

**“CG Power and Industrial Solutions Limited
Q3 FY '25 Earnings Conference Call**

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MR. AJAY JAIN – VICE PRESIDENT, TRANSFORMER
MR. CHIDAMBARAM BALAKRISHNAN – VICE PRESIDENT, RAILWAY
MR. INDRANEEL DHANESHWAR – VICE PRESIDENT, MOTORS
MR. SRIRAM RANGARAJAN – EXECUTIVE VICE PRESIDENT, CONSUMER PRODUCTS
MR. MARAIS NEL – EXECUTIVE VICE PRESIDENT, DRIVES AND AUTOMATION AND INDUSTRIAL MOTORS

MODERATOR: **MS. RENU BAID PUGALIA – SENIOR VICE PRESIDENT, RESEARCH – IIFL CAPITAL**

Moderator: Ladies and gentlemen, good day, and welcome to the Q3 FY '25 Earnings Conference call of CG Power. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Renu Baid Pugalia, the Senior Vice President, Research. Thank you, and over to you, ma'am.

Renu Baid Pugalia: Thank you. A very good evening to everyone. On behalf of IIFL Capital, I'd like to welcome everyone for 3Q FY '25 Earnings Call of CG Power and Industrial Solutions. From the management, we have with us Mr. Amar Kaul, Managing Director and CEO; Mr. Susheel Todi, Chief Financial Officer; Mr. Mukul Srivastava, President, Switchgears and EPD Division; Mr. Ajay Jain, Vice President, Transformer Business; Mr. Chidambaram Balakrishnan, VP, Railway Business; Mr. Indraneel Dhaneshwar, Vice President, Motors Business; Mr. Sriram Rangarajan, EVP Consumer Products Business; and Mr. Marais Nel, EVP Drives & Automation and Industrial Motors Business.

Without taking much time, I now hand over the call to Mr. Amar Kaul for his opening remarks. Thereafter, we can open the session for Q&A. Thank you, and over to you, Amar.

Amar Kaul: Thank you, Renu, and rest of the team. Good evening, everyone, and thank you for joining our investors call. Starting with the stand-alone performance for the quarter, we achieved sales of INR2,389 crores, which was at 28% growth year-over-year, and orders were at INR3,636 crores, which grew at 61% year-over-year, making it the highest number for the quarter ever. Order backlog remained robust at INR8,952 crores and continues to be towards the upwards trajectory.

When I go to PBT, before other income, it was higher at INR306 crores as against INR227 crores in Q3 last year, which is a growth of about 35%, and PBT margin before other income was at 12.8% versus 12.2% versus last year. It was primarily due to higher price realization and operating leverage in the power systems.

If I touch on free cash flow generated for the quarter, it was INR235 crores, which was free cash flow to PAT ratio of 96%. And return on capital employed was at 34%. If I break it down into the segments, starting with Industrial segment, sales for the quarter was at INR1,470 crores with a growth of 21% year-over-year.

And PBIT was at INR184 crores, which is 12.5% of the sales as against INR169 crores, which was at 13.9% of the sales last year. And this mix change was primarily that is skewed towards the railway business, impacting our margins a bit here. However, the margin for motors business marginally improved versus the last quarter on account of opex improvements that we have initiated.

The order intake for this quarter was at INR1,877 crores, which is 37% growth year-over-year and unexecutable order backlog as of 31st of December 2024 was at INR2,968 crores, which is

50% higher year-over-year. If I delve into Power Systems, the aggregate sales for the quarter was at INR920 crores, with a growth of 42% year-over-year.

And PBIT was at INR162 crores, which is 17.6% of sales as against INR99 crores, which was at 15.3% of sales in quarter 3 last year. Margins were higher year-over-year on account of better price realization as well as the operating leverage. Looking into the order intake for Q3 financial year 2025, it nearly doubled to INR1,759 crores, which is almost 97% growth year-over-year, and unexecutable order backlog as of last 31st of December was at INR5,984 crores, which is 67% higher year-over-year.

When I go to a consolidated statement. So the consolidated results include the performance of our operating subsidiaries in Sweden, Germany, Netherlands which is Drives & automation Europe, CG Adhesive Products Ltd., CG Semi Private Limited, G.G. Tronics and Axiro Semiconductor Pvt. Ltd., and the other non-operating and holding subsidiaries.

The aggregate sales for the quarter went up to INR2,516 crores at a growth of 27% year-over-year. PBT was at INR335 crores, which is 13.3% of sales as against INR264 crores at 13.4% of sales in the last year. Free cash flow generated for the quarter was INR216 crores and return on capital employed annualized was at 34%.

The order intake for quarter 3 was at INR4,390 crores, which is 82% growth year-over-year. And unexecutable order backlog as of 31st December was INR9,706 crores, which is almost 70% higher. The key event after today's Board meeting that finished in the first half of the day.

The Board has approved a Greenfield expansion site for another 45,000 MVA power transformer capacity expansion with an investment of about INR712 crores, which is net of taxes. That would increase our overall capacity to 85,000 MVA by financial year '27, '28, as this expansion is proposed to be expected to increase the demand in transformers, both in the Indian market as well as for the overseas market.

The other key event is for G.G. Tronics, the company that we acquired a couple of months back as a subsidiary of the company received a prestigious order towards the Locomotive TCAS, which is train collision avoidance system also referred as Kavach, the order value is approximately in the range of INR500 crores to INR600 crores, and the same has to be completed within 1 year and the scope includes the supply, installation, testing and commissioning of onboard Kavach equipment, and this includes annual maintenance for 11 years after this commissioning is done.

And ladies and gentlemen, the unaudited financial results with detailed notes are available as part of stock exchange filings and on the company's website, www.cgglobal.com. And thank you, and back to Renu to navigate for the Q&A.

Renu Baid Pugalia: Sure, we can start with the Q&A.

Moderator: Thank you. The first question is from the line of Ravi Swaminathan from Avendus Spark.

Ravi Swaminathan: Congrats on good set of numbers. My first question is with respect to the Power segment, especially transformers. I had seen in the press release that you are expanding capacity in the power transformers from roughly around 45,000 MVA to 80,000 MVA -- 85,000 MVA, which is generally a kind of -- the reason behind that, I understand this because of the solar capacity getting added. And because of that, there's good demand in the domestic and international markets?

But with respect to the distribution transformers and switchgears also, how is the demand over there? What is the kind of growth that are we seeing? Will they be -- will the growth in these two segments be in sync with the power transformer business growth? What is the capacity utilization across these three categories? If you could throw more light on it, that will be great?

Amar Kaul: Thanks for the question. So great insights around -- yes, the capacity expansion, as you rightly mentioned, is about the power transformers, because that's where we see the biggest opportunity in terms of the pipeline of inquiries that we have not only in India, but across the globe as well. And that's the reason why we are investing into that area.

Having said that, if you come to the distribution transformer, we honestly don't have the capacity issue there because the factory we have is already -- we have infused some money into that in the previous quarters, and that expansion is almost getting completed. And so we have the surplus capacity there.

So that's why you don't see investment into that. So having said that, both the sectors will be increasing, but the investments you see is only because that is moving much faster than rest of the place.

Ravi Swaminathan: Okay. And the distribution transformer, will it be largely related to -- the application will be related to the industrial demand? And how do you see the demand over the next 1, 2 years? What kind of growth that should we see that, will it be single-digit or LTD, any sense on that? And also on the Switchgear segment, sir. In the Switchgear segment, which is also a very sizable portion of the overall Power segment, will it grow in line with the overall power transformer business?

Amar Kaul: So I'll pass on this question to Ajay, who is our leader for this business. Ajay, would you like to answer that?

Ajay Jain: Yes, right, sir. Regarding the distribution transformer market, here also, we expect growth -- double-digit growth in the market for the next few years. We are basically focusing on the industrial segment only and not only utilities and other places here. As Amar already said, we are already investing there. And that capacity increase is also going to come in next 2 to 3 months. So we have fair capacity there.

Ravi Swaminathan: Okay. And with respect to the Switchgear business?

Amar Kaul: Yes. So it's in the same sync as what you see in the transformers. So -- I mean, as you know, the power sector is booming, so Switchgear is in sync with the same, what we discussed.

Ravi Swaminathan: Understood. My last question is with respect to the industrial business. What kind of growth have we seen in the LT and HT motor? You can give revenue growth or volume growth either for 3 months or 9 month numbers?

Amar Kaul: So I think as I said in the last quarter also, we started a lot of initiatives around -- okay, starting with the market's value. Yes, for the industrial side, the market is not so great. But having said that, we initiated our go-to-market strategy as well as our operational excellence activities to make sure that we are much leaner and productive as we get into the -- in the higher phase of growth, and that has already started giving us a result.

So very, very happy to share that the business that we're seeing, especially the motor business has been seeing a decline over the last couple of quarters, not only for us, for everybody. And probably for the first time in this quarter, we actually have seen the uptrend. Since we don't declare the results by each of the business verticals, so I'll not be able to share the numbers. But yes, both for bookings as well as for revenue, it was positive.

Moderator: The next question is from the line of Ankur Sharma from HDFC Life.

Ankur Sharma: Just on the Industrial segment again. If you could help us what is driving that big growth in order inflows? Is it motors or are there any large chunky orders from the railway side? And the reason I asked you that is because what we've been hearing is that there is some slowdown in terms of ordering offtake from the rail. So I just wanted to understand how are you seeing both orders and execution on the rail side, both this and the coming quarter?

Amar Kaul: Yes. So I think we are still very positive about the Industrial segment as a whole. The big backlog or the increase in orders that you see, yes, the big chunk of it is focused on the railway side. But having said that, as I mentioned in -- to the previous question, for the first quarter in last couple of quarters, we have seen our industrial business -- the motors business out of Industrial also on the positive side of numbers, both for bookings as well as for revenue, which means we are getting faster in execution of the backlog both for railways as well as for motors.

Now of course, the contribution of skew is a little bit more towards railways. As you know, I think our initiative or linking with the Prime Minister vision of make in India, for India and for the whole world. So railways, we are investing a lot as well and executing the orders much faster. So yes, skew is more towards railway but all the businesses under industrial are towards the upswing.

Ankur Sharma: Okay, fair. And just to clarify, on the LT Motor side, you said, obviously, you've started growing again, you're seeing an uptrend, but is that also true for the industry as a whole? Or is it just new because of your GTM and your efforts? Is that you're taking back market share. Is that what's driving growth? Or do you believe overall, we're finally starting to see channels pick up and even starting to see restocking and demand coming back on the LT Motor side?

Amar Kaul: No, I never gave any breakup for LT Motor or any of the segments there. I just said -- first time we have taken it, both revenue and booking has gone up. Market still is in kind of, I would say,

not very positive. It's not very bad as well. But important is we have found a way to find our piece of the pie and get it for us. So that's giving us results.

Ankur Sharma: And can you elaborate a little more there? So you said GTM, but possible to elaborate a little more what's helping you get that growth for LT Motor segment?

Amar Kaul: So yes. So I think, of course, I can spend one full day on go to market. So -- but in summary, if I have to talk about go-to-market is, of course, in some of the segments on the motor side, we are probably very, very high market share. But for some segments, we are not there. Important is as a part of go-to-market strategy, the product segmentation to the market segmentation to the vertical segmentation.

I think that's the kind of work that we had done in last two quarters primarily is to go deeper into that. And then the action plan coming out of that. It's also the innovation, which means the new product introduction, which is coming there, which is fit for different verticals, and those are the areas that we are really attacking and getting our pie out of it.

Moderator: The next question is from the line of Rahul Gajare from Haitong Securities.

Rahul Gajare: Continuing with the Industrial segment, given that you've talked about uptrend that you've seen, has the company managed to take price hike? And if yes, how much? And connected with the same question, given that the margins were impacted because of railway, are the incremental orders in railways coming at better margin? That's the first question.

Amar Kaul: So yes. So first thing is better margin, yes, marginally. But again, this is our commitment for nation building as well. So Indian Railways, we are really proud of. And we'll continue to work on that. Of course, it comes at a price that you won't be great on the margin. But yes, we are working on the strategy to make sure as we are make in India for India as well as for the world.

I think that's the philosophy that we are working at, and that is getting executed in railways as well. And in subsequent quarters, you will see some more progress on that as we are executing it. So that's what I would answer.

Rahul Gajare: And the price hike aspect on General Motor as such?

Amar Kaul: So motors -- what was the question for motors?

Rahul Gajare: No, you said that you've seen uptrend in order intake and all that. I want to know whether that has any impact of price hike, if at all?

Amar Kaul: No. It's -- as I said, when I say upturn is not only on the top line. It is both, top line as well as for bottom line, okay? So when we are saying -- we are not getting into the pricing war or dropping the prices and taking the orders. It's a combination, as I said in the beginning, it's a combination of our product strategy, the innovation that we are working on, which particular vertical and which markets.

So these three are very clearly identified with the action for each one of those. And that's very helping us -- I mean, the results that we have this quarter is just the early results that we have. Of course, we have to keep executing and see how we perform in the next few quarters. But yes, we still feel bullish about it.

Rahul Gajare: Sir, my second question is on the power business. Given that you're adding more capacity on the power. Firstly, can you tell me -- because earlier, the focus was more on domestic market with this new capacity, I think it's very clear that export is something that you are targeting. Have you already started doing the groundwork in terms of setting up branches, service network in overseas geographies? Or it's a simultaneous process that will happen?

Amar Kaul: Yes. That work is -- yes, I mean, it has progressed reasonably well, but yes, not completed, completed. So we have a strategy in place for all of what you said, that's part of the plan.

Rahul Gajare: And the location is finalized for the factory or...

Amar Kaul: No. The location is not yet finalized.

Moderator: The next question is from the line of Bhoomika Nair from DAM Capital.

Bhoomika Nair: Congratulations on a good set of numbers. Sir, just wanted to delve deeper into the motor category where you said there has been off-late some improvement in terms of both revenues and intake. Are we seeing this -- you said that yes, there is an improvement led by our GTM strategies that you spoke about in detail.

Can you also comment about how HT Motors has kind of panned out and how that segment is moving? Plus, if you can also update in terms of the market share between both LT and HT, how it has moved?

Amar Kaul: So yes, as I said in the beginning, only, we don't give breakup of each product segment under motors. But I said overall, we have grown in that area. Coming back to your market share question that you have, I mean it's a published data, but the good news is the latest data that we have as of now is either we are maintaining the market share or we have grown in some of the segments, which is a positive news for us.

Bhoomika Nair: So basically, market share has expanded for us in the first 9 months.

Amar Kaul: Yes.

Bhoomika Nair: Okay. So the other aspect is on railways. If you can talk -- you spoke about that railway skew has improved. Is it possible to possibly get the -- what is the railway revenues for the quarter or 9 months and the order backlog. And you spoke about G.G. Tronics getting a decent amount of orders of about INR500 crores, INR600 crores. Now what is the outlook out there? What kind of further orders we can get? And lastly, if I may squeeze in on OSAT, what is the status out there?

Amar Kaul: So first of all, the split exact obviously, as a listed company, we are not giving that breakup of railways or motor separately. But as I said, both are growing. Of course, railway is growing much faster than motors. That's the answer to your question number one. Question number two was around?

Bhoomika Nair: G.G. Tronics, sir?

Amar Kaul: G.G. Tronics. So yes, so the orders we received, which is execution right now. And as for the commitment, it's going to get executed within the next 1 year from the date of receipt of the order. So a lot of action right now. And it's -- again, one is the money part of it, okay, but it's a national pride as well. Because we are one of the very few companies, the first ones to actually help Indian Railways to become much safer.

And so that's work going on. So really excited to see -- and there's a huge pipeline of forthcoming orders coming. So right now, the focus is, of course, keep an eye on the new orders, but important is to execute because the way we execute this first order will be our key to success for the future opportunities.

Bhoomika Nair: Okay. And lastly, sir, on OSAT, what is the status? Where are we in the build out? What kind of capex have we done? When do we expect the first lines to be commissioned?

Amar Kaul: So I think the project is absolutely on track. In fact today morning also on the Board meeting, we had a full review of CG Semi as well. And so as a detail, there are two factories we are looking at. One is the mini factory and the mega factory, which is a big one. So mini factory should start I think '26, financial year '26, and mega should start up there in '27, which is exactly as per the plan.

So a lot of action, a lot of work going on, the entire leadership team and the hiring of team is already on place. They are getting right now trained across different places across the world wherever we have the tie up with our partners. So we start the manufacturing. So the project is exactly as per the plan.

Moderator: The next question is from the line of Harshit Patel from Equirus Securities.

Harshit Patel: Sir, firstly, could you share an update on the development and commercialization of EV Motors, for which applications we have already developed both motors as well as controllers? And what is the medium-term action plan over here?

Amar Kaul: Yes, good question. So right now, we are in the phase of -- prototype has already been developed, both motor as well as the inverter for our own company, which is a group company. So that is under testing. The first phase of it is already approved. It has qualified the test results. Second phase is also homologation and putting it on the vehicle. So that is right now under progress. So lot of work needs to done there as well.

Harshit Patel: Understood. Secondly, as a part of your go-to-market strategy for the motors business, you had previously highlighted that you were partnering with large customers for a combined solution of

motors and drives? So could you share some progress on that the quantum of sales coming from such combined offerings, also its impact on margins, the localization levels that we have achieved in drives as well in India. I understand we have the product in Sweden. So have we brought that product to India and localized as per the domestic requirements or that is still under progress?

Management: line disconnected

Harshit Patel: Hi sir, I was asking on our go-to-market strategy for the motors business. You had previously mentioned that we were partnering with the large customers for a combined solution of motors and drives. So could you share some update on that, whether we have localized that Swedish product, that Emotron brand in India as well? And if at all, the quantum of sales coming from such combined offerings and also its impact on margin. That will be very helpful.

Amar Kaul: Thanks for the question. Yes, the question is right that combined offering is something which is really helping us, and that is an integral part of our go-to-market strategy. Of course, more than that, I won't be able to share because we are still under execution, which customer, how etc., is under execution.

To your second question on localization, yes, some portfolio has already been localized in our facility in Bhopal. So we make -- most of these drives are made in India for India and also we are eyeing on exports as well for that.

And third, last but not the least is also the combination to make the product more energy efficient. So we are actually -- the leaders for respective businesses are collaborating very closely to make sure that we go as one face to the customer with that solution approach instead of going separately.

Harshit Patel: Understood.

Moderator: Ladies and gentlemen, as the participant's line got disconnected. We'll move to the next participant. His name is Amit Mahavar from the line of UBS.

Amit Mahavar: Congratulations on a great set of results, less than few months for joining. So my first question is on exports. We had earlier guided about 20% of exports in 4 years to 5 years of revenues. Historically, CG has always been a large exporter of power systems. Never been a large industrial exporter. Do you think this is largely going to be the power system exports for us? And any thoughts there?

And second question is on the rail portfolio. How do we envisage in the next 3, 4 years, positioning in railways, what will we do and what we will not do, like we are into propulsions, we are into TCAS, maybe point machines with the G.G. Tronics. So repositioning in railways that we will do and we will not choose to do?

Amar Kaul: Yes, Thanks for the question. So first one, exports, yes, most of the portfolios are focused on that. So if you tell me for our Power Systems business, we are ready and the work has already

commenced and we are seeing some results out of that, the kind of orders that we are getting from overseas. For motors, we were not ready till now.

But starting with this quarter, and as I said in the beginning, innovation is one of the key part of the strategy, which means the new product introduction coming practically every month, we should be launching a product. We still need to reach there. But yes, the team has accelerated that journey.

And those are the products which are next-generation ie5 to ie5 plus kind of motors, which is the requirement for the whole world, okay? So that's getting launched. And so we are doing two things in parallel. One is the commercial strategy for exports, and second is the innovation, which is NPD and both are working in parallel. So -- and I'm sure you'll see some exciting times in the next few quarters as we mature these two things coming together.

Amit Mahavar: Can I ask one more question, Amar?

Amar Kaul: Yes, sure.

Amit Mahavar: Sure. See, NS brought a very different talent CG when he joined, right, the financial turnaround, the operations turnaround. The approach you have from your historical experience in Bharat Forge, Ingersoll, etc., the emerging market experience. What kind of inorganic path you want to take for CG? You have a lot of shopping list which you can go around. But which are those two, three areas where directionally, without going into specifics, I understand, if you can guide us there, Amar?

Amar Kaul: Yes. So I think, yes, we will always have appetite for -- to keep looking at the possible candidates. The pipeline is there. But having said that, as of today, if you tell me, is that my top priority for inorganic, the answer is no. at least for next few quarters because there's so much we can do within our existing portfolio.

I think when you're talking about the kind of growth that you see high double digits, if you can get it from the current operations and the expansion that you have. So important is to make it sustainable. I think that's where the focus is. Accelerated growth with sustainability is the key thing.

And when I say sustainability is not only from a skill set point of view, people point of view, it's also the product and energy efficiency point of view so that we are committed to the environment and the climate as well. So to me, those are the focus areas for next, I would say, two to four quarters to focus on.

Having said that, it doesn't mean that we close our eyes to any possible opportunities for inorganic, open for that. The team keeps looking at it. So it's like balancing it.

Moderator: The next question is from the line of Aditya Mongia from Kotak Securities.

- Aditya Mongia:** Congratulations on a very strong set of results yet again. The first question that I had from my side was on the PT capacities in the making. Now, once you have the 85,000 MVA number with you as the capacity, how much of this can be kind of consumed from a domestic perspective? And how much would be the reliance on exports for achieving a decent capacity utilization of this capacity?
- Amar Kaul:** You mean the existing capacity or including the new that we declared today?
- Aditya Mongia:** All put in, 85,000. I'm just trying to get a fair rough cut sense, will it be like an 80-20 kind of mix of domestic exports or 60-40? Just trying to kind of get a sense of -- your understanding of the TAM outside is essentially the question?
- Amar Kaul:** See, if I look at the inquiry pipeline and the way infrastructure is moving forward, I think this entire capacity can be completely in India itself. But again, that's not the part of the strategy. So it's a balance of both. And that's the way we have built the business case. There's a certain percentage that we are looking at for exports and certain percentage for India as well. So it's a combination of both.
- Aditya Mongia:** Understood. The second question that I had was on margins. As in you had talked about certain special effects for certain one-off items in the second quarter that had impacted margin improvement. Were they at play in the third quarter as well? And specifically, I'm talking from a consol perspective, where maybe in Industrial Systems, you're consol EBIT doesn't change versus stand-alone instead of kind of revenues being added up in between these two levels. So just trying to get a sense of there's any special effect at the consol level in Industrial Systems margin?
- Amar Kaul:** So let me pass that question to the specialist, our CFO, Mr. Todi.
- Susheel Todi:** No, Aditya, there is nothing like that. It was only there in the quarter 2. So this is the only number which is coming from our subsidiary, which is based out in Sweden. So there nothing this time, any exceptional items are there.
- Aditya Mongia:** Understood. Just one more thing from my side. When we talk about this TCAS the opportunity, let's say, in specific this INR600 crores order, how much would be the maintenance cost aspect, which would be spread over time? And how much would it be kind of in numbers over the next 1 year?
- And I'm not just talking from a developmental order perspective, but let's say, once you get a full-blown order, what will be the split of revenues in a single year and then the maintenance aspect beyond that?
- Amar Kaul:** So you mean the maintenance on regular basis or after the order that we have separately for 11 years?
- Aditya Mongia:** Exactly. So I'm assuming there would be in this -- let's say, INR600 crores, how much is the maintenance or the AMC cost inside INR600 crores? Or is it outside INR600 crores?

- Susheel Todi:** So Aditya, we've given a range for the order side. So it includes everything. So the maintenance actually doesn't start from the day 1. It's always after a couple of years or 3 years later.
- Aditya Mongia:** Understood. Just the last bit from my side. You would be doing the entire EPC on the Kavach aspect? Or would it be limited to product supply? that would be the last question.
- Amar Kaul:** This is including the manufacturing of the product, installation, commissioning and making sure the trials are through to the end. So it's a complete thing.
- Moderator:** The next question is from the line of Ashwani Sharma from Emkay Global Financial Services.
- Ashwani Sharma:** I have two questions. First is, we have been kind of adding capacity across our existing businesses. And today also you announced on the PT side, and then we are doing a few acquisitions or such. So just wanted to know that over the next 4 years to 5 years, any internal target that what kind of revenue that we are targeting or just looking at?
- Amar Kaul:** So if you ask about 4 years to 5 years, in fact, after right now, we are busy with not only the quarter, but annual operating plan for the next year. But yes, we'll be starting -- kick starting the next month of our long-range planning, which is 3 years to 5-year strategy planning. So that work is going to start from next month and will take about 3 months to 4 months to complete. So I think then it will be the better situation to see.
- Ashwani Sharma:** All right. Sir, my second question, just a bookkeeping question. On the OSAT capex that we have announced, how much we have already spent?
- Amar Kaul:** Susheel, do you want to take that?
- Susheel Todi:** So we spent in the sense that as we said that there are many plans, so that construction activity is going on. Approximate number is around INR40 crores to INR50 crores.
- Moderator:** The next question is from the line of Garvit Goyal from Nvest Analytics Advisory LLP.
- Garvit Goyal:** Congrats for a decent numbers. Sir, we are getting a very decent order inflows on Power Systems segment. So I want to understand from you like what is driving these order inflows? Like who are our key customers here from where we are getting these orders? Are these the grid expansion EPC players or someone else? And I also want to understand like what portion of the existing order book is from the domestic market in power segment and what portion is for the exports?
- Amar Kaul:** So the orders is wherever there's a power generation to distribution, you need a transformer. So this is across. It's not only one segment. So ranging right from the distribution companies to wherever you have to -- the data centers, so you name it and you have the inquiries from all.
- Garvit Goyal:** And what percentage of existing order book in Power Systems is from the export and for domestic?

- Amar Kaul:** Yes. So I think breakup, we don't actually publish completely on that. But yes, it's a balancing basis the way we look at the capacity, the balance of the two.
- Garvit Goyal:** Okay. And my second question is on our Sanand facility. So do you see any risk to the internal revenue projections that we earlier had from that facility because of China's DeepSeek, which claims to be using lesser GPUs. So does that affect the prices of the chips that we are looking to manufacture there?
- Amar Kaul:** Sure, I think that's an interesting question because that's as fresh as probably what? Yesterday or today. But having said that, as of now that we don't see any risk, as I said in the beginning, the project is exactly as per the time line, and we are staying focused to what we are supposed to do. And we'll keep an eye on any of these changes that happen in the environment.
- Moderator:** The next question is from the line of Parikshit Kandpal from HDFC Securities.
- Parikshit Kandpal:** So my question is on the new transformer capacity, power transfer 45,000, which you have announced. So up to what rating will the capacity be?
- Amar Kaul:** Ajay, you want to answer that?
- Ajay Jain:** Yes. So we will be catering to -- from 220 kV to 765 kV in this facility.
- Parikshit Kandpal:** 755 kV. And has the land been finalized? I mean land has been acquired or what is the status of approvals?
- Amar Kaul:** Not yet.
- Parikshit Kandpal:** Okay. And sir, according to, what will be the industry capacity in this range, 220 kV to 755 kV?
- Amar Kaul:** Ajay can answer.
- Ajay Jain:** Yes. As of now, it is around 2 lakh MVA.
- Parikshit Kandpal:** And any sense on the demand, domestic demand total overall?
- Ajay Jain:** Demand, we see a CAGR of around 10%.
- Parikshit Kandpal:** So my question was more on the capacity utilization side of this 2 lakh MVA, which you said, the existing capacity, what according to you will be the current utilization level?
- Amar Kaul:** Basically, I think as I said in the beginning, this capacity expansion is a combination of domestic and exports. So what Ajay talked about, 200,000 MVA availability that's purely India, India. So it's not outside India. So that's a much bigger market. So I don't see any risk on that, what we are utilizing here. Our existing capacity utilization is already peaking. And so this will be a good addition. So we don't see any risk of this not being used.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Ms. Renu Baid Pugalia for the closing comments.

Renu Baid Pugalia: On behalf of IIFL, I'd like to thank the management for giving us the opportunity to host the call and investors for being patient audience. Sir, any closing remarks from your side?

Amar Kaul: Thank you so much, Renu, and thank you, everyone, for joining. Really enjoyed the session and the questions. Appreciate and look forward to talking to you again next quarter. Thank you. Have a good evening.

Renu Baid Pugalia: Sure. Thank you.

Moderator: Thank you. Ladies and gentlemen, on behalf of CG Power, that concludes this conference. You may now disconnect your lines.