new 10,000 MVA that you just announced will take the Bhopal plant from 65,000 MVA to 75,000 MVA, correct? You still have a 45,000 greenfield manufacturing facility coming up, right? Including all of that, your power transformer manufacturing capacity should eventually reach approximately 120,000 MVA. Is that correct?

Management: Yes, and we are still counting.

Shirom Kapoor – Jefferies: Got it. Thank you very much.

Management: Thank you.

Operator: Thank you. The next question is from the line of Lovesh from Burman Capital Management. Please go ahead.

Lovesh – Burman Capital Management: Hi, thank you for the opportunity. Am I audible?

Management: Yes.

Lovesh – Burman Capital Management: Congratulations, sir, on the strong set of results.

My question is regarding the new Sehore facility that we started last month. Would we require fresh short-circuit testing approvals from PGCIL to start shipping from this facility, or would our existing approvals be sufficient?

Management: That work is ongoing. It depends on the customer and the country. In some cases, it is required, and in some cases, it is not required. It is handled on a case-by-case basis.

Lovesh – Burman Capital Management: What would be the timeline for obtaining that approval?

Management: It is different. That is why I said it is order-to-order. Right now, for our ramp-up plan based on the order book that we have placed on the new facility, there is no bottleneck.

Lovesh – Burman Capital Management: Understood. Recently, we also heard that GEC-3 has been approved. Could you give us a sense of how that impacts the overall demand scenario for us?

Secondly, going forward, I think the additions would be more in the intrastate segment. I also wanted to understand whether intrastate demand would be more focused on the 400 kV category, while interstate demand was more focused on 765 kV.

Management: [hesitates] I did not get your question. Can you be more specific?

Lovesh – Burman Capital Management: Given that GEC-3 has been approved, I first wanted to understand the impact of this approval on demand for us. Secondly, would the transformer mix change from 765 kV transformers in the interstate segment toward more 400 kV transformers in

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the intrastate segment?

Management: It is across the board. For us, it does not matter whether it is 400 kV or 765 kV. Even up to 1,200 kV, we are fully equipped to cater to the whole range.

Lovesh – Burman Capital Management: Got it. Thank you, sir.

Management: Thank you.

Operator: Thank you. The next question is from the line of Kishore from Fortune Wealth Management. Please go ahead.

Kishore – Fortune Wealth Management: Hi, sir. Congratulations on another strong quarter.

With the new capacity addition in transformers and switchgear, could you share how much revenue they can add and when you expect them to start contributing?

Management: This will be linked to our business plan, because we are making these investments now based on how we see next year and the following year developing. We would prefer to execute first and then see where we reach.

Our aspiration is definitely to maintain higher double-digit growth, so you can do the rest of the calculation backward.

Kishore – Fortune Wealth Management: Can you give me overall revenue growth guidance for FY27?

Management: [hesitates] No, no. We do not provide forward-looking—

Management: Forecast. We do not provide guidance. Yes.

Kishore – Fortune Wealth Management: Okay. Thank you. That is all from my side.

Management: Thank you.

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

Operator: Mr. Rahul, you are not audible.

Rahul Gajare – Macquarie Capital: I hope you are able to hear me now.

Operator: Yes.

Rahul Gajare – Macquarie Capital: I will use this line. I have 2 questions.

First, on the Power Systems side, I want to understand: if you were to receive a 765 kV transformer order today, when could you deliver it?

Management: Do you have the RFQ for that? We will be happy to give you priority delivery.

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Rahul Gajare – Macquarie Capital: Sorry, I did not catch that. What did you say?

Management: [laughs] That was on the lighter side. I said that if you have any requirement, you should tell us, and we will give you priority delivery.

Typically, it depends, but a 765 kV transformer would take about 18–24 months.

Rahul Gajare – Macquarie Capital: Okay. That is great. How much of the orders received in this particular quarter, or in the backlog, are exports? We need some color on exports as an overall share of the backlog or order intake.

Management: There was a similar question before yours. We cannot provide the split, but the increase in order booking is about 200%.

Rahul Gajare – Macquarie Capital: Export has therefore picked up.

On the semiconductor side, I want to know how much you have spent out of the total 7,500 crores. How much have you spent in total, and how much money have you received from the government? Perhaps Sushil can provide more detail on how you are accounting for it in the financials.

Management: [trails off]

Amar: I do not know how many questions we have. First, regarding the total investment CG has made so far, it is around 1,000 crores.

Rahul Gajare – Macquarie Capital: Mm-hmm.

Amar: What was your second question?

Rahul Gajare – Macquarie Capital: No, I was asking how much has been spent in total out of the 7,600 crores. CG has invested 1,000 crores, so is the balance of 6,600 crores expected to be spent? Is that what you are saying?

Amar: No, because a similar amount has also come from the government. Almost 2,000 crores have already been spent. We received 1,000 crores as central government capital support, correct? So, we have already spent 2,000 crores.

Rahul Gajare – Macquarie Capital: So, there is no delay in terms of your spending or receiving the government money. There is no—okay, that is great. How are you accounting for the government money that comes— [cut off]

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

Amar: I can answer it. We net it against our assets, so we report the net numbers on our balance sheet.

Rahul Gajare – Macquarie Capital: Okay. Fine. Thank you very much.

Operator: Thank you. As that was the last question for today, I now hand the conference over to Ms. Renu Baid Fogatlia for closing comments.

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Renu Baid Fogatlia – IIFL Capital: Sure. Thank you, Operator.

I would like to take the last question of today's session for Amar and his team. For Power Systems, given the kind of brownfield and greenfield capacity expansions that you have undertaken, they should broadly take us to almost 2x the revenue over the next 2 years.

My question is about the Industrial segment. We have undertaken various new product development initiatives. What exactly are we doing to fill the product gaps and tap new technology initiatives in the Power Solutions segment beyond the conventional power transformers, distribution transformers, and switchgear portfolio that we currently have?

That is the last question of today's session.

Amar: Good. Thank you, Renu. That is a very, very intelligent question.

On the Industrial side, you have already seen what we are doing. On the Power side, over and above switchgear and transformers, we are actually working on the power electronics side.

Over the next few quarters and years, you will see us moving deeper into a holistic solution beyond what we are already doing.

Renu Baid Fogatlia – IIFL Capital: Would it be largely organic or inorganic?

Amar: It could be anything. We are looking at both.

Renu Baid Fogatlia – IIFL Capital: Got it.

On behalf of IIFL Capital, I would like to thank the CG Power team for this conference call and for giving us the opportunity to conduct an interactive Q&A session. Amar, any closing remarks from you would be welcome.

Amar: No, thank you very much, Renu, and thank you, everybody. I appreciate your questions. Please continue to support us, and we will continue doing our hard work. Thank you very much. Have a good rest of the day.

Renu Baid Fogatlia – IIFL Capital: Sure. Thank you.

Operator: 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.

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