




CG Power and Industrial Solutions Ltd.

BUY

Sector: Electrical power equipment

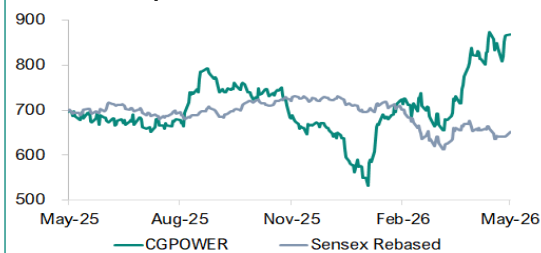
25th May, 2026

Key Changes	Target 	Rating 	Earnings 	Target	Rs. 968		
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 868
Large Cap	CGPOWER:IN	76,489	CGPOWER	500093	12 Months	Return	+12%

Data as of: 25-May-2026, 16:00 hrs

Company Data			
Market Cap (Rs.cr)	136,730		
52 Week High — Low (Rs.)	888 - 526		
Enterprise Value (Rs. cr)	135,407		
Outstanding Shares (cr)	157.5		
Free Float (%)	43.4		
Dividend Yield (%)	0.3		
6m average volume (cr)	0.4		
Beta	1.5		
Face value (Rs.)	2.0		
Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	56.4	56.4	56.4
FII's	13.0	12.0	12.0
MFs/Institutions	16.3	17.6	18.1
Public	14.2	12.2	11.8
Others	0.2	1.8	1.8
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	21.7%	27.3%	24.7%
Absolute Sensex	-7.0%	-9.6%	-6.4%
Relative Return	28.8%	36.8%	31.1%

*over or under performance to benchmark index



Y.E March (Rs.cr)	FY26A	FY27E	FY28E
Sales	12,418	15,888	20,571
Growth (%)	25.3	27.9	29.5
EBITDA	1,870	2,318	3,103
EBITDA Margin (%)	15.1	14.6	15.1
PAT Adjusted	1,232	1,575	2,117
Growth (%)	26.4	27.8	34.5
Adjusted EPS	7.8	10.0	13.4
Growth (%)	22.7	27.8	34.5
P/E	83.8	86.8	64.6
P/B	12.6	15.1	13.0
EV/EBITDA	54.8	58.5	43.6
ROE (%)	19.6	18.3	21.7
D/E	0.0	0.0	0.0

Accelerating growth, expanding capacity

CG Power and Industrial Solutions Ltd (CG Power) develops and distributes electrical equipment such as transformers, reactors and other control equipment. The company also manufactures industrial motors and pumps and communication systems.

- CG Power's consolidated revenue grew 25.0% to Rs. 3,442cr in Q4FY26, driven by strong performance in the power systems segment.
- Revenue in the power systems segment grew 49.7% YoY to Rs. 1,487cr, supported by a strong demand momentum and execution discipline, leading to higher project deliveries.
- Industrial systems revenue rose 2.3% YoY to Rs. 1,791cr, led by growth in motors/drives, partly offset by intense competition and a higher proportion of lower-margin railways orders.
- EBITDA rose 30.0% YoY to Rs. 544cr and margin improved 60bps to 15.8%, led by strong core (standalone) operations, partly offset by ongoing spending on semiconductor talent.
- Reported profit after tax (PAT) increased 31.8% YoY to Rs. 36cr, supported by higher revenue and improved operating leverage.

Outlook and valuation

CG Power's growth reflects strong momentum, driven by sharp revenue growth, margin expansion and healthy order inflows. Power systems continues to lead the overall performance on the back of robust execution and sustained domestic and global demand for transformers/switchgear, with the order book remaining strong, aided by large utility and export wins. Industrial systems performance is expected to improve gradually, supported by traction in the motors business (benefitting from pricing discipline) and better execution in railways. Investments in CG Semi's OSAT capacity and Axiro's design-led semiconductor platform are aligned with the group's longer-term strategy of strengthening domestic manufacturing. Therefore, **we upgrade our rating to BUY from HOLD with a rolled-forward target price of Rs. 968, implying a valuation of 72.0x FY28E adj. EPS.**

Quarterly Financials Consolidated

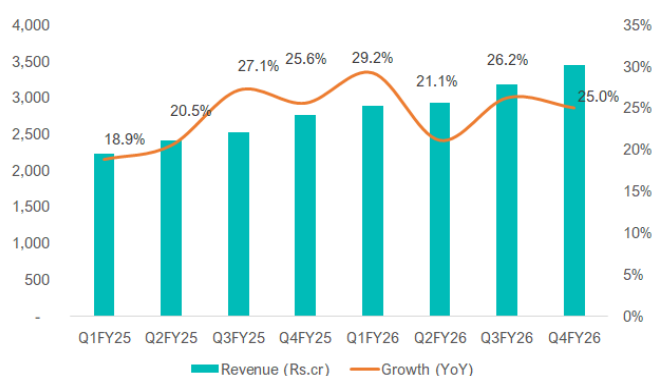
Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Sales	3,442	2,753	25.0	3,175	8.4	12,418	9,909	25.3
EBITDA	544	418	30.0	474	14.7	1,870	1,467	27.4
Margin (%)	15.8	15.2	60bps	14.9	90bps	15.1	14.8	30bps
EBIT	494	386	27.9	423	16.8	1,674	1,355	23.5
PBT	490	384	27.8	384	27.7	1,626	1,348	20.6
Rep. PAT	362	274	31.8	284	27.3	1,197	973	23.0
Adj PAT	365	272	34.4	320	14.1	1,234	975	26.6
Adj. EPS (Rs)	2.3	1.8	31.3	2.1	13.7	7.9	6.4	23.8



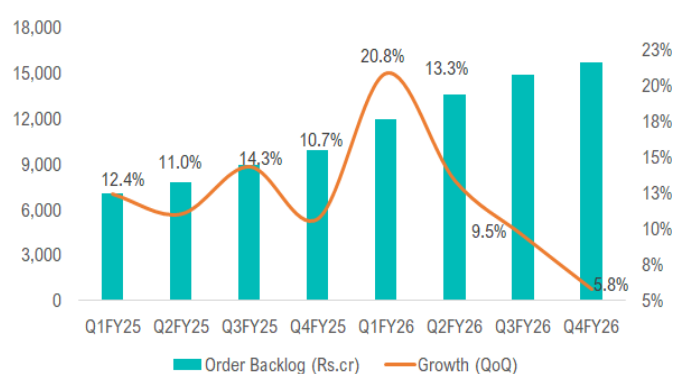
Key concall highlights

- Unexecuted order backlog for the industrial systems segment declined 6.5% YoY to Rs. 3,075cr as of Q4FY26, while power systems' backlog stood at Rs. 12,644cr, up 91.0% YoY.
- Consolidated order intake increased to Rs. 5,335cr in Q4FY26 (+39% YoY). For FY26, consolidated order intake was Rs. 19,616cr (+33% YoY). The management highlighted key wins during the year such as Rs. 641cr 765kV transformer package order from PGCIL, Rs. 244cr EHV order from Techno Electric, and a Rs. 900cr power transformer order for a US data centre.
- It stated that the company completed brownfield expansions at Gwalior (capacity increased from 6,000 MVA to 10,000 MVA) and at Mandideep/Bhopal and that a greenfield transformer plant was under progress, targeted for commissioning in July–August 2026, with an initial capacity of 25,000–30,000 MVA and ramp-up to ~45,000 MVA by the end of calendar year (taking the total transformer capacity to ~1,10,000 MVA).
- Exports form a small share of consolidated sales at ~ 5%; the management noted that export and services order bookings have more than doubled YoY and continue to be key focus area.
- The management indicated that commodity inflation in the motors business has largely been mitigated through pricing actions, with most cost increases passed through to customers. For larger businesses such as transformers, commodity movements are generally passed on via price-variation clauses embedded in customer contracts.

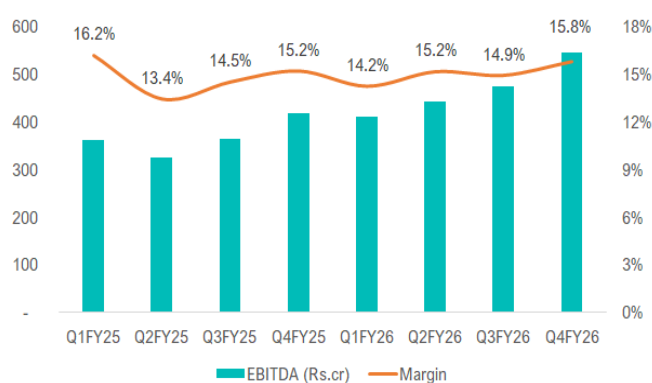
Revenue



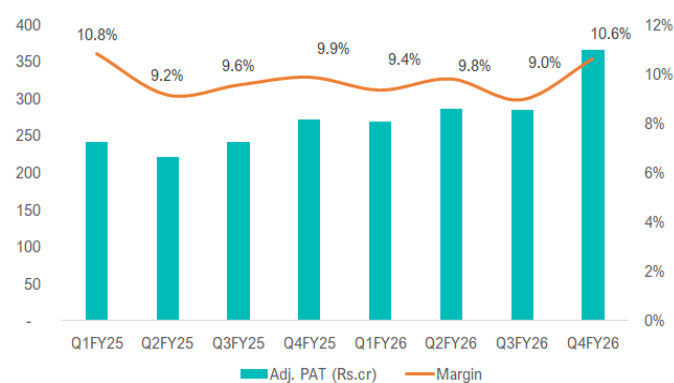
Order Backlog



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	15,928	-	15,888	20,571	-0.2	-
EBITDA	2,344	-	2,318	3,103	-1.1	-
Margins (%)	14.7	-	14.6	15.1	-10bps	-
Adj. PAT	1,749	-	1,575	2,117	-10.0	-
EPS	11.1	-	10.0	13.4	-9.9	-



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	8,046	9,909	12,418	15,888	20,571
% change	15.4	23.2	25.3	27.9	29.5
EBITDA	1,234	1,467	1,870	2,318	3,103
% change	16.3	18.8	27.4	24.0	33.9
Depreciation	95	112	196	204	265
EBIT	1,139	1,355	1,674	2,114	2,838
Interest	3	7	12	14	15
Other Income	21		-36		
PBT	1,158	1,348	1,626	2,100	2,823
% change	15.6	16.4	20.6	29.1	34.5
Tax	287	375	430	525	706
Tax Rate (%)	24.8	27.8	26.4	25.0	25.0
Reported PAT	1,428	973	1,199	1,575	2,117
PAT att. to common shareholders	1,427	975	1,199	1,575	2,117
Adj.*	-21	-	36	-	-
Adj. PAT	849	975	1,232	1,575	2,117
% change	14.1	14.8	26.4	27.8	34.5
No. of shares (cr)	152.7	152.9	157.5	157.5	157.5
Adj EPS (Rs.)	5.6	6.4	7.8	10.0	13.4
% change	14.1	14.7	22.7	27.8	34.5
DPS (Rs.)	1.5	1.3	2.6	2.0	2.5

Cashflow

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	1,522	1,086	1,394	1,779	2,382
Non-cash adj.	-350	69	-179	432	445
Other adjustments	-	-	-	-	-
Changes in W.C	-775	-239	-513	221	-952
C.F. Operation	397	916	702	2,432	1,875
Capital exp.	-223	-425	-775	-1,589	-1,193
Change in inv.	-563	-154	-2,557	-400	-300
Other invest.CF	124	39	-273	205	226
C.F - Investment	-662	-540	-3,605	-1,784	-1,267
Issue of equity	3	62	3,035	-	-
Issue/repay debt	-	-16	-	-	-
Dividends paid	-199	-199	-205	-315	-392
Other finance.CF	-51	-14	-37	-14	-15
C.F - Finance	-246	-167	2,794	-329	-406
Chg. in cash	-512	210	-109	319	201
Closing Cash	854	1,259	1,028	1,347	1,548

Balance Sheet

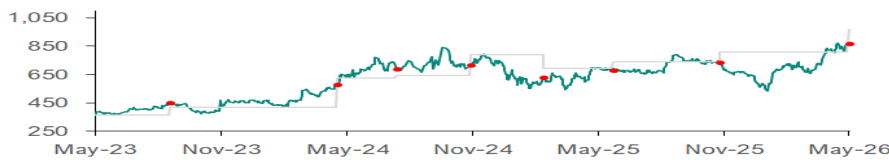
Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	854	1,259	1,028	1,347	1,548
Accts. Receivable	1,534	2,009	2,924	3,257	4,526
Inventories	751	1,137	1,584	1,905	2,577
Other Cur. Assets	1,045	920	2,469	2,494	1,814
Investments	1	1	52	54	57
Gross Fixed Assets	1,806	2,232	3,007	4,595	5,788
Net Fixed Assets	886	1,254	1,830	3,212	4,136
CWIP	32	36	39	43	47
Intangible Assets	234	575	864	900	938
Def. Tax -Net	156	4	237	291	353
Other Assets	132	223	1,641	1,655	1,669
Total Assets	5,626	7,417	12,668	15,159	17,664
Current Liabilities	2,548	3,190	4,200	5,849	6,940
Provisions	35	48	79	81	83
Debt Funds	-	-	-	-	-
Other Liabilities	23	141	190	171	158
Equity Capital	305	306	315	315	315
Res. & Surplus	2,713	3,732	7,883	8,743	10,169
Shareholder Funds	3,019	4,038	8,198	9,058	10,484
Minority Interest	1	194	228	228	228
Total Liabilities	5,626	7,417	12,668	15,159	17,664
BVPS	20	26	52	58	67

Ratio

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	15.3	14.8	15.1	14.6	15.1
EBIT margin (%)	14.2	13.7	13.5	13.3	13.8
Net profit mgn.(%)	17.7	9.8	9.7	9.9	10.3
ROE (%)	59.3	27.6	19.6	18.3	21.7
ROCE (%)	35.6	27.0	19.5	17.9	21.3
W.C & Liquidity					
Receivables (days)	64.2	65.3	72.5	71.0	69.0
Inventory (days)	42.5	49.7	58.0	56.0	55.2
Payables (days)	89.7	88.7	92.7	93.3	94.6
Current ratio (x)	1.6	1.7	1.9	1.5	1.5
Quick ratio (x)	1.2	1.2	1.0	0.9	0.9
Turnover & Leverage					
Gross asset T.O (x)	4.7	4.9	4.7	4.2	4.0
Total asset T.O (x)	1.6	1.5	1.2	1.1	1.3
Int. covge. ratio (x)	448.6	191.1	137.5	151.0	193.1
Adj. debt/equity (x)	-	0.0	0.0	0.0	0.0
Valuation					
EV/Sales (x)	10.1	9.7	8.3	8.5	6.6
EV/EBITDA (x)	66.1	65.8	54.8	58.5	43.6
P/E (x)	97.1	100.1	83.8	86.8	64.6
P/BV (x)	27.3	24.2	12.6	15.1	13.0



Recommendation Summary - (Last 3 years)



Dates	Rating	Target
11-Sep-23	SELL	417
10-May-24	HOLD	625
05-Aug-24	REDUCE/SELL	642
20-Nov-24	ACCUMULATE	792
07-Mar-25	BUY	696
16-Jun-25	HOLD	739
18-Nov-25	HOLD	811
25-May-26	BUY	968

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

▲ Upgrade

● No Change

▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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