

CG Power and Industrial Solutions Limited

Registered Office:
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Corporate Identity Number: L99999MH1937PLC002641



Smart solutions.
Strong relationships.

Our Ref: COSEC/170/2023-24

23rd January, 2024

By Portal

The Corporate Relationship Department

BSE Limited
1st Floor, New Trading Ring,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001
Scrip Code : 500093

The Listing Department

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

Scrip Code : CGPOWER

Dear Sir/Madam,

Sub: Press Release

Please find enclosed Press Release issued by the Company in connection with the financial results for the 3rd quarter and nine month ended 31st December, 2023, announced today.

Request you to kindly take the same on record.

Thanking you,

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

Sanjay Kumar Chowdhary
Company Secretary and Compliance Officer

Encl: As above



CG POWER AND INDUSTRIAL SOLUTIONS LTD

Q3 FY 2023-24 Performance – Sales grew YoY by 13% and Profit after tax (before exceptional items) grew by 13%

For Nine months ended 31 December 2023 - Sales grew YoY by 15% and Profit after tax (before exceptional items) grew by 26%

FINANCIAL RESULTS (STANDALONE)

INR Crores	Q3 FY 24	Q3 FY 23	YoY%	Q2 FY 24	QoQ%	9M FY24	9M FY23	YoY%
Sales	1,860	1,645	13%	1,900	(2%)	5,526	4,792	15%
EBITDA	301	295	2%	313	(4%)	891	744	20%
EBITDA / Sales %	16.2%	18.0%		16.4%		16.1%	15.5%	
PBT (before EI)	282	274	3%	293	(4%)	831	675	23%
PBT / Sales %	15.1%	16.6%		15.4%		15.0%	14.1%	
PAT (excluding EI)	216	192	13%	213	2%	621	492	26%
Exceptional Income (Net)	-	51		142		142	53	
PAT	216	243	(11%)	355	(39%)	764	545	40%

EI: Exceptional items

- **Aggregate sales** for the quarter were higher at Rs. 1,860 crores recording a growth of 13% YoY.
- **PBT** (before exceptional items) was at Rs. 282 crores (15.1% of sales) as against Rs 274 crores (16.6% of sales) in Q3FY23.
- **ROCE (annualised)** for Q3FY24 was at 38%.
- **Free cash flow** generated for the quarter was Rs.246 crores.
- **Unexecuted Order Book** as at 31 Dec 2023 was 34% higher YoY at Rs. 5,556 crores (Rs. 4,136 crores as at 31 Dec 2022).

Segment wise performance

Industrial Systems

INR Crores	Q3 FY 24	Q3 FY 23	YoY%	Q2 FY 24	QoQ%	9M FY24	9M FY23	YoY%
Sales	1,214	1,162	5%	1,283	(5%)	3,752	3,362	12%
EBITDA	177	221	(20%)	215	(18%)	598	584	3%
EBITDA / Sales %	14.6%	19.0%		16.8%		15.9%	17.4%	
PBIT	169	213	(21%)	207	(19%)	573	560	2%
PBIT / Sales %	13.9%	18.3%		16.1%		15.3%	16.6%	

- **Aggregate sales** for the quarter were higher at Rs. 1,214 crores recording a growth of 5% YoY.
- **PBIT** was at Rs. 169 crores (13.9% of sales) as against Rs 213 crores (18.3% of sales) in Q3FY23.
- During the Quarter, weak demand for Motors led to a price war with everyone trying to sell their volume, poach into customers to retain their market share. The company took a strategic call to sell equally aggressively to retain the customers and protect its turf. This had the effect of dipping the margins on the one hand and a market share gain on the other.



- **Unexecuted Order Book** as at 31 Dec 2023 was 9% higher YoY at Rs. 1,982 crores (Rs. 1,824 crores as at 31 Dec 2022).

Power systems

INR Crores	Q3 FY 24	Q3 FY 23	YoY%	Q2 FY 24	QoQ%	9M FY24	9M FY23	YoY%
Sales	646	484	34%	619	4%	1,777	1,430	24%
EBITDA	107	65	64%	111	(3%)	290	178	63%
EBITDA / Sales %	16.6%	13.5%		17.9%		16.3%	12.5%	
PBIT	99	57	75%	103	(3%)	265	152	74%
PBIT / Sales %	15.3%	11.7%		16.6%		14.9%	10.6%	

- **Aggregate sales** for the quarter were higher at Rs 646 crores recording a growth of 34% YoY.
- **PBIT** was at Rs. 99 crores (15.3% of sales) as against Rs 57 crores (11.7% of sales) in Q3FY23.
- **Margins** were higher YoY on account of execution of export orders with better margins, favourable product mix and better operating leverage.
- **Unexecuted Order Book** as at 31 Dec 2023 was 55% higher YoY at Rs. 3,574 crores (Rs. 2,312 crores as at 31 Dec 2022).

FINANCIAL RESULTS (CONSOLIDATED)

INR Crores	Q3 FY 24	Q3 FY 23	YoY%	Q2 FY 24	QoQ%	9M FY24	9M FY23	YoY%
Sales	1,979	1,753	13%	2,002	(1%)	5,854	5,070	15%
EBITDA	289	312	(7%)	326	(11%)	902	771	17%
EBITDA / Sales %	14.6%	17.8%		16.3%		15.4%	15.2%	
PBT (before EI)	264	285	(7%)	303	(13%)	830	688	21%
PBT / Sales %	13.4%	16.2%		15.1%		14.2%	13.6%	
PAT (excluding EI)	197	203	(3%)	217	(9%)	610	503	21%
Exceptional Income (Net)	-	31		27		28	33	
PAT	197	233	(16%)	244	(19%)	637	536	19%

Consolidated results include the performance of the operating Subsidiaries at Sweden, Germany and Netherlands (Drives and Automation Europe), CG Adhesives Products Ltd. (India) and other non-operating and holding subsidiaries.

- **Aggregate sales** for the quarter were higher at Rs. 1,979 crores recording a growth of 13% YoY.
- **PBT** was at Rs. 264 crores (13.4% of sales) in Q3FY24 as against Rs 285 crores (16.2% of sales) in Q3FY23 and Rs 303 crores (15.1% of sales) in Q2FY24.
- **Unexecuted Order Book** of Drives and Automation, Europe as at 31 Dec 2023 was 4% higher YoY at Euro 17.2 million (Euro 16.5 million as at 31 Dec 2022).

Key events in Q3:

- 1) The Company has filed an application with Ministry of Electronics and Information Technology (MeitY), Government of India seeking approval to set up an Outsourced Semiconductor Assembly and Test (OSAT) facility and the grant of subsidy for the said project. The estimated investment on the project over a period of five years is USD 791



million and the same is expected to be funded by a combination of subsidy, equity contribution and debt, as required.

- 2) The Company signed a Term sheet with M/s. K Raheja Corp. Group Company (“Developer”) for the joint development of the Company’s Property ‘CG House’ situated at Dr. Annie Besant Road, Worli, Mumbai. Necessary approvals from the authority are being sought.
- 3) During the quarter, the Company has received the order from Hon’ble National Company Law Tribunal (‘NCLT’) sanctioning dissolution of the Company’s wholly owned subsidiary i.e. CG Power Solutions Limited (‘CGPSOL’). The Company has given effect to the said order in the accounts and the same is reflected in profit & loss account under “Discontinued operation”.

Unaudited financial statements with detailed notes are available as part of stock exchange filing and in the company’s website www.cgglobal.com

About Murugappa Group

A 123-year-old conglomerate with presence across India and the world, the INR 742 billion Murugappa Group has diverse businesses in agriculture, engineering, financial services and more.

The Group has 9 listed companies under its umbrella — Carborundum Universal Limited, CG Power & Industrial Solutions Limited, Cholamandalam Financial Holdings Limited, Cholamandalam Investment & Finance Company Limited, Cholamandalam MS General Insurance Company Limited, Coromandel International Limited, EID Parry (India) Limited, Shanthi Gears Limited, Tube Investments of India Limited and Wendt India Limited. Brands such as Ajax, Hercules, BSA, Montra, Montra Electric, Mach City, Gromor, Paramfos, Parry’s are part of the Group’s illustrious stable.

Abrasives, technical ceramics, electro minerals, electric vehicles, auto components, fans, transformers, signalling equipment for railways, bicycles, fertilisers, sugar, tea and several other products make up the Group’s business interests.

Guided by the five lights — integrity, passion, quality, respect and responsibility — and a culture of professionalism, the Group has a workforce of over 73,000 employees.

For more information, see www.murugappa.com

For further information, please contact:

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