

CG Power and Industrial Solutions Limited

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Corporate Identity Number: L99999MH1937PLC002641



Smart solutions.
Strong relationships.

Our Ref: COSEC/14/2022-23

2nd May, 2022

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 4th quarter and year ended 31st March 2022, announced today.

Request you to kindly take the same on record.

Thanking you

Yours faithfully,
For CG Power and Industrial Solutions Limited

P Varadarajan
Company Secretary and Compliance Officer



Encl: As above



CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

FY 2021-22 Performance – Sales grew YOY by 104% and operating PBT by 653%

Q4 FY 2021-22 Performance –Sales grew YOY by 38% and operating PBT by 366%

All the businesses of the company continued their good performance in Q4 and the results for the FY 2021 22 constituted the best ever in recent times.

FINANCIAL RESULTS (STANDALONE)

INR Crores	Q4 FY 22	Q4 FY 21	YoY%	Q3 FY 22	QoQ%	FY 22	FY 21	YoY%
Sales	1,407	1,022	38%	1,446	(3%)	5,159	2,526	104%
EBITDA (includes Other income)	165	68	142%	196	(16%)	642	157	310%
PBT	131	28	366%	161	(18%)	502	(91)	653%
EBITDA / Sales %	11.7%	6.7%		13.6%		12.4%	6.2%	
PBT / Sales %	9.3%	2.8%		11.1%		9.7%	(3.6%)	
Exceptional Income (Net)	(0)	85		242		240	914	
PAT	109	849		360		627	689	

Q4 Performance:

- **Aggregate sales** for the quarter were higher at Rs. 1407 crores recording a growth of 38% YoY while lower by 3% QoQ.
- **PBT** (before exceptional items) was at Rs. 131 crores (9.3% of sales) as against Rs 28 crores (2.8% of sales) during previous year same period.
- **Free Cash Flow** generated for the quarter was Rs. 86 crores.
- Sequentially, **margins** were lower due to product mix, cost push, execution of firm price orders and one-off warranty provisions in Power segment.

FY22 Performance:

- **Aggregate sales** for the year were higher at Rs 5,159 crores recording a growth of 104% YoY.
- **PBT** (before exceptional items) was at Rs. 502 crores (9.7% of sales) in FY22 as against loss of Rs 91 crores (-3.6% of sales) in FY21.
- **Free Cash Flow** generated for the year was Rs. 392 crores.



- Exceptional Income (Net) consists of the following:

INR Crores	Q4 FY 22	Q3 FY 22	Q4 FY 21	FY22	FY21
Gain on sale of land at Kanjur Marg	-	124	-	124	-
Reversal of provision made on land transaction towards penal charges	-	157	(1)	157	(95)
Cessation of liability arising on settlement and restructuring of borrowings including interest thereon as per resolution plan	-	-	17	-	1,427
Provision net of reversal towards corporate guarantee invocation and obligation settlement	(0)	1	43	(1)	(306)
Others	0	(40)	25	(40)	(112)
Total	(0)	242	85	240	914

During the Quarter,

- Tube Investments of India exercised its option to subscribe to 9 crores Equity shares by paying the warrant subscription money of Rs. 58 crores.
- The company prepaid its term debt of Rs. 235 crores out of internal accruals

Segment wise performance

Industrial Systems

INR Crores	Q4 FY 22	Q4 FY 21	YoY%	Q3 FY 22	QoQ%	FY 22	FY 21	YoY%
Sales	960	740	30%	1,017	(6%)	3,644	1,794	103%
EBITDA	142	87	63%	151	(6%)	493	233	111%
PBIT	135	81	67%	144	(7%)	464	207	125%
EBITDA / Sales %	14.8%	11.8%		14.9%		13.5%	13.0%	
PBIT / Sales %	14.0%	10.9%		14.2%		12.7%	11.5%	

Q4 Performance:

- Aggregate sales for the quarter were higher at Rs. 960 crores recording a growth of 30% YoY and lower by 6% QoQ
- PBIT for the quarter was higher at Rs. 135 crores with a growth of 67% YoY and lower by 7% QoQ
- Unexecuted Order book as at Mar 2022 was Rs 2,122 crores which grew by 27% compared to Rs.1,673 crores as at Mar 2021.



FY22 Performance:

- Aggregate sales for the year were higher at Rs 3,644 crores recording a growth of 103% YoY
- PBIT for the year was higher at Rs 464 crores with a growth of 125% YoY

Power systems

INR Crores	Q4 FY 22	Q4 FY 21	YoY%	Q3 FY 22	QoQ%	FY 22	FY 21	YoY%
Sales	448	282	59%	430	4%	1,516	733	107%
EBITDA	35	(20)	276%	60	(41%)	181	(55)	427%
PBIT	27	(30)	190%	51	(47%)	145	(96)	250%
EBITDA / Sales %	7.9%	(7.1%)		13.9%		11.9%	(7.5%)	
PBIT / Sales %	6.0%	(10.6%)		11.8%		9.5%	(13.1%)	

Q4 Performance:

- Aggregate sales for the quarter were higher at Rs 448 crores recording a growth of 59% YoY and 4% QoQ
- PBIT for the quarter was higher at Rs. 27 crores recording a growth of 190% YoY and lower by 47% QoQ. Sequentially, PBIT margin was lower due to change in product mix, execution of firm price orders and warranty provisions.
- Unexecuted Order book at the end of Mar 2022 was Rs 1,564 crores which grew by 48% compared to Rs. 1,057 crores as at Mar 2021.

FY22 Performance:

- Aggregate sales for the year were higher at Rs 1,516 crores recording a growth of 107% YoY
- PBIT for the year was higher at Rs. 145 crores with a substantial growth of 250% YoY.

FINANCIAL RESULTS (CONSOLIDATED)

INR Crores	Q4 FY 22	Q4 FY 21	YoY%	Q3 FY 22	QoQ%	FY 22	FY 21	YoY%
Sales	1,507	1,118	35%	1,551	(3%)	5,561	2,964	88%
EBITDA (includes Other income)	179	78	130%	216	(17%)	697	219	219%
PBT	139	19	623%	174	(20%)	528	(117)	553%
EBITDA / Sales %	11.9%	7.0%		13.9%		12.5%	7.4%	
PBT / Sales %	9.2%	1.7%		11.2%		9.5%	(3.9%)	
Exceptional Income (Net)	(0)	238		416		508	1,544	
PAT	112	993		545		913	1,280	



Consolidated results include the performance of the operating Subsidiaries at USA (QEI Inc.) and in Sweden, Germany and Netherlands (Drives and Automation Europe) and other non-operating and holding subsidiaries.

Q4 Performance:

Sales for the Quarter were at Rs 1507 crores (as against Rs 1,118 crores in Q4 of FY 2020-21) and PBT (before exceptional items) was at Rs 139 crores (as against PBT of Rs 19 crores in Q4 of FY 2020-21).

FY22 Performance:

Sales for the year were at Rs 5,561 crores (as against Rs 2,964 crores in FY21) and PBT (before exceptional items) was at Rs 528 crores (as against Loss of Rs 117 crores in FY21).

- Exceptional Income (Net) consists of the following:

INR Crores	Q4 FY 22	Q3 FY 22	Q4 FY 21	FY22	FY21
Profit on sale of land at Kanjur Marg	-	124	-	124	-
Reversal of provision made on land transaction towards penal charges payable	-	157	(1)	157	(95)
Cessation of liability arising on settlement and restructuring of borrowings including interest thereon as per resolution plan	-	214	17	308	1,427
Reversal of liability on waiver by erstwhile subsidiaries	-	-	124	-	124
Others	(0)	(79)	98	(81)	88
Total	(0)	416	238	508	1,544

Summary

CG Power and Industrial Solutions Ltd (CGPISL) was acquired by Tube Investments of India on 26 Nov 2020 and FY 2021-22 was the first full year of operations under the new Management. This financial year has been a defining year, seeing the complete operational and financial turnaround of the company. All the businesses bounced back and performed to its potential regaining the confidence of customers and vendors – several landmarks were achieved by the business:

1. Highest ever sales by Motors division
2. Highest ever sales by Railway division
3. Highest ever Order booking for the Transformer division
4. Order book at the end of the year stood at Rs. 3,686 crores.



During the year several legacy issues were resolved leading to improved financials / financial rating of the company.

1. The company completed the recasting and audit of the Accounts for the 5 years from FY 2014-15 to FY 2018-19. To give effect to the recasting, the company undertook Voluntary revision of accounts for FY 2019-20 and FY 2020-21. Post the recast and the audit of recast accounts, the Auditors of the company issued an unmodified clean audit report on the Accounts of the company.
2. The company completed the long pending sale of Land at Kanjurmarg during Q3FY22 and the entire sale proceeds (Rs. 402 crores, including refund of security deposit) were received.
3. The company paid off the debt relating to “CG House” where its corporate house is located and got back the property free of encumbrances.
4. The company prepaid an aggregate net Debt of Rs. 650 crores (including CG House Debt) during the year applying the sale proceeds of the property and internal cash accruals. As on March 31 2022, the company has a debt of Rs. 302 crores and cash and cash equivalents of Rs. 452 crores.
5. The company also settled the obligations pertaining to guarantees issued by the company to additionally secure the loans granted to its subsidiaries abroad, These loss making subsidiaries have been closed / under closure.

Audited 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

Founded in 1900, the INR 417 Billion (41,713 Crores) Murugappa Group is one of India's leading business conglomerates. The Group has 29 businesses including ten listed Companies traded in NSE & BSE. Headquartered in Chennai, the major Companies of the Group include Carborundum Universal Ltd., CG Power and Industrial Solutions Ltd., Cholamandalam Financial Holdings Ltd., Cholamandalam Investment and Finance Company Ltd., Cholamandalam MS General Insurance Company Ltd., Coromandel International Ltd., Coromandel Engineering Company Ltd., E.I.D. Parry (India) Ltd., Parry Agro Industries Ltd., Shanthi Gears Ltd., Tube Investments of India Ltd. and Wendt (India) Ltd.

The Group holds leadership position in several product lines including Abrasives, Technical Ceramics, Electro Minerals, Auto Components & Systems, Bicycles, Fertilisers, Sugar, Tea and Spirulina (Nutraceuticals). The Group has forged strong alliances with leading international companies such as Groupe Chimique Tunisien,



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Foskor, Mitsui Sumitomo, Morgan Advanced Materials, Yanmar & Co. and Compagnie Des Phosphat De Gafsa (CPG). The Group has a wide geographical presence all over India and spanning 6 continents.

Renowned brands like BSA, Hercules, Montra, Mach City, Ballmaster, Ajax, Parry's, Chola, Gromor, Shanthi Gears and Paramfos are from the Murugappa stable. The Group fosters an environment of professionalism and has a workforce of over 51,000 employees.

For more details, visit <https://www.murugappa.com/>

For further information, please contact:

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