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Financial Services

Sector: Capital Goods | Thematic | April 2026

Transmission equipment plays



‘Transforming’ India’s ‘Power’ Landscape!

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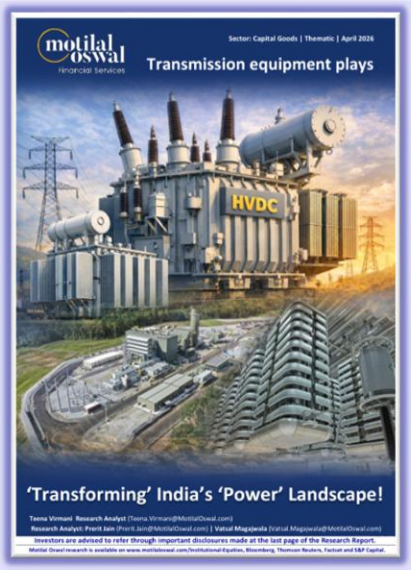
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Transmission equipment plays



'Transforming' India's 'Power' Landscape!

Where are we in the cycle?

The transmission and distribution (T&D) value chain, particularly segments focused on high-voltage transformers, continues to benefit from a robust capex outlay of INR9t until 2032, alongside a much stronger opportunity unfolding from global markets for quality players. This T&D capex cycle, which began in FY22-23, has driven sharp growth in order books, revenue, and the margin profiles for industry participants. We have already witnessed the initial phase of this capex upcycle in transformers, and based on our discussions with industry stakeholders, there remains room for the cycle to continue over the next couple of years. With capacity expansions announced for most players in the system, the industry is positioning itself to meet sustained demand from both domestic and export markets. The demand is sufficient enough to absorb the increased capacity without exerting downward pressure on prices in the near term. We maintain our positive stance on the T&D capex cycle and expect transformer players to continue delivering strong earnings growth over FY25-28. However, valuations are no longer cheap for the industry players but possibility of further earning upgrades and unfolding of export opportunities can sustain these valuations. We initiate coverage on CG Power (Buy, TP: INR900), Atlanta Electricals (Buy, TP: INR1,650), and GE Vernova T&D India (BUY, TP: INR4,750). Additionally, we reiterate our Buy rating on Siemens Energy (TP: INR3,700) and upgrade our rating on Hitachi Energy to Neutral (TP: INR27,000).

NEP's targeted capacity plan, though ambitious, offers a strong TAM…

India's National Electricity Plan (NEP; FY23-32) has outlined an ambitious investment plan of ~INR9t in transmission. This has led to a structural acceleration in orders over the past few years, driven by large-scale renewable energy integration. Although the plan is ambitious, even partial achievement would support strong transmission sector ordering. Tendering activity was robust in FY25, with over 45 tenders awarded, including the finalization of HVDC projects.

…however, sector-level ordering was weak in FY26

Sector-level ordering was weaker in FY26 (16 schemes awarded) versus FY25 (45 schemes awarded), primarily due to temporary bandwidth constraints rather than any structural demand slowdown. Domestic manufacturers are operating at high capacity utilization and are increasingly focusing on higher voltage transformers, such as 400 kV and 765 kV, which involve longer manufacturing cycles and testing timelines. This has extended lead times. Ordering, though, is likely to recover from the levels of FY26 as capacities expand over next 1-2 years. Simultaneously, the growing need for grid stability is accelerating the adoption of battery energy storage systems (BESS), with India targeting ~13.5GW by FY27 and ~51.5GW by FY32. This should further boost incremental equipment ordering.

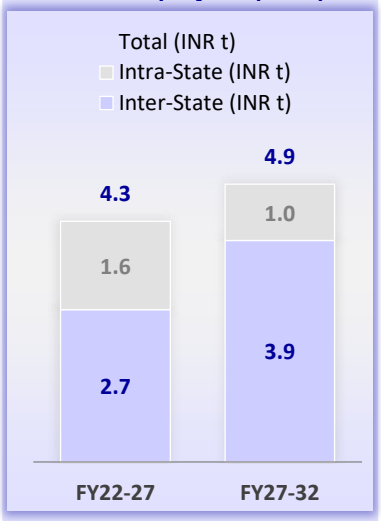
Market share of top transformer players

According to NCT estimates, the 45 transmission tenders awarded in FY25 represent a capital outlay of ~INR1.5t, covering end-to-end project development. Based on FY25 order inflows, Hitachi Energy India held the largest market share, followed by Siemens Energy India and GE Vernova India T&D. GE Vernova and Hitachi Energy are expected to remain key beneficiaries in FY26 and going ahead, supported by their recent and anticipated HVDC project wins.

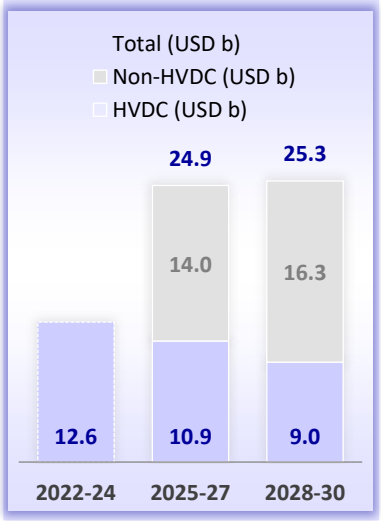
Valuation

Companies	Rating	TP (INR)	Upside/ Downside
CG Power	Buy	900	+16%
Atlanta Electricals	Buy	1,650	+20%
GE Vernova T&D	Buy	4,750	+15%
Hitachi Energy	Neutral	27,000	-7%
Siemens Energy	Buy	3,700	+23%

Expected capital outlay of INR9.2t over the periods across interstate and intrastate transmission projects (INR t)



Investments in Indian electrification are accelerating, with HVDC to account for 40% of the market



Incremental opportunities from HVDC orders

Transformer manufacturers in India are also benefiting from the increasing share of HVDC projects, which require specialized, high-value converter transformers and reactors supplied by a limited pool of players such as Hitachi Energy India, Siemens Energy India, GE Vernova T&D India, and BHEL. Of the 32.3 GW HVDC pipeline outlined in the NEP, about 14.5 GW has already been tendered and awarded. We expect the sector to see one to two HVDC awards annually going forward.

Global demand also remains strong, potentially opening up exports

Transformer demand in the US and Europe is currently experiencing a historic surge driven by renewable energy integration, data center expansion, industrial electrification, electric vehicle (EV) charging infrastructure, and the urgent need to replace aging infrastructure. This sustained demand has created a demand-supply mismatch, with lead times for transformers extending to over two to four years. The shortage of supply persists, resulting in increased reliance on imports and higher transformer prices. Imports account for 80% of the US supply of power transformers and 50% of distribution transformers. This situation presents an opportunity for domestic manufacturers to capitalize on exporting to the US and EU markets, driven by renewable energy and data center demand. Additionally, domestic power equipment manufacturers are benefiting from India's growing role as a manufacturing base within global OEM feeder factory networks. Recent trade agreements between India and Europe further support export-led growth and global market penetration.

Demand supply situation still remains favorable for players

Demand continues to remain strong from both domestic and export markets while transformer supply has struggled to keep pace with rising demand, resulting in longer lead times. To address this gap, leading domestic manufacturers such as Hitachi Energy, GE Vernova, Siemens Energy, CG Power, Atlanta Electricals, and TARIL are undertaking capacity expansions (adding ~200-220GVA combined over the next 2-3 years). The demand is sufficient enough to absorb the increased capacity without exerting downward pressure on prices in the near term.

Our preferred picks in the transformer space

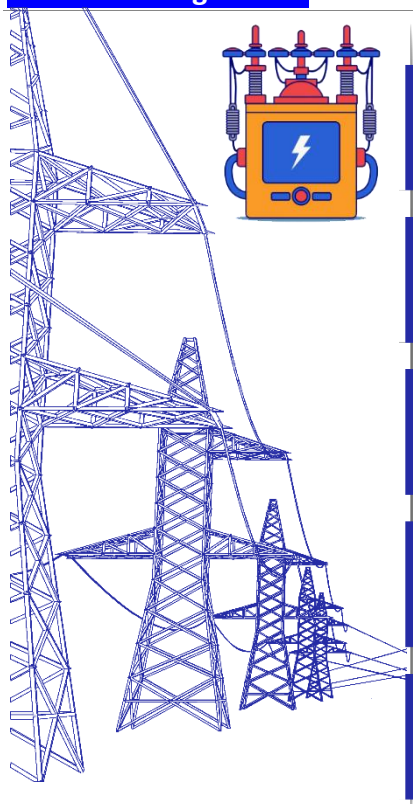
We reaffirm our positive stance on the entire T&D sector, which is experiencing multi-year tailwinds supporting growth. We believe that valuations are no longer cheap for the sector but possibility of further earning upgrades and unfolding of export opportunities can sustain these valuations. We prefer companies benefiting from incremental capex, revenue growth, and margin improvement. **We initiate coverage on CG Power (Buy, TP: INR900), Atlanta Electricals (Buy, TP: INR1,650), and GE Vernova T&D India (BUY, TP: INR4,750). Additionally, we reiterate our Buy rating on Siemens Energy (TP: INR3,700) and upgrade our rating on Hitachi Energy to Neutral (TP: INR27,000).**

Key risks and concerns

Key risks include: 1) the unavailability of semiconductor chips; 2) supply chain disruptions affecting overall order fulfillment and execution timelines; 3) a slowdown in tendering activity; 4) challenges in scaling up BESS; and 5) rising commodity prices, particularly copper.

STORY IN CHARTS

Investment arguments



- NEP's targeted capacity plan, though ambitious, offers a strong TAM; however, sector-level ordering was weak in FY26
- Market share of top transformer players
- Incremental opportunities from HVDC orders
- Global demand also remains strong, potentially opening up exports
- Demand supply situation still remains favorable for players

Installed transmission susbtation capacites in India



In GVA	FY22 (Actuals)	FY26 (Actuals)	FY27E (NEP Target)	FY32E (NEP Target)
220 KV	421	514	568	611
400 KV	393	533	678	814
765 KV	257	370	601	920
HVDC	34	34	35	67
Total	1,104	1,451	1,882	2,412

Relative growth comparison of transmission equipment companies within our coverage universe

Companies	CMP (INR)	Mcap (INR b)	Rating	Multiple (X)	TP (INR)	Upside / Downside (%)	CAGR FY25-28 (%)		
							Revenue	EBITDA	PAT
CG Power	775	1,220	BUY	SoTP	**900**	16	26	32	28
Atlanta Electricals	1,375	106	BUY	32x	**1,650**	20	39	49	50
GE Vernova T&D India	4,140	1,060	BUY	58x	**4,750**	15	34	49	50
Hitachi Energy	28,920	1,290	**Neutral**	60x	**27,000**	-7	31	65	80
Siemens Energy India*	3,019	1,075	BUY	55x	**3,700**	23	29	43	46

Source: Companies, MOFSL

Note: *For Seimens Energy India, CAGR for FY25-28 denotes CAGR for year-ends Sep'24-Sep'27

Relative valuation of Indian transmission equipment players

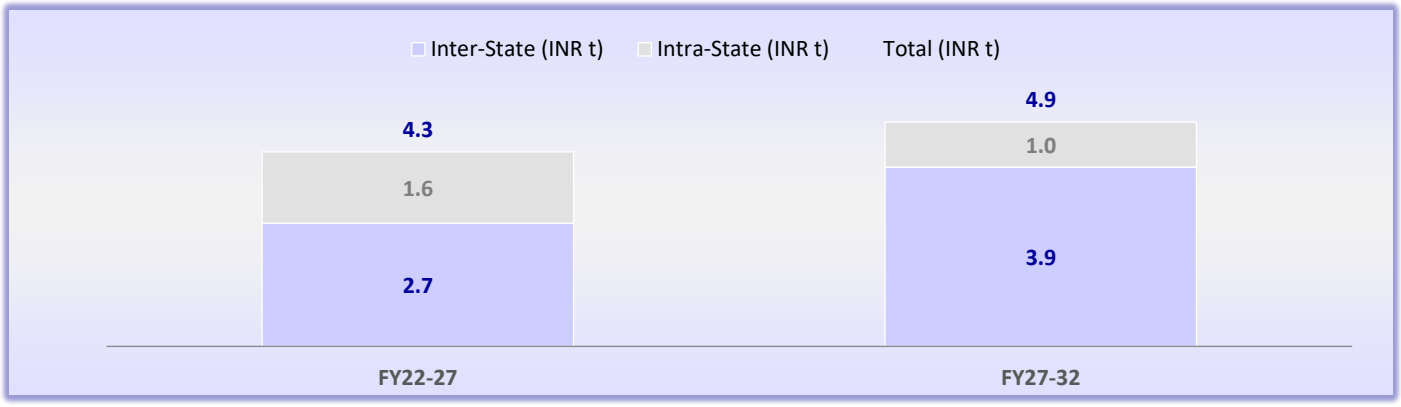
Companies	CMP	Mcap	EPS (INR)			P/E (X)			ROE (%)			EBITDA margin (%)			FY25-28E CAGR		
	(INR)	(INR b)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	Rev	EBITDA	PAT
CG Power	775	1,220	7.5	9.6	13.1	103.3	80.5	59.2	20.4	18.2	21.3	13.1	13.8	15.1	26.2	32.2	28.4
Atlanta Electricals	1,375	106	22.8	33.7	51.8	60.3	40.8	26.6	19.0	21.9	24.5	18.2	18.5	19.0	39.5	49.1	49.7
GE Vernova T&D	4,140	1,060	46.7	61.5	80.2	88.7	67.3	51.6	53.9	47.9	43.5	26.3	26.2	26.0	34.3	48.9	50.0
Hitachi Energy	28,920	1,290	220.0	304.5	451.1	131.4	95.0	64.1	19.0	20.9	23.7	15.6	17.2	19.0	30.5	65.5	79.9
Siemens Energy*	3,019	1,075	30.9	42.2	60.7	97.7	71.6	49.8	25.1	25.7	27.0	19.3	21.1	21.5	29.4	42.7	45.7
Voltamp#	10,139	103	355.4	405.5	481.3	28.5	25.0	21.1	20.9	20.4	20.7	17.8	18.1	18.2	15.3	13.7	14.4
TRIL#	322	97	9.1	12.2	14.5	35.6	26.4	22.2	19.6	21.3	21.0	16.0	15.9	15.9	29.8	28.8	26.6

Source: Company, Bloomberg, MOFSL

Note: *For Seimens Energy India, FY26E/FY27E/FY28E indicate data for periods Sep'25/Sep'26E/Sep'27E year-ends

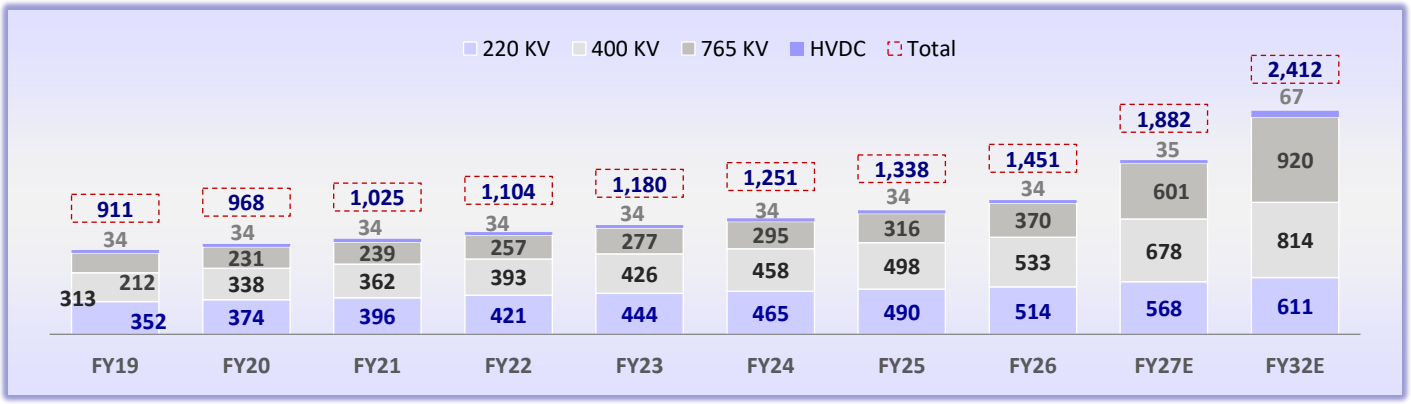
# indicates Bloomberg estimates

Expected capital outlay of INR9.2t over the periods across interstate and intrastate transmission projects (INR t)



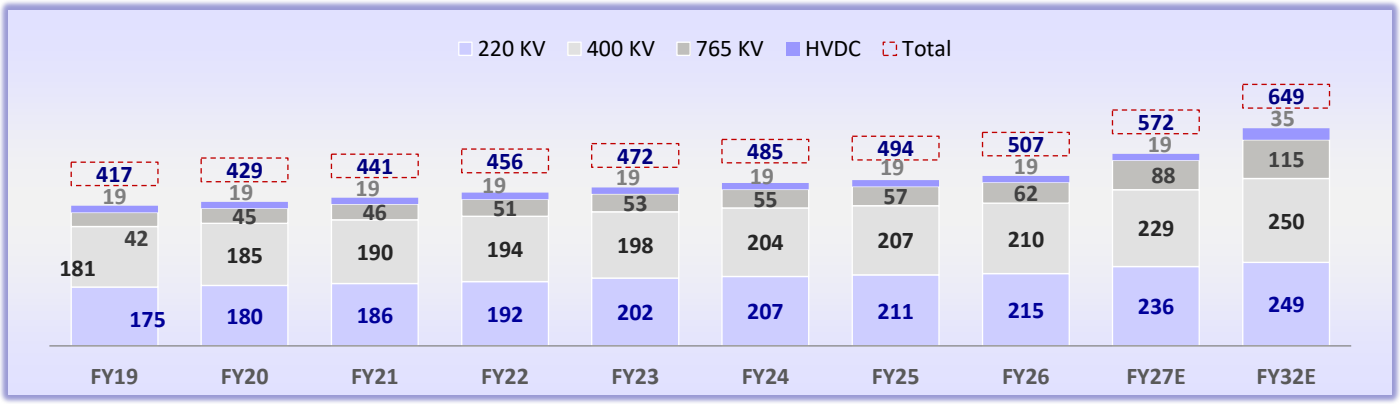
Source: CEA, MOFSL

As per CEA, transformation substation capacity across the 765kV range is expected to become 3x by the end of FY32 (in GVA)



Source: CEA, MOFSL

Total installed transformation lines (>220 kV) over the years (in '000 ckm) is also expected to grow meaningfully



Source: CEA, MOFSL

Product portfolio of domestic transformer players

Company Name	Power	Furnace	IDT	Rectifier	Reactor	Traction
Hitachi Energy India Ltd.	✓	✓	✓	✓	✓	✓
GE Vernova T&D India	✓	✓	✓	✓	✓	✓
Siemens Energy India	✓	✗	✗	✓	✓	✓
CG Power & Industrial Solutions Ltd.	✓	✓	✓	✗	✓	✓
TBEA Energy (India) Pvt Ltd.	✓	✗	✗	✗	✓	✗
Toshiba T&D Systems (India) Pvt Ltd.	✓	✗	✓	✗	✓	✓
Atlanta Electricals Ltd.	✓	✓	✓	✗	✗	✓
Transformers & Rectifiers Ltd.	✓	✓	✗	✓	✓	✓
Meiden T&D (India) Ltd.	✓	✗	✗	✗	✓	✓
Voltamp Transformers Ltd.	✓	✓	✗	✗	✗	✗
ECE Industries Ltd.	✓	✗	✗	✗	✗	✗
Technical Associates Ltd.	✓	✗	✗	✗	✗	✓
Indotech Transformers Ltd.	✓	✗	✗	✗	✗	✗
Bharat Bijlee Ltd.	✓	✓	✗	✗	✗	✓
Kanohar Electricals Ltd.	✓	✓	✗	✗	✓	✓
Shirdi Sai Electricals Ltd.	✓	✓	✗	✗	✓	✓
Vishvas Power Engineering Services Pvt. Ltd.	✗	✗	✗	✗	✗	✓
Danish Power Ltd.	✓	✓	✓	✓	✗	✗

Source: Industry, MOFSL

Expected capacity addition across players in transformers

Company Name	Number of Mfg Units	Current Capacity (MVA)	Proposed Capacity (MVA)	Total Capacity (MVA)	Comments on additional capacities
Transformers & Rectifiers	3	40,200	37,000	77,200	❖ 15,000 MVA to commence from 1QFY27 22,000 MVA to commence from 2QFY27
Siemens Energy India	1	15,000	45,000	60,000	❖ 15,000 MVA to commence from 2HCY26 30,000 MVA to commence from FY30-31
CG Power & Industrial Solutions	2	40,000	45,000	85,000	❖ To commence from FY27-28
Atlanta Electricals	3	16,740	46,320	63,060	❖ Commissioned
Voltamp Transformers	2	14,000	6,000	20,000	❖ INR2b for 220 kV transformer capacity
Meiden T&D (India)	1	15,000	NA	15,000	
TBEA Energy (India) Pvt Ltd.	1	20,000	NA	20,000	
Toshiba T&D Systems (India) Pvt Ltd.	1	NA	NA	NA	
ECE Industries	2	12,000	NA	12,000	
Technical Associates	1	20,000	NA	20,000	
Indotech Transformers	1	7,500	NA	7,500	
Bharat Bijlee	1	18,000	NA	18,000	
Kanohar Electricals	1	10,500	NA	10,500	
Shirdi Sai Electricals	2	33,500	19,500	53,000	
Vishvas Power Engineering Services Pvt. Ltd.	1	NA	NA	NA	
Hitachi Energy India	2	NA	NA	NA	❖ Planned capex of INR20b towards capacity enhancement and factory expansion
GE Vernova T&D India	3	NA	NA	NA	❖ Planned capex of INR9.4b towards capacity expansion
Danish Power	2	4,681	6,319	11,000	

Source: Industry, MOFSL

Total transformer manufacturing capacity in India going forward based on the additional capacities announced/ under construction by the companies with total investment worth INR66b (in GVA)

Existing production capacity: 375 GVA (FY25)

- **Additional capacity announced/under construction:** 315 GVA. Siemens Energy India has announced additional capex to expand its capacities further by 30 GVA which is expected to commence operations by FY30-32.
- **Total investments:** ~INR66b
- **Major Players:** Atlanta, Bharat Bijlee, BHEL, CG Power, GE Vernova, Hitachi Energy, Kanohar, Siemens Energy, Technical Associates, Toshiba, T&R, Voltamp

Domestic transformers manufacturing capacities	FY25	FY26E	FY27E	FY28E
Total manufacturing capacity (in GVA)	375	470	650	690
Capacity additions (in GVA)		95	180	40

Source: IEEMA, MOFSL

Demand-supply gap to persist for the next few years

Strong growth lined up for T&D in domestic markets until 2032 even if CEA's targets are partially met

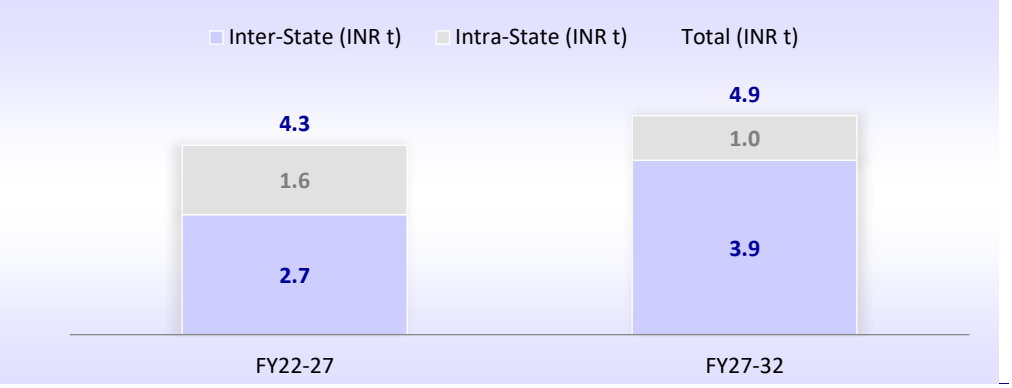
India's T&D sector is set for a strong growth cycle, backed by ~INR9t investments under NEP (FY23-32) to support >600GW capacity by 2032

- CEA prepared the detailed NEP (Transmission) in consultation with various stakeholders to transmit 500GW of renewable energy capacity by 2030 and over 600GW of installed capacity by 2032. According to the NEP, over 191,000 ckm of transmission lines and 1,270 GVA of transformation capacity are planned to be added during the ten years from 2022-23 to 2031-32 (at 220 kV and above voltage level). In addition, 33 GW of HVDC bi-pole links are also planned. The inter-regional transmission capacity is planned to increase to 143 GW by the year 2027 and further to 168 GW by the year 2032, from the present level of 119 GW.
- The plan has also taken into consideration the requirement of storage systems, viz., 47GW of BESS and 31GW of Pumped Storage Plants to be developed along with renewable energy.
- To reach the desired targets (as per NEP FY23-32), over INR9t of transmission investment has been planned:
  1) INR4.25t during FY22-27 (INR2.7t inter-state and INR1.6t intra-state), and 2) INR4.91t during FY28-32 (INR3.9t inter-state and INR1t intra-state).

Government initiatives such as the National Green Hydrogen Mission and RDSS are accelerating upgrades across T&D infrastructure

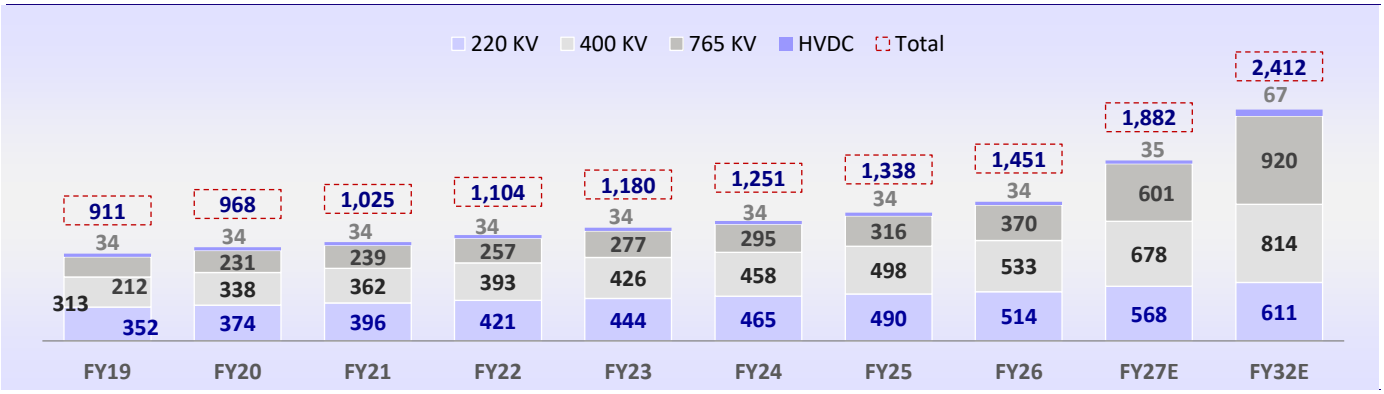
- In addition, programs such as the National Green Hydrogen Mission (INR197.4b) and the Revamped Distribution Sector Scheme (INR3t) are driving upgrades across transmission lines, substations, and distribution networks. We, thus, expect overall transmission ordering to scale up in the coming years after overcoming the ongoing weakness in ordering.

Exhibit 1: Expected capital outlay over the periods across interstate and intrastate transmission projects potentially translating into an ordering of ~INR1t per year (INR t)



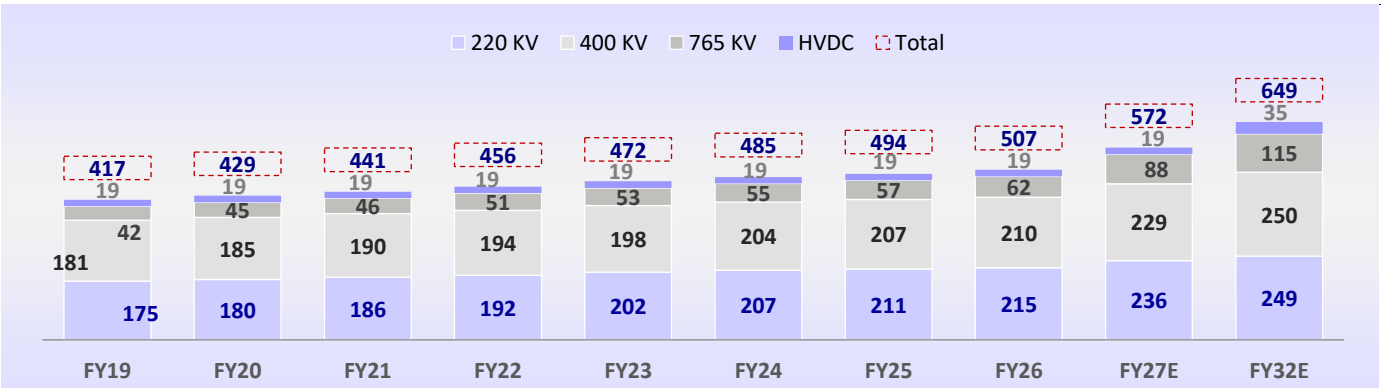
Source: CEA, MOFSL

Exhibit 2: As per CEA, transformation substation capacity across the 765kV range is expected to become 3x by the end of FY32 (in GVA)



Source: CEA, MOFSL

Exhibit 3: Total installed transformation lines (>220 kV) over the years (in '000 ckm) is also expected to grow meaningfully



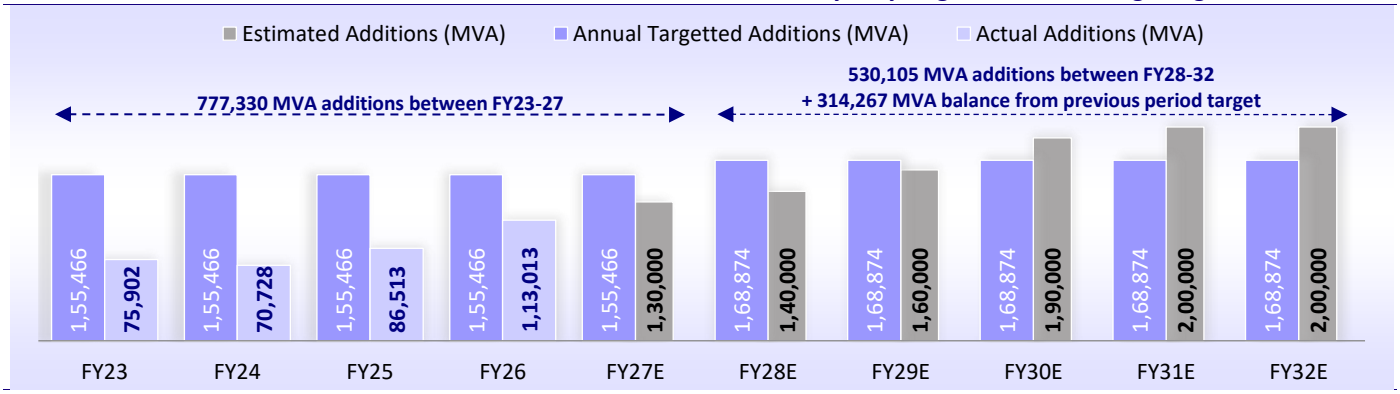
Source: Company, MOFSL

Exhibit 4: NEP targets to reach ~2,412 GVA of installed transmission capacity by FY32

In MVA	Total installed capacity as on FY22	FY22-27 targeted addition	Actual additions till FY26	Balance additions targeted till FY27	FY27 total installed capacity (Target)	FY28-32 targeted addition	FY32 total installed capacity (Target)
(a) 765 kV	2,57,200	3,43,500	1,12,500	2,31,000	6,00,700	3,19,500	9,20,200
(b) 400 kV	3,93,113	2,84,970	1,40,220	1,44,750	6,78,083	1,35,745	8,13,828
(c) 230/220 kV	4,20,637	1,47,860	93,356	54,504	5,68,497	42,610	6,11,107
HVDC	33,500	1,000	0	1,000	34,500	32,250	66,750
Total	**11,04,450**	**7,77,330**	**3,46,076**	**4,31,254**	**18,81,780**	**5,30,105**	**24,11,885**

Source: NEP, CEA, MOFSL

Exhibit 5: Annual additions in transmission substations have fallen short of yearly targets but has seen good growth in FY25/26



Source: CEA, MOFSL

Note: FY26 actual additions are up until Feb'26

India's transmission capacity needs a sharp ramp-up to ~1,882 GVA by FY27 and ~2,412 GVA by FY30; even 30-40% achievement would still support incremental sector growth

As of Mar'26, the total installed transmission capacity across AC substations stood at ~1,451 GVA (Exhibit 2), with 86 GVA added in FY25 and 113 GVA added in FY26. An additional 431 GVA is needed for installation up to FY27-end to reach the desired target of 1,882 GVA capacity, which we believe is a tall task. However, even if 30-40% of that gets achieved, it will be incrementally positive for the sector. Further, during FY28-30, ~530 GVA of additional capacity is planned to reach the ~2,412 GVA target. Though we believe that these targets are on the higher side, they provide us with a direction for incremental investments that will be planned for transmission capacities.

Tendering activity ebbs in FY26

Tendering activity remained strong in FY25 but weakened in FY26

Tendering activity has trended upward over the past few years, with FY25 being one of the strongest, witnessing over 45 tenders awarded to utilities, reflecting improved ordering visibility for transmission players.

Exhibit 6: List of transmission schemes recommended (some approved) by NCT to MoP in FY25 (>INR5b)

Transmission Scheme	Mode of implementation	Tentative implementation timeframe	BPC	Est cost (INR b)
28th Meeting - 6th Mar'25				
Transmission System for Kurnool-IV REZ - Phase II (3 GW)	TBCB	24-30 mths from transfer	PFCCL	32.4
Transmission System for Integration of Ananthapuram-II REZ - Phase-II (3 GW)	TBCB	24-30 mths from transfer	RECPDCL	33.4
27th Meeting - 6th Feb'25				
Inter-regional (NR-WR) Transmission System strengthening to relieve the loading of 765 kV Vindhyachal-Varanasi D/c line	TBCB	24 mths from SPV transfer	PFCCL	23.7
Transmission system for evacuation of power from Pumped Storage Projects in Sonbhadra District. Uttar Pradesh	TBCB	34 mths from allocation	RECPDCL	36.3
Transmission system for Evacuation of Power from RE Projects in Morena SEZ in Madhya Pradesh-Phase I (2500 MW)	TBCB	27 Mths	PFCCL	16.9
Provision of ICT Augmentation and Bus Reactor at Bhuj-II PS	RTM	21 Mths		5.9
26th Meeting - 6th Jan'25				
Transmission system for Evacuation of Power from RE Projects in Rajgarh (1500 MW) SEZ in Madhya Pradesh-Phase III and Evacuation of Power from RE Projects in Neemuch (1000 MW) SEZ in Madhya Pradesh-Phase II	TBCB	By 31.03.2028 (RE-aligned); balance within 24 mths of SPV transfer	RECPDCL	34.7
Paradeep – Andaman – Nicobar HVDC link	RTM	5 years from allocation		379.8
25th Meeting - 28th Nov'24				
Transmission system for proposed Green Hydrogen / Green Ammonia projects in the Kakinada area, Andhra Pradesh (Phase-I)	TBCB	24 mths from SPV transfer	PFCCL	16.2
24th Meeting - 23rd Oct'24				
Transmission system for Evacuation of Power from RE Projects in Rajgarh (1500 MW) SEZ in Madhya Pradesh-Phase III	TBCB	24 mths from SPV transfer (Sl. No. 1, 2a, 3 & 4) 31.03.2028 (Sl. No. 2b)	RECPDCL	10.8
Transmission system for Evacuation of Power from RE Projects in Neemuch (1000 MW) SEZ in Madhya Pradesh, Phase II	TBCB	24 mths from SPV transfer	PFCCL	23.9
23rd Meeting - 2nd Sep'24				
Transmission system for integration of Kurnool-IV Phase I (for 4.5 GW)	TBCB	24 Mths	RECPDCL	55.5
22nd Meeting - 23rd Aug'24				
Transmission system for supply of power to green hydrogen/Ammonia Manufacturing potential in Mundra area of Gujarat under Phase-1: Part B1 scheme (3 GW at Navinal S/s)	TBCB	36 Mths	PFCCL	28.2
Transmission system for integration of Anantapur-II REZ – Phase I (for 4.5 GW)	TBCB	24 Mths	PFCCL	46.8
Transmission system for proposed green/hydrogen green ammonia projects in Tuiticorin)	TBCB	30 Mths	RECPDCL	26.2
21st Meeting - 6th Aug'24				
Transmission System for supply of power to Green Hydrogen/Ammonia manufacturing potential in Kandla area of Gujarat (Ph-I: 3.0 GW)	TBCB	36 mths	PFCCL	27.8
Transmission system for evacuation of power from Rajasthan REZ Ph-V (Part-1: 4 GW) (Sirohi/Nagaur) Complex	TBCB	24 Mths	RECPDCL	50.3
North-Eastern Region Expansion Scheme-XXV Part-A (NERES-XXV Part A)	TBCB	36 Mths	PFCCL	8.3
20th Meeting - 25th Jun'24				
Network Expansion scheme in Western Region to cater to the pumped storage potential near Talegaon (Pune)	TBCB	01.01.2027, or 24 mths from SPV transfer		16.6
Provision of ICT Augmentation and Bus Reactor at Bhuj-II PS	TBCB	21 mths from SPV transfer	PFCCL	5.9
Transmission System for Offshore Wind Zone Phase-1 (500 MW VGF off the coast of Gujarat for Subzone B3)	RTM	48 mths from PPA (by 31.03.2029)		69.0
Transmission System for Offshore wind farm in Tamil Nadu (500 MW VGF)	RTM	31.03.2030		62.4
Transmission System for the evacuation of power from Mahan Energen Limited Generating Station in Madhya Pradesh	TBCB	30 mths from SPV transfer	PFCCL	5.6
Transmission system for Augmentation of transformation capacity at 765/400kV Lakadia S/s (WRSS XXI(A) Transco Ltd) in Gujarat – Part B	TBCB	As per the detailed scope	RECPDCL	6.4
Transmission System for evacuation of RE power from Raghanesda area of Gujarat – 3GW under Phase-I	TBCB	30 mths from SPV transfer	PFCCL	18.6
Transmission scheme for evacuation of power from Ratle HEP (850 MW) & Kiru HEP (624 MW): Part A	TBCB	24 Mths from SPV transfer	RECPDCL	12.1
Transmission system strengthening at Kurnool III PS for integration of additional RE generation projects	TBCB	Package A-24 mths Package B-Jun'25 to Dec'27 Package C-24 mths	PFCCL	28.9
19th Meeting - 29th April 2024				
Transmission system for evacuation of power from Rajasthan REZ Ph-IV (Part-4: 3.5 GW): Part A	TBCB	24 mths from SPV transfer	RECPDCL	58.5
Transmission system for evacuation of power from Rajasthan REZ Ph-IV (Part-4: 3.5 GW): Part B	TBCB	24 mths from SPV transfer	RECPDCL	63.9
System strengthening at Koppal-II and Gadag-II for integration of RE generation projects	TBCB	Dec'25 to Jun'27	PFCCL	13.5
Total estimated cost of projects approved in FY25				**1,218**

Source: CEA, MOFSL

*months: mths

In FY26, the overall tendering remained relatively weak, with only 16 tenders awarded. Schemes which were recommended by NCT to MoP in Jan'26 and Feb'26, are expected to be converted into firm orders in the near term.

Exhibit 7: List of transmission schemes recommended by NCT to MoP till Mar'26 (>INR5b)

Transmission Scheme	Mode of implementation	Tentative implementation timeframe	BPC	Est Cost (INR b)
39th meeting of NCT (17th Mar'26)				
No new schemes announced/recommended				
38th meeting of NCT (25th Feb'26)				
ERES-47: Nawada – Durgapur – Jeerat (New) 765kV corridor	TBCB	By 31.03.2029	RECPDCL	52.7
Transmission system for evacuation of power from Sunni Dam HEP (SDHEP) & Luhri Stage-I HEP (LHEP-I)	TBCB	By 15.10.2029	RECPDCL	8.4
37th meeting of NCT (19th Jan'26)				
Transmission system for Integration of Power from RE Projects in Jam Khambhaliya REZ in Gujarat - Phase II (5500MW) and Jamnagar Phase-I (1000 MW)	TBCB	By 31.03.2030	PFCCL	76.9
Transmission system for Integration of Power from RE Projects in Lakadia REZ in Gujarat-Phase II (7500MW)	TBCB	36 mths	RECPDCL	75.1
Common Transmission System for evacuation of power from Lakadia (Phase-II: 7.5GW), Jam Khambhaliya (Phase-II: 5.5GW), and Jamnagar (Phase-I: 1GW)	TBCB	36 mths		
Part A			PFCCL	22.5
Part B			RECPDCL	38.4
Part C			PFCCL	27.6
36th meeting of NCT (30th Dec'25)				
No new schemes announced/recommended				
35th meeting of NCT (19th Nov'25)				
No new schemes announced/recommended				
34th meeting of NCT (10th Nov'25)				
No new schemes announced/recommended				
33rd meeting of NCT (Sep'25)				
Installation of 2 Synchronous Condensers (SynCon) units at 765/400/220kV Fatehgarh-II PS	TBCB	30 mths	PFCCL	11.6
32nd meeting of NCT (Aug'25)				
WR-ER Inter-Regional Network Expansion Scheme-Part A	TBCB	24 mths from allocation	RECPDCL	62.7
WR-ER Inter-Regional Network Expansion Scheme-Part C	TBCB	By 31.03.2029	RECPDCL	9.1
NERGS-III Siang Basin	TBCB	By 28.02.2029	PFCCL	18.0
Transmission system for integration of Kurnool-V REZs-Phase-I	TBCB	30 mths from SPV transfer	PFCCL	71.9
Transmission system for integration of Ananthapuram-III REZs Phase-I	TBCB	30 mths from SPV transfer	PFCCL	45.3
Transmission system for proposed Green Hydrogen/Ammonia projects in Vizag area, Andhra Pradesh (Phase-I)	TBCB	30 mths from SPV transfer	RECPDCL	83.9
31st meeting of NCT (Jul'25)				
Network Expansion Scheme for the drawal of power at South Kalamb S/s: Part A	TBCB	24 mths from SPV transfer	PFCCL	9.0
Transmission system strengthening for integration of additional RE potential at Davanagere (0.25 GW) and Bellary (2.75 GW)	TBCB	24 Mths from SPV transfer	RECPDCL	11.1
Transmission system strengthening at Tumkur-II for integration of additional RE potential (1.5 GW)	TBCB	24 Mths from SPV transfer	PFCCL	10.5
30th meeting of NCT (May'25)				
Transmission system for evacuation of power from Rajasthan REZ Ph-IV (Part 5: 6 GW) [Barmer Complex] Barmer-II: 6 GW (Solar) (LCC Configuration)	TBCB	54 mths from allocation of project (Pole-1: 48 mths,Pole-2: 54 mths)	RECPDCL	249.7
29th meeting of NCT (Apr'25)				
Inter-Regional Strengthening between SR Grid and ER Grid	TBCB	30 mths from SPV transfer	PFCCL	27.1
Inter-Regional Strengthening between SR Grid and WR Grid	TBCB	24 Mths from SPV transfer	RECPDCL	10.1
Total estimated cost of projects approved in FY26				**922**

Source: CEA, MOFSL

Exhibit 8: Number of tenders won by utility companies over the years

No. of tenders won	FY23	FY24	FY25	FY26
PGCIL	12	10	26	7
Adani Energy Solutions Ltd	2	1	6	3
Resonia (formerly, Sterlite Power)	1	3	2	1
Dineshchandra R. Agarwal Infracon Pvt Ltd			1	1
Tata power	0	1	2	
Ingrid Infrastructure Trust	0	2	2	
Apraava Energy	0	3	1	
G R Infraprojects Ltd	1	1	2	1
Techno Electric & Engineering Co Ltd			2	
Reliance Industries Ltd			1	
Shivalaya Construction Ltd				1
H.G. Infra Engineering Ltd				1
Torrent Power	0	1		
Megha Engg & infra	1	1		
ReNew Transmission Ventures	1	0		
EnerGrid (co-promoted by IndiGrid Infrastructure Trust)				1
Total no. of schemes tendered	**18**	**23**	**45**	**16**

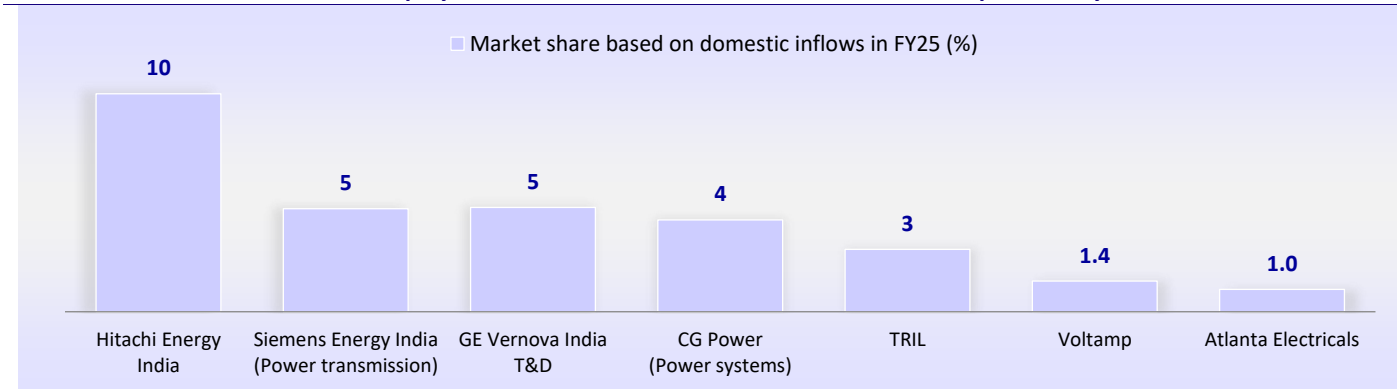
Source: Industry, MOFSL

Market share of top players in overall ordering

Global players dominate India's transmission ordering; we expect GE Vernova India T&D and Hitachi Energy India to continue leading, supported by HVDC wins and upcoming projects

According to NCT estimates, the estimated capital outlay for the 45 tenders awarded in FY25 stood at ~INR1.5t. This included end-to-end developments such as EPC, civil work, transformers, and other power equipment. Based on the order inflows received by companies in FY25, the global firms that have listed entities in India have been leading the domestic transmission sector. Hitachi Energy India led the market share with 10%, followed by Siemens Energy India and GE Vernova India T&D, each with 5%. We expect GE Vernova and Hitachi Energy to continue leading the market in FY26, driven by their HVDC wins in FY25 and anticipated future projects.

Exhibit 9: Market share of domestic players based on FY25 domestic inflows as a % of capital outlay of total tenders awarded



Source: Industry, MOFSL

Incremental opportunity from HVDC orders

Rising HVDC share is driving incremental opportunitites for transformer players; we expect continued ordering momentum (~1-2 projects annually), benefitting Hitachi Energy India, GE Vernova India T&D, Siemens Energy India, and BHEL

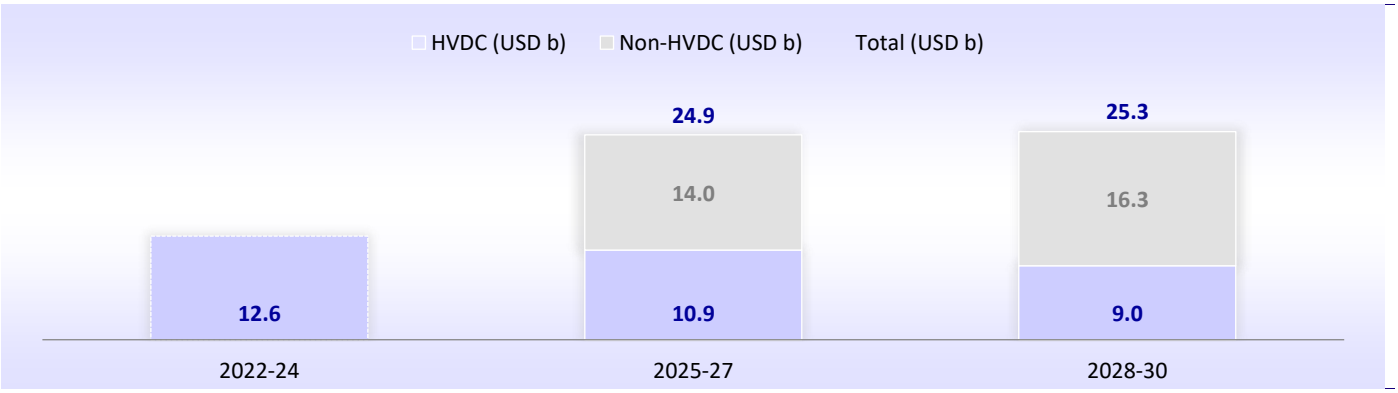
Transformer manufacturers in India are experiencing incremental opportunities due to the increasing share of HVDC transmission projects. These projects require high-value converter transformers and reactors, with only a limited number of qualified suppliers. Companies such as **Hitachi Energy India**, **Siemens Energy India**, **GE Vernova T&D India, and BHEL** are the key beneficiaries. According to the NEP, out of a prospective pipeline of 32.3 GW, about 14.5 GW worth of HVDC contracts have already been tendered and awarded. These include: 1) the Khavda-South Olepad 2.5 GW HVDC project awarded to GE Vernova, 2) the Khavda-Nagpur 6 GW HVDC given to Hitachi Energy and BHEL, and 3) the Bhadla-Fatehpur 6 GW HVDC project awarded to Hitachi Energy and BHEL. Looking ahead, the Barmer-South Kalamb HVDC link is expected to be tendered in FY27. Additionally, other HVDC orders are in the pipeline, potentially resulting in 1–2 HVDC awards per year for the sector.

Exhibit 10: Recently awarded and upcoming HVDC projects in India

Capacity	Project	Developer	Supplier	Technology	Estimated Cost (INR b)	Anticipated commissioning
6 GW	Bhadla-Fatehpur	AESL Projects Ltd	Hitachi Energy and BHEL	LCC	250	2028-29
2.5 GW	Khavda-South Olepad	AESL Projects Ltd	GE Vernova T&D India	VSC	100	2028-29
6 GW	Khavda-Nagpur	PGCIL	Hitachi Energy and BHEL	LCC	248	2028-29
6 GW	Bikaner-Begunia	NA	To be awarded	LCC	NA	2029-30
6 GW	Barmer-South Kalamb	NA	To be awarded	LCC	250	2029-30
500 MW	India-Sri Lanka	NA	To be awarded	VSC	99	2031-32
250 MW	Paradeep-Port Blair	NA	To be awarded	VSC	380	2031-32
6 GW	Lakadia-Alephata	NA	To be awarded	LCC/VSC	NA	NA
2 GW	India-Singapore	NA	To be awarded	VSC	NA	NA

Source: Company, MOFSL

Exhibit 11: Investments in Indian electrification are accelerating, with HVDC to account for 40% of the market



Source: Industry, MOFSL

Capacity expansion lined up by most players, adding 200-220GVA over the next few years

Capacity expansion plans of players to cater to the strong demand

Supply gaps in transformers are driving capacity expansions by domestic players, with investments focused on higher-voltage capabilities, testing infrastructure, and automation.

While India has set ambitious policy goals for power expansion and renewable energy integration, aiming for 500 GW of non-fossil capacity by 2030, the supply of critical transformers has not kept pace with demand, leading to longer lead times, cost pressures, and execution delays. To bridge this gap, most leading domestic transformer manufacturers are undertaking large capacity expansion programs, including brownfield debottlenecking and new greenfield facilities. Players such as **CG Power, Siemens Energy India, Hitachi Energy India, GE Vernova, Atlanta Electricals, TARIL, Voltamp,** etc., are investing in higher-MVA and higher-voltage transformer capacities, as well as enhancing testing infrastructure and automation.

Exhibit 12: Total transformer manufacturing capacity in India going forward based on the additional capacities announced/ under construction by the companies with total investment worth INR66b (in GVA)

Existing production capacity: 375 GVA (FY25)

- **Additional capacity announced/under construction:** 315 GVA. Siemens Energy India has announced additional capex to expand its capacities further by 30 GVA which is expected to commence operations by FY30-32.
- **Total investments:** ~INR66b
- **Major Players:** Atlanta, Bharat Bijlee, BHEL, CG Power, GE Vernova, Hitachi Energy, Kanohar, Siemens Energy, Technical Associates, Toshiba, T&R, Voltamp

Domestic transformers manufacturing capacities	FY25	FY26E	FY27E	FY28E
Total manufacturing capacity (in GVA)	375	470	650	690
Capacity additions (in GVA)		95	180	40

Source: IEEMA, MOFSL

Exhibit 13: Planned expansion of domestic transformer players (including above 220 kV)

Company Name	Number of Mfg Units	Current Capacity (MVA)	Proposed Capacity (MVA)	Total Capacity (MVA)	Comments on additional capacities
Transformers & Rectifiers	3	40,200	37,000	77,200	15,000 MVA to commence from 1QFY27 22,000 MVA to commence from 2QFY27
Siemens Energy India	1	15,000	45,000	60,000	15,000 MVA to commence from 2HCY26 30,000 MVA to commence from FY30-31
CG Power & Industrial Solutions	2	40,000	45,000	85,000	To commence from FY27-28
Atlanta Electricals	3	16,740	46,320	63,060	Commissioned
Voltamp Transformers	2	14,000	6,000	20,000	INR2b for 220 kV transformer capacity
Meiden T&D (India)	1	15,000	NA	15,000	
TBEA Energy (India) Pvt Ltd.	1	20,000	NA	20,000	
Toshiba T&D Systems (India) Pvt Ltd.	1	NA	NA	NA	
ECE Industries	2	12,000	NA	12,000	
Technical Associates	1	20,000	NA	20,000	
Indotech Transformers	1	7,500	NA	7,500	
Bharat Bijlee	1	18,000	NA	18,000	
Kanohar Electricals	1	10,500	NA	10,500	
Shirdi Sai Electricals	2	33,500	19,500	53,000	
Vishvas Power Engineering Services Pvt. Ltd.	1	NA	NA	NA	
Hitachi Energy India	2	NA	NA	NA	Planned capex of INR20b towards capacity enhancement and factory expansion
GE Vernova T&D India	3	NA	NA	NA	Planned capex of INR9.4b towards capacity expansion
Danish Power	2	4,681	6,319	11,000	

Source: Company, Industry, MOFSL

Export opportunities to unfold further in the future and to take care of any weakness in domestic demand

Domestic power equipment manufacturers are witnessing a steady build-up in export opportunities, driven by rising global demand for transmission infrastructure. Large global OEMs increasingly operate feeder factories across multiple geographies, using India as a key production base to supply regional and global markets, thereby enabling Indian players to integrate into global supply chains and scale up exports.

Domestic power equipment players are seeing rising export opportunities as global OEMs use India as a key manufacturing hub

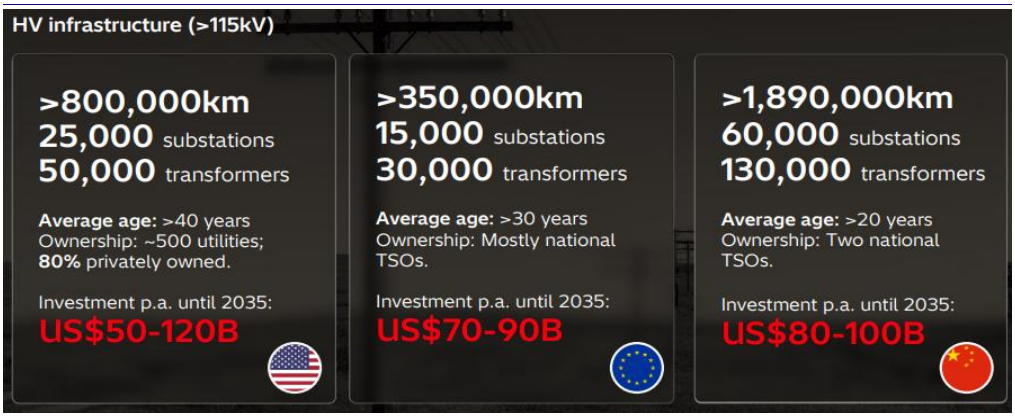
Various players have announced capacity expansions in the US, and incremental future opportunities could also play out for Indian entities:

- **Hitachi Energy:** It announced a major investment of USD1.5b in 2024 to ramp up its global transformer manufacturing capacity. This expansion will include facilities in Germany, China, Vietnam, Australia, Brazil, and various locations across the United States.
- **HD Hyundai Electric:** The company plans to invest around USD270m to expand production capacity by 30% in the US and South Korea by early 2026.
- **Siemens Energy:** The company announced in 2024 its first power transformer manufacturing facility in the US, worth USD150m.
- **Schneider Electric:** Recognizing the need for increased production capacity, Schneider Electric has committed to investing USD140m in the United States, which will also involve hiring around 750 new skilled workers to support its expanded operations.
- **Turkish company Astor:** It plans to establish factories in Spain and the United States, with the United States serving as the primary export market for Turkish power transformers.

Global transformer capacity expansion and rising demand from AI/data centers are creating strong export opportunities, positioning Indian manufactures as key suppliers globally

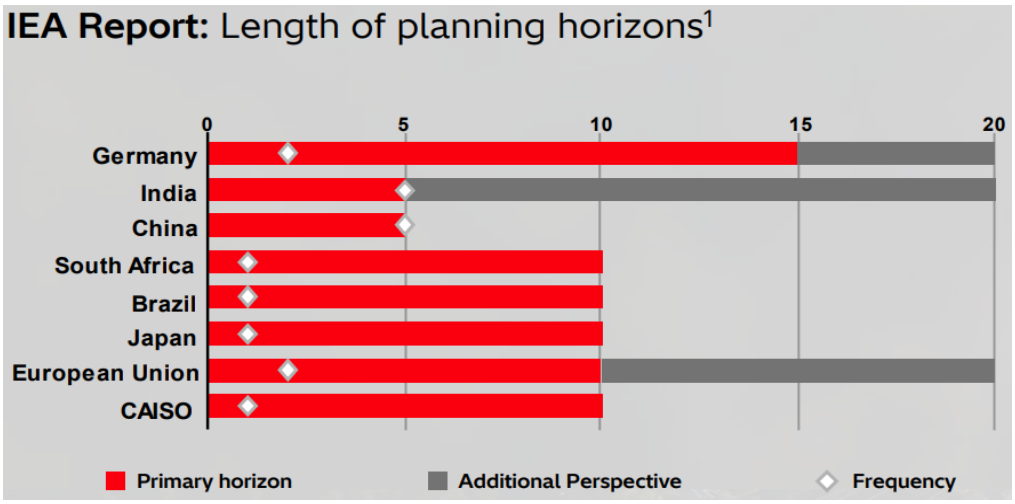
Further, the rapid expansion of AI infrastructure and hyperscale data centers worldwide is becoming a significant demand driver for high-capacity transformers. Growing investments in AI factories and data centers across the US, EU, and increasingly in India are creating urgent requirements for reliable, high-performance power systems. This trend positions Indian manufacturers as preferred suppliers for both domestic and export markets.

Exhibit 14: Investments planned until 2035 in the US, Europe, and South Korea



Source: IEA, Hitachi, MOFSL

Exhibit 15: Globally, investment planning horizons have expanded, and large investments are anticipated over the next 10-15 years in energy



Source: IEA, Hitachi, MOFSL

Exhibit 16: Management comments on opportunities in the US and EU on data center and renewable investments

Companies	Management comments
Hitachi Energy India	❖ About 90% of the AI-ready data centers are located in two countries, and those data centers are not expected to start coming up here. Today, the data centers face a big challenge in managing and obtaining not only reliable, affordable, and clean power but also ensuring its flexibility. Hence, some data centers are looking at connecting directly to HVDC through any other renewable sources. Hitachi Energy has the competencies to provide this to US-based data centers.
GE Vernova T&D India	❖ The company referenced announcements by four major US companies of roughly USD80b of planned investments in data centers and AI factories over the next 4-5 years. It stated that this will create a huge opportunity for data centers and AI-related power infrastructure in India as well. The company is working with global GE Vernova teams and explicitly said it will concentrate on these data center and AI-linked opportunities alongside its existing domestic and export business.
Siemens Energy India	❖ The parent is experiencing strong global growth of gas turbines, especially driven by the data centers.
CG Power	❖ CG secured one large order of INR9b (USD99m) of power transformer export order from Tallgrass in the US, which is a large-scale data center project in the United States. Under this contract, CG will supply power transformers specifically engineered to meet the stringent reliability, efficiency, and uptime requirements of hyperscale data center applications. Management highlighted that the renewable data centers are one of the key verticals for CG. They have been working on this for the past two years through key account management in this industry vertical.
Atlanta Electricals	❖ New demand segments are emerging. Data centers, green hydrogen, EV charging, and battery storage systems, as in infrastructure, are creating incremental demand for power transformers. These are high-growth segments that will sustain demand beyond the current transmission build-up cycle. There is a growing demand for high-capacity, low-loss transformers with enhanced reliability features. Atlanta is currently engaged with several large private developers to supply transformers for upcoming data center parks in western and southern India.

Source: Company, MOFSL

Higher-kV capabilities and strong global demand are boosting export opportunities for Indian OEMs, with exports offering better margins and emerging as a key driver of growth, diversification, and profitability

With several players now manufacturing higher-kV (400 kV–765 kV) transformers to utility-grade standards, Indian OEMs are strengthening their credibility in international markets across Africa, the Middle East, Southeast Asia, and parts of Latin America. Demand in these regions is driven by grid expansion, renewable integration, and refurbishment-led replacement of aging assets. Recent trade agreements between India and Europe further support export-led growth and international penetration. Export realizations remain superior than domestic realizations, providing an incremental profitability lever. While multinational players have historically dominated exports due to established global networks, domestic manufacturers are increasingly moving up the value chain and building competitive overseas positions. Overall, exports are expected to act as a key diversification lever, supporting order book stability and margin resilience over the medium to long term.

Ordering in FY26 was weak while BESS investments moving up

Sector-level ordering has been weaker than last year during FY26

Our discussion with companies and industry representatives suggests that the current slowdown in ordering is more transient in nature and is due to:

Bandwidth constraints that are weighing on ordering

Sector ordering has seen a temporary slowdown due to bandwidth constraints and longer lead times from a shift to higher-kV equipment, despite strong underlying demand and order backlogs

Sector-level ordering has witnessed a temporary moderation in recent mths. This slowdown does not reflect any structural weakness in underlying demand but is largely a function of bandwidth constraints. Most domestic manufacturers are operating at elevated capacity utilization levels and are simultaneously moving up the value chain by focusing on higher voltage segments, such as 400 kV and 765 kV class transformers, where realizations and margins are structurally superior.

Migration to higher kV that extends lead times

The manufacturing cycle for these higher-rating transformers is materially longer than that of sub-220 kV equipment due to more complex engineering, extended testing protocols, and stringent grid compliance requirements. This elongation in production timelines has effectively tightened the available bandwidth for incremental order execution. At the same time, strong transmission capex driven by renewable energy integration, interstate grid expansion, and system-strengthening programs has resulted in robust order backlogs across the industry.

Grid stabilization drives a strategic need for BESS, which is picking up now

Thermal power plants provide round-the-clock, dispatchable energy, ensuring grid reliability regardless of time or weather conditions, whereas utility-scale renewables such as solar and wind are inherently intermittent. Hence, there is a strategic need for battery energy storage systems (BESS) to store excess renewable generation and dispatch it during low-generation periods.

Rising renewable penetration is driving the need for BESS to ensure grid stability, with strong policy support and investments accelerating capacity build-up in the coming years

- NEP FY23-32 has guided that the total installed BESS generation capacity will increase to ~13.5GW by FY27 and further rise to ~51.5GW by FY32. The updated volume also specifies that BESS must be encouraged as they are location-agnostic, require less land, and have a lower gestation period.
- ICRA estimates that India's energy storage sector, primarily driven by BESS and Pumped Storage Hydropower (PSP), will require ~INR1.4t in investment by CY30 to support renewable energy integration. The government support of ~INR54b through the Viability Gap Funding, covering 30% of capital costs for standalone BESS projects, has significantly improved BESS cost-competitiveness, with project awards exceeding 20 GWh between Apr'24 and Oct'25.

Exhibit 17: Rapid emergence of storage requirements is evident from the BESS tenders and tenders issued across central and state agencies in six mths

Date	BESS tender	State	Tender by
14-Jan-26	Pilot Project for Proof of Concept for DG replacement with BESS in Dadri		NTPC
14-Feb-26	Solar PV and BESS for Electric Crematorium at Faridabad		NTPC
06-Feb-26	**6 Nos. of Projects of Standalone BESS of cumulative capacity of 500 MWh (125 MW x 4 Hrs.)**	Odisha	PGCIL
	20MW/80 MWh BESS at 132/33 kV GSS Tentuli Khunti		
	25MW/100 MWh BESS at 220/132/33 kV GSS Narendrapur		
	20MW/80 MWh BESS at Basta		
	20MW/80 MWh BESS at Bhatli		
	20MW/80 MWh BESS at New Bolangir		
	20MW/80 MWh BESS at Padampur		
23-Jan-26	Setting up of 375MW/1500 MWh (7 Projects) Standalone Battery Energy Systems with complete 1.5 Cycle Charging/ Discharging	Tamil Nadu	PGCIL
23-Jan-26	Setting up of 125MW/500MWh STU-connected Standalone Battery Energy Systems	Chhattisgarh	PGCIL
14-Jan-26	Setting up of 1500 MWH (375MWX4 Hrs) Standalone BESS at vacant lands of 2 nos.	Telangana	PGCIL
12-Dec-25	Setting up of 250 MW 500 MWh STU connected standalone BESS	Kerala	PGCIL
18-Nov-25	**Setting up of 1,000 MW/ 2,000 MWh (BESS)**	Andhra Pradesh	PGCIL
	225 MW/450 MWh BESS at Hindupur		
	275 MW/550 MWh BESS at Talaricheruvu		
	150 MW/300 MWh BESS at Kalikiri		
	225 MW/450 MWh BESS at Pampanuruthanda		
	75 MW/150 MWh BESS at Maradam		
	25 MW/50 MWh BESS at Simhachalam		
	25 MW/50 MWh BESS at Gajuwaka		
18-Nov-25	Setting up of 500MW/2000 MWh Standalone Battery Energy Systems	Rajasthan	PGCIL

Source: Company, MOFSL

Exhibit 18: India awarded 5.4GW of co-located solar plus BESS and 2.2GW of standalone BESS to developers in 1HCY25

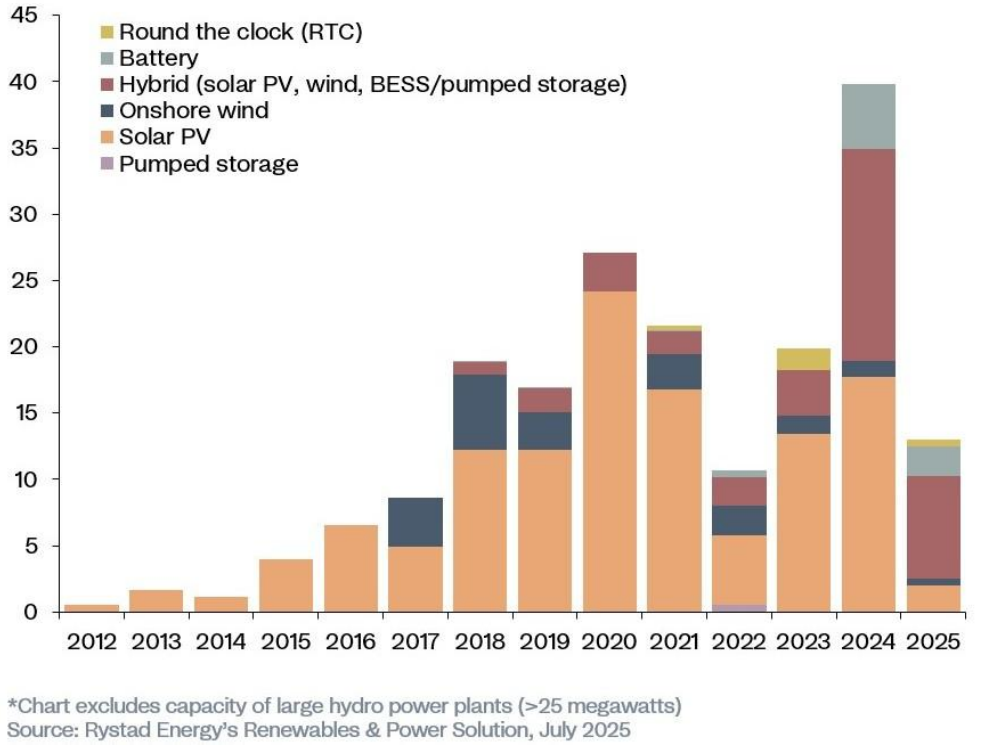
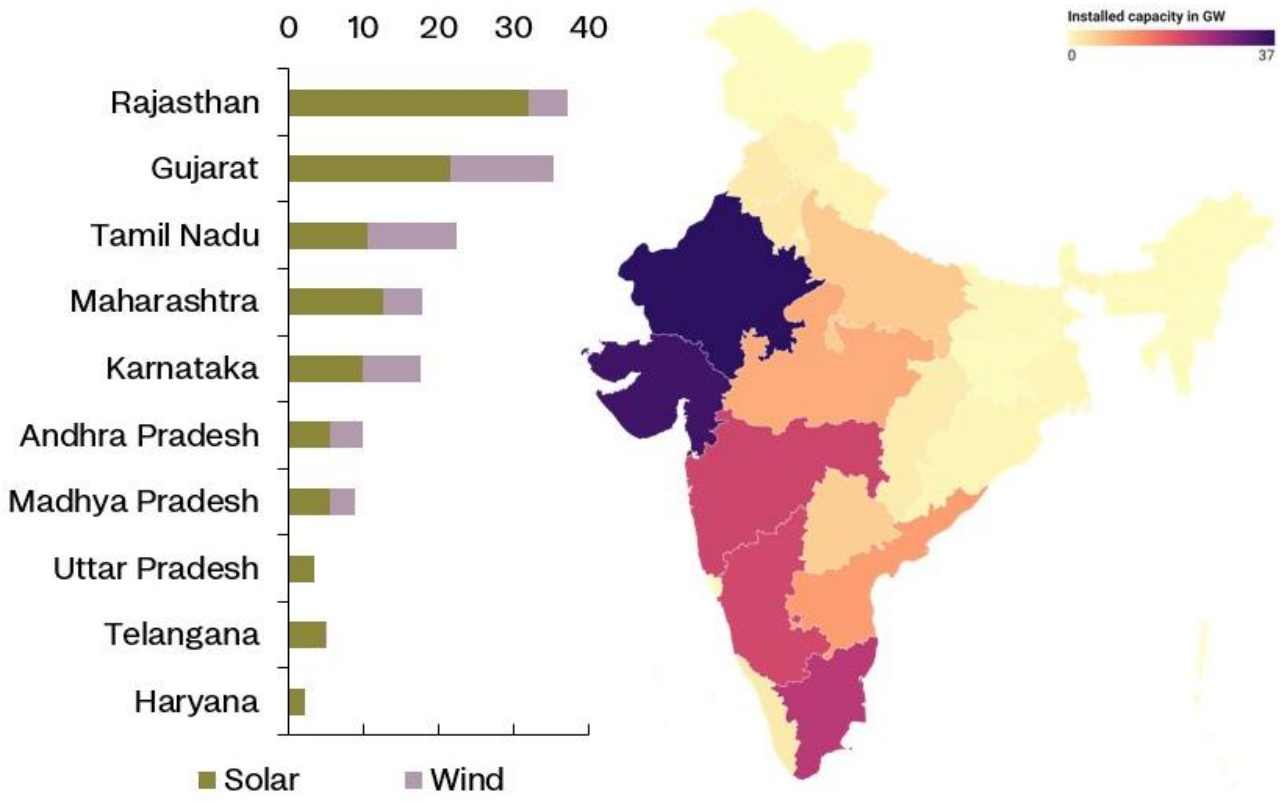


*Chart excludes capacity of large hydro power plants (>25 megawatts)
Source: Rystad Energy's Renewables & Power Solution, July 2025

Source: Rystad Energy

Exhibit 19: Indian renewable energy installations as of 1HCY25 (in GW)



Source: Rystad Energy

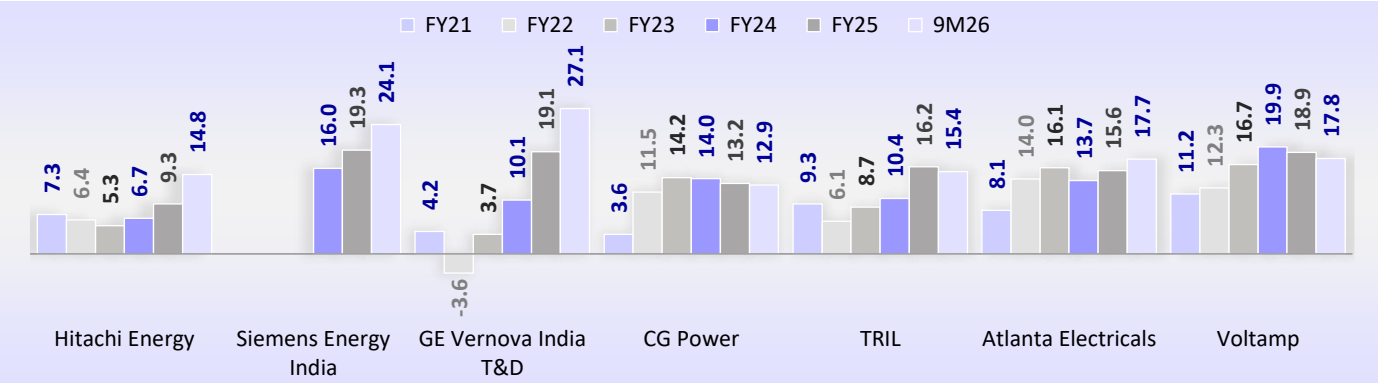
Comparison of transformer players across key metrics

Sector-wide margin improves due to higher pricing and operating leverage benefits

Sector margins have improved, driven by better pricing, higher utilization, operating leverage, and cost control, with companies confident of passing on commodity and CRGO cost increases

Gross margins have strengthened steadily for players on product pricing, while EBITDA margins across most players have improved from low-to-mid-single digits to mid-teens over the past few years. The improvement reflects both enhanced operating efficiencies and the positive impact of higher plant utilization levels. In addition, operating leverage and disciplined cost management have further supported profitability. Going ahead, companies are confident that higher commodity prices as well as higher CRGO prices will be passed on, as most have variable pricing contracts linked to the IEEMA index.

Exhibit 20: EBITDA margin profile of domestic transmission equipment players has improved sharply over the years (%)



Source: Company, MOFSL

Exhibit 21: Margins of most of the global transmission equipment players have also moved up meaningfully in past 5 years and is expected to improve further in coming years as per street estiamtes

Companies	EBITDA Margins (%)							
	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
South Korea transformer manufacturers								
HD Hyundai Electric	7.8	8.5	13.6	22.1	26.2	28.0	29.4	30.5
Hyosung Heavy Industries	6.2	6.4	8.0	8.9	13.9	16.7	19.0	19.8
LS Electric Co Ltd	8.9	8.6	10.1	11.1	11.3	12.8	14.1	14.9
ILJIN Electric Co	3.9	3.9	5.8	5.9	8.2	9.9	10.5	11.2
Sanil Electric Co Ltd	0.0	0.0	0.0	0.0	36.5	38.8	39.8	38.1
Other regions transformer								
General Electric	9.9	11.6	19.6	18.2	24.3	24.1	24.8	25.4
Siemens Energy	6.1	4.9	-5.3	-1.8	10.1	14.6	16.6	18.1
TBEA Co.	23.0	33.8	24.0	13.7	11.1	15.3	16.3	16.6
Schneider Electric SE	20.7	20.7	20.7	21.5	17.6	21.6	22.4	23.2
ABB Ltd.	15.9	16.9	18.2	18.9	20.7	22.0	21.9	22.1
Mitsubishi Electric Corp	10.5	10.4	9.6	9.8	11.1	10.9	13.5	13.8
Eaton Corp	20.2	21.0	22.3	24.2	26.2	24.3	25.3	25.7

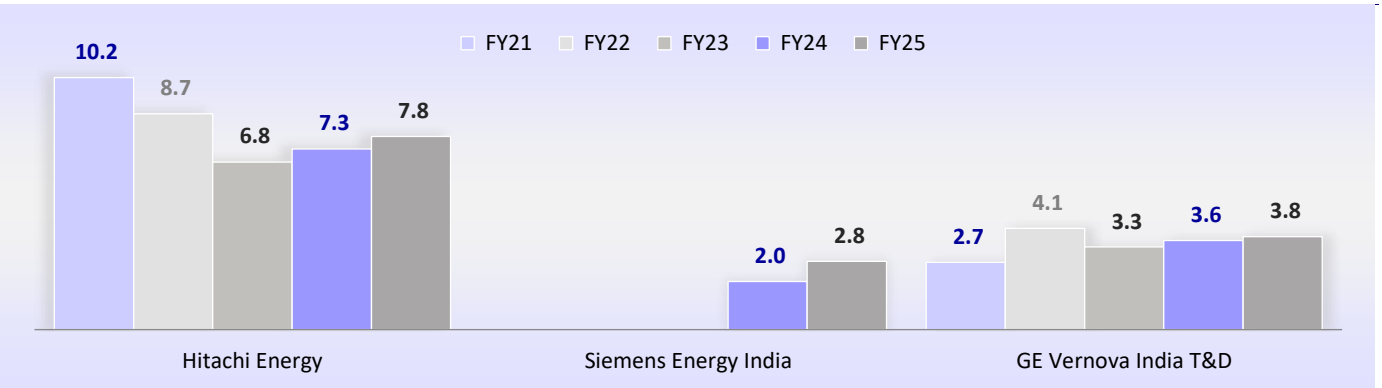
Source: Company, Bloomberg, MOFSL

Royalty and technology fees remain elevated for players like Hitachi Energy India, reflecting continued investments in technology and R&D

Royalty remained high for players like Hitachi Energy

Royalty, technology, and IT fees are paid to global (parent) players by their listed entities in India for using their technical know-how. Royalty fees paid by these companies may not be reduced because the energy ecosystem is changing radically and requires significant investments in technology, investment in R&D, innovation, etc.

Exhibit 22: Royalty and tech fees as percentage of sales paid by Indian entities to their global parent companies (%)



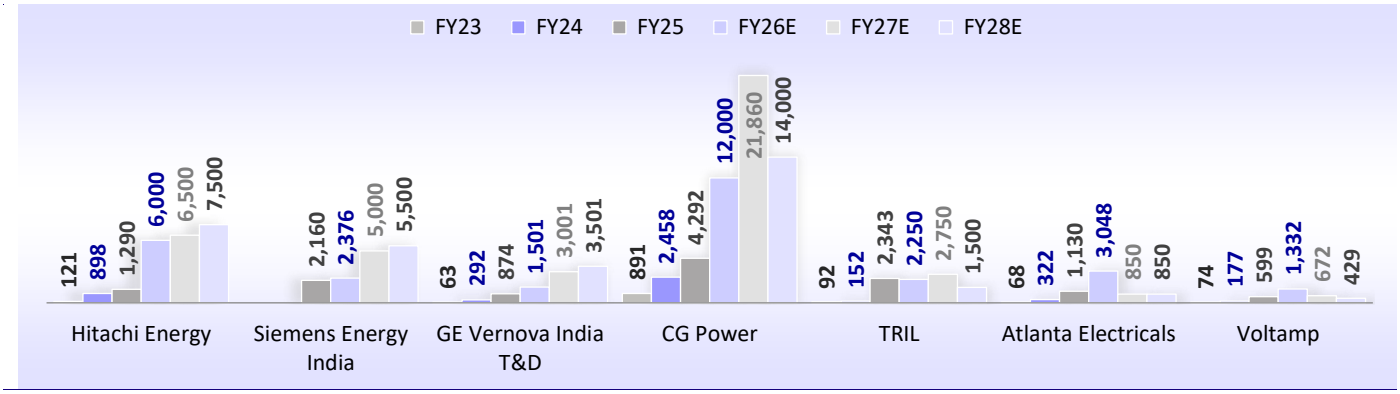
Source: Company, MOFSL

Transformer companies are expanding capacities, with many doubling capacity, pursuing backward integration, and moving into higher-kV transformers

Continuous capex lined up by most players

Transformer companies are incurring capex to expand their capacities. Most of the companies are more than doubling their capacities, taking steps toward backward integration, and also moving up the value chain by getting into the manufacturing of higher kV class transformers.

Exhibit 23: Companies are incurring capex to expand their capacities (INR m)



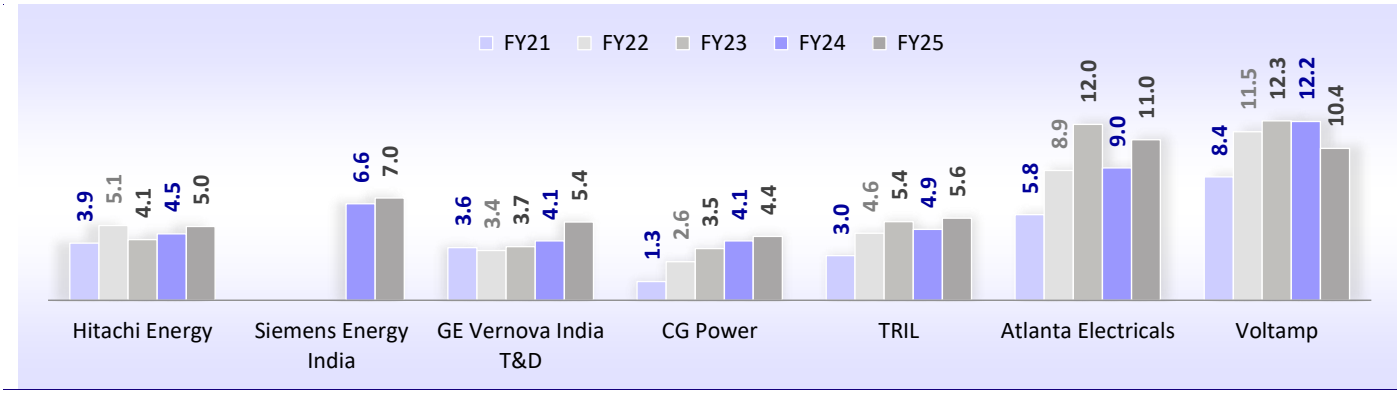
Source: Company, MOFSL

Healthy asset turnover indicate that capex across facilities can drive 5-7x incremental revenue for high-voltage players over the next 2-3 years, if demand sustains

Healthy asset turnover ratios to provide incremental revenue potential

With an asset turnover ratio of 5-7x for players operating in the 400-765kV range and 9x-10x for players operating in the 220kV and below range, we expect that capex done across facilities will add incremental revenue potential in the range of 5-7x for high-voltage players over the next 2-3 years if current demand momentum sustains.

Exhibit 24: Fixed Asset turnover trend for players operating in the 220-765kV range of transformers over FY21-25 (x)

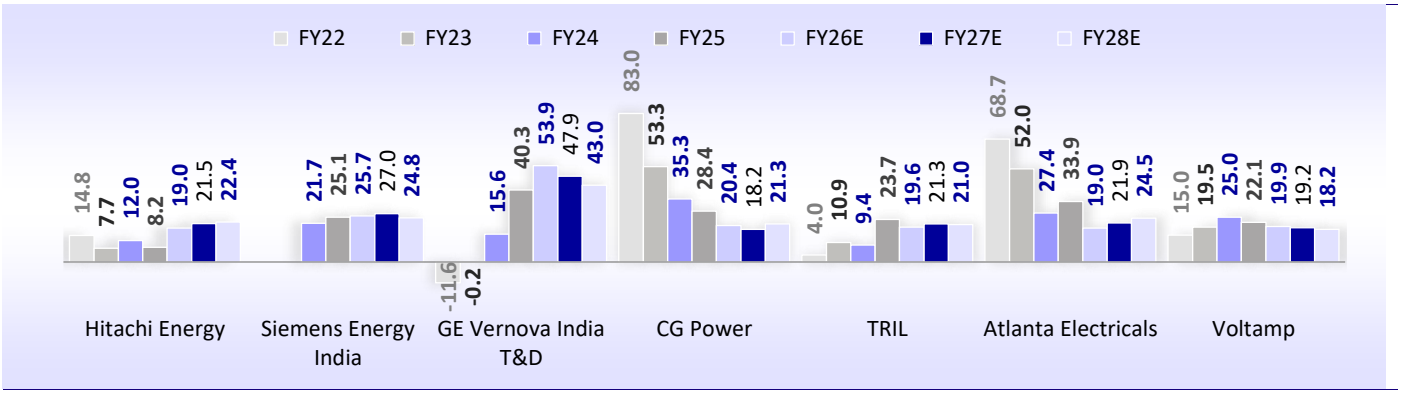


Source: Company, MOFSL

RoE and RoCE profiles have improved too, with improved margins

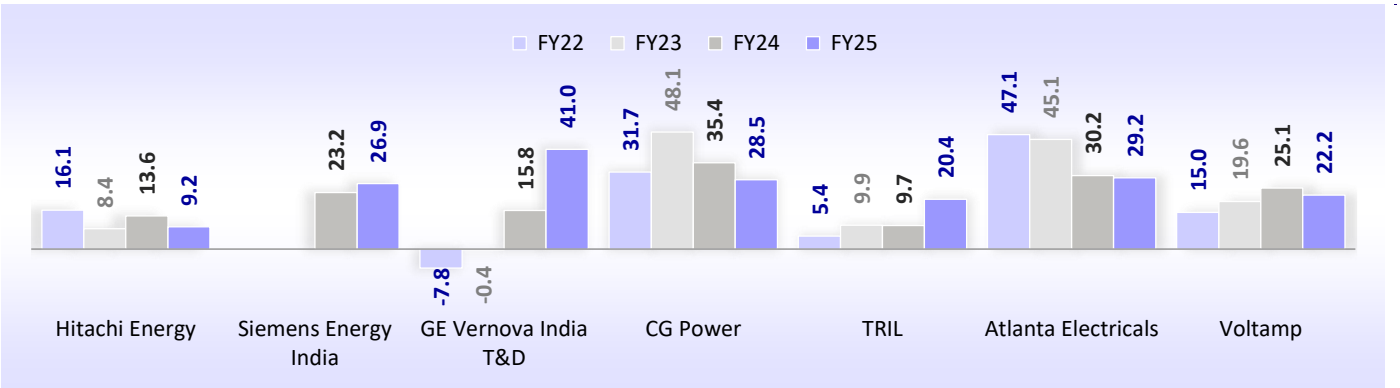
Return profiles of companies have improved in recent years and are expected to remain at healthy levels going forward supported by strong revenue growth, improving margins, and stable net working capital position.

Exhibit 25: RoE improved in line with improved profitability and we expect it to expand further (%)



Source: Company, MOFSL

Exhibit 26: RoCE also improved across players over FY22-25, and we expect it to remain strong (%)



Source: Company, MOFSL

Relative valuation matrix of transformer players

We reaffirm our positive stance on the entire T&D sector, which is experiencing multi-year tailwinds supporting growth. We believe that valuations are on the higher side but strong growth and possibility of further earning upgrades can sustain these valuations. We prefer companies benefiting from incremental capex, revenue growth, and margin improvement. **We initiate coverage on CG Power (Buy, TP: INR900), Atlanta Electricals (Buy, TP: INR1,650), and GE Vernova T&D India (Buy, TP: INR4,750). Additionally, we reiterate our Buy rating on Siemens Energy (TP: INR3,700) and upgrade our rating on Hitachi Energy to Neutral (TP: INR27,000).**

Exhibit 27: Relative growth comparison of transmission equipment companies within our overage universe

Companies	CMP (INR)	Mcap (INR b)	Rating	Multiple (X)	TP (INR)	Upside / Downside (%)	CAGR FY25-28 (%)		
							Revenue	EBITDA	PAT
CG Power	775	1,220	BUY	SoTP	**900**	16	26	32	28
Atlanta Electricals	1,375	106	BUY	32x	**1,650**	20	39	49	50
GE Vernova T&D India	4,140	1,060	BUY	58x	**4,750**	15	34	49	50
Hitachi Energy	28,920	1,290	**Neutral**	60x	**27,000**	-7	31	65	80
Siemens Energy India*	3,019	1,075	BUY	55x	**3,700**	23	29	43	46

Source: Companies, MOFSL

Note: *For Seimens Energy India, CAGR for FY25-28 denotes CAGR for year-ends Sep'24-Sep'27

Exhibit 28: Relative valuation of Indian transmission equipment players

Companies	CMP (INR)	Mcap (INR b)	EPS (INR)			P/E (X)			ROE (%)		
			FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
CG Power	775	1,220	7.5	9.6	13.1	103.3	80.5	59.2	20.4	18.2	21.3
Atlanta Electricals	1,375	106	22.8	33.7	51.8	60.3	40.8	26.6	19.0	21.9	24.5
GE Vernova T&D	4,140	1,060	46.7	61.5	80.2	88.7	67.3	51.6	53.9	47.9	43.5
Hitachi Energy	28,920	1,290	220.0	304.5	451.1	131.4	95.0	64.1	19.0	20.9	23.7
Siemens Energy*	3,019	1,075	30.9	42.2	60.7	97.7	71.6	49.8	25.1	25.7	27.0
Voltamp#	10,139	103	355.4	405.5	481.3	28.5	25.0	21.1	20.9	20.4	20.7
TRIL#	322	97	9.1	12.2	14.5	35.6	26.4	22.2	19.6	21.3	21.0

Source: Company, Bloomberg, MOFSL

Note: *For Seimens Energy India, FY26E/FY27E/FY28E indicate data for periods Sep'25/Sep'26E/Sep'27E year-ends

# indicates Bloomberg estimates

Exhibit 29: Key financials of Indian transmission equipment players

Companies	Revenue (INR b)			CAGR	EBITDA (INR b)			CAGR	EBITDA Margin (%)			PAT (INR b)			CAGR
	FY26E	FY27E	FY28E	FY25-28	FY26E	FY27E	FY28E	FY25-28	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY25-28
CG Power	123.9	157.0	199.2	**26**	16.2	21.7	30.2	**32**	13.1	13.8	15.1	11.8	15.1	20.6	**28**
Atlanta Electricals	17.1	23.9	33.8	**39**	3.1	4.4	6.4	**49**	18.2	18.5	19.0	1.8	2.6	4.0	**50**
GE Vernova T&D	61.9	79.2	103.9	**34**	16.3	20.7	27.0	**49**	26.3	26.2	26.0	12.0	15.7	20.5	**50**
Hitachi Energy	79.8	104.3	142.1	**31**	12.4	17.9	27.0	**65**	15.6	17.2	19.0	9.8	13.6	20.1	**80**
Siemens Energy*	78.3	94.9	133.4	**29**	15.1	20.1	28.6	**43**	19.3	21.1	21.5	11.0	15.0	21.6	**46**
Voltamp#	22.0	25.2	29.6	**15**	3.9	4.6	5.4	**14**	17.8	18.1	18.2	3.6	4.1	4.9	**14**
TRIL#	25.9	35.1	44.1	**30**	4.2	5.6	7.0	**29**	16.0	15.9	15.9	2.8	3.5	4.4	**27**

Source: Company, Bloomberg, MOFSL

Note: *For Seimens Energy India, FY26E/FY27E/FY28E indicate data for periods Sep'25/Sep'26E/Sep'27E year-ends

# indicates Bloomberg estimates

Exhibit 30: Key financials of global transmission equipment players

Companies	Currency	Revenue (in b)			CAGR	EBITDA (in b)			CAGR	EBITDA Margin (%)			PAT (in b)			CAGR
		FY26E	FY27E	FY28E	FY25-28	FY26E	FY27E	FY28E	FY25-28	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY25-28
South Korea transformer manufacturers																
HD Hyundai Electric	KRW	4,698	5,519	6,175	**15**	1,317	1,625	1,882	**21**	28.0	29.4	30.5	966	1,205	1,432	**25**
Hyosung Heavy Industries	KRW	6,969	8,105	8,923	**14**	1,164	1,540	1,768	**29**	16.7	19.0	19.8	790	1,079	1,259	**34**
LS Electric Co Ltd	KRW	6,011	7,008	8,103	**18**	770	989	1,209	**29**	12.8	14.1	14.9	450	610	749	**38**
ILJIN Electric Co	KRW	2,238	2,434	2943	**13**	221	254	330	**25**	9.9	10.5	11.2	145	174	230	**30**
Sanil Electric Co Ltd	KRW	665	807	814	**17**	258	321	310	**19**	38.8	39.8	38.1	198	256	256	**20**
Other regions transformer manufacturers																
General Electric	USD	48	53	58	**11**	12	13	15	**13**	24.1	24.8	25.4	8	9	10	**14**
Siemens Energy	EUR	44	49	56	**12**	6	8	10	**37**	14.6	16.6	18.1	3	5	6	**63**
Tbear Co.	CNY	101	112	126	**9**	15	18	21	**25**	15.3	16.3	16.6	7	8	10	**34**
Schneider Electric SE	EUR	43	47	51	**8**	9	10	12	**19**	21.6	22.4	23.2	6	6	7	**15**
ABB Ltd.	USD	37	39	42	**8**	8	9	9	**10**	22.0	21.9	22.1	6	6	6	**11**
Mitsubishi Electric Corp	JPY	5,754	6,016	6,280	**4**	628	810	866	**12**	10.9	13.5	13.8	363	468	519	**17**
Eaton Corp	USD	31	34	37	**11**	7	8	10	**10**	24.3	25.3	25.7	5	6	7	**13**

Source: Company, Bloomberg, MOFSL

Exhibit 31: Global transmission equipment companies are currently trading at a two-year forward P/E of 20x-40x

Companies	Mcap	P/E (X)			ROE (%)		
	(USD b)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
South Korea transformer manufacturers							
HD Hyundai Electric	27	40.6	32.5	27.4	40.9	38.3	31.1
Hyosung Heavy Industries	19	35.1	25.7	22.1	29.0	30.7	28.3
LS Electric Co Ltd	19	62.0	46.0	37.2	20.4	22.9	23.7
ILJIN Electric Co	3	28.3	23.7	17.9	22.1	21.7	24.2
Sanil Electric Co Ltd	4	30.0	23.6	23.6	33.6	29.4	23.8
Other regions transformer manufacturers							
General Electric	320	40.8	35.4	31.0	43.9	48.1	50.8
Siemens Energy (Global)	175	43.3	30.9	23.9	30.8	35.6	39.0
TBEA Co.	20	20.9	17.5	14.1	9.5	10.2	11.7
Schneider Electric SE	186	28.6	24.6	21.4	21.2	21.9	22.2
ABB Ltd.	178	24.3	23.5	21.2	31.4	28.5	27.1
Mitsubishi Electric Corp	76	33.3	25.3	22.5	9.0	11.0	11.6
Eaton Corp	157	30.6	26.5	23.3	23.6	24.0	24.7

Source: Company, Bloomberg, MOFSL

Valuation of domestic transformer players

Exhibit 32: Hitachi Energy India 1Y forward P/E

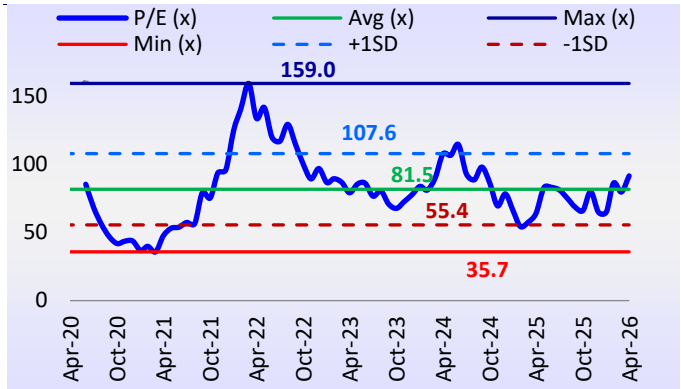


Exhibit 33: Hitachi Energy India 2Y forward P/E

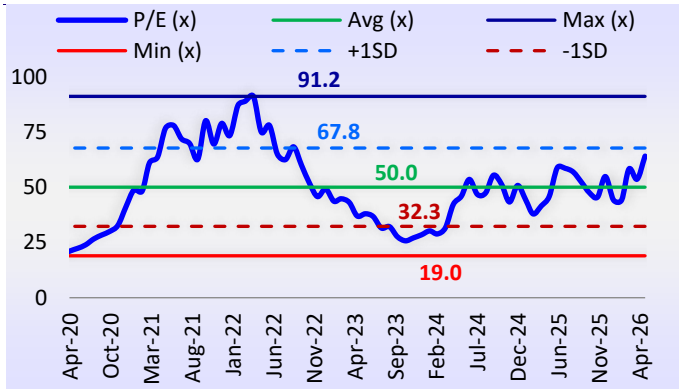


Exhibit 34: Siemens Energy India 1Y forward P/E

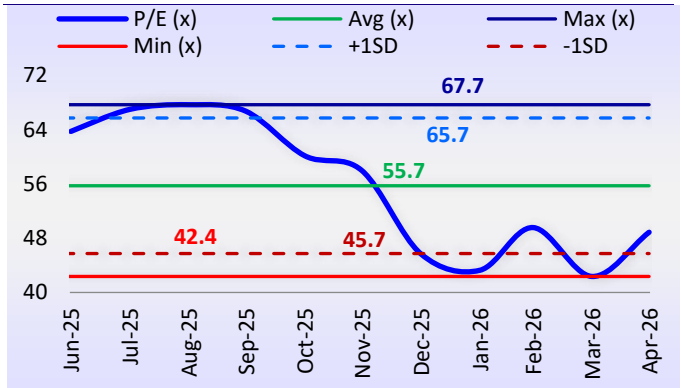


Exhibit 35: Siemens Energy India 2Y forward P/E

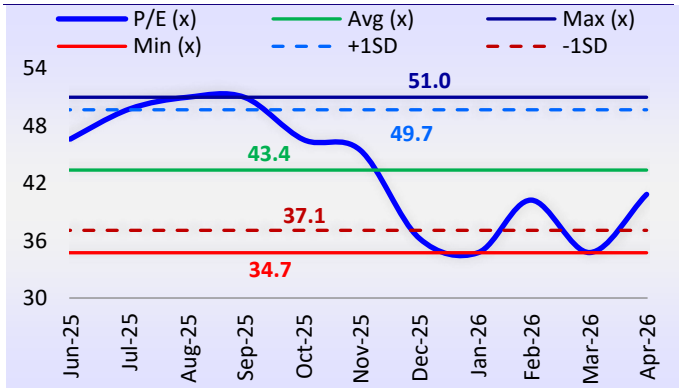


Exhibit 36: CG Power and Industrial Solutions 1Y-Fwd P/E

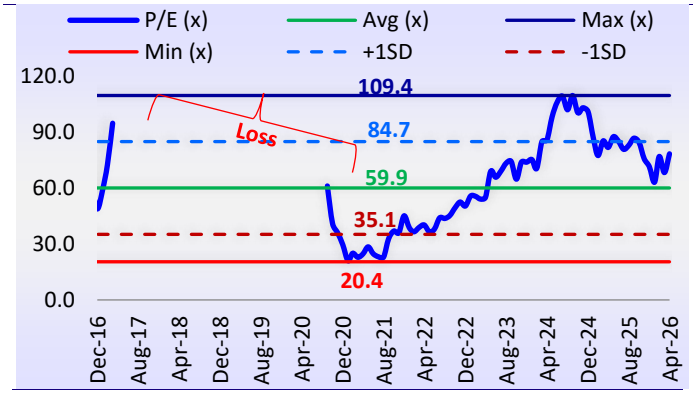


Exhibit 37: CG Power and Industrial Solutions 2Y-Fwd P/E

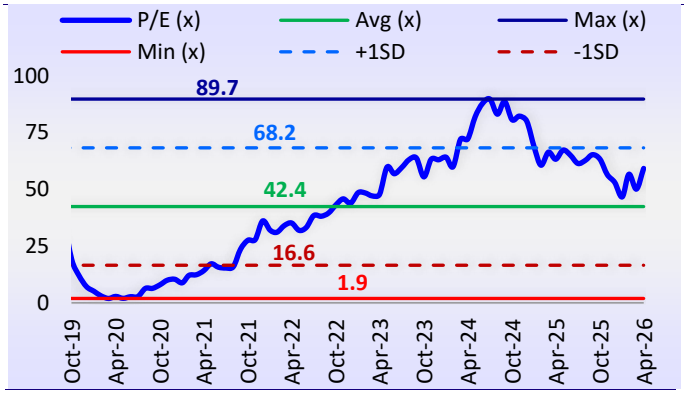
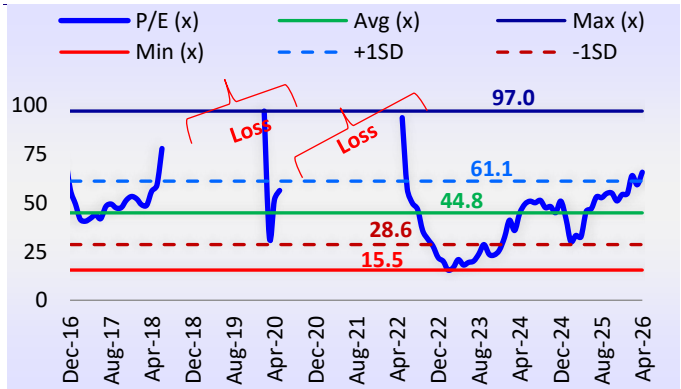
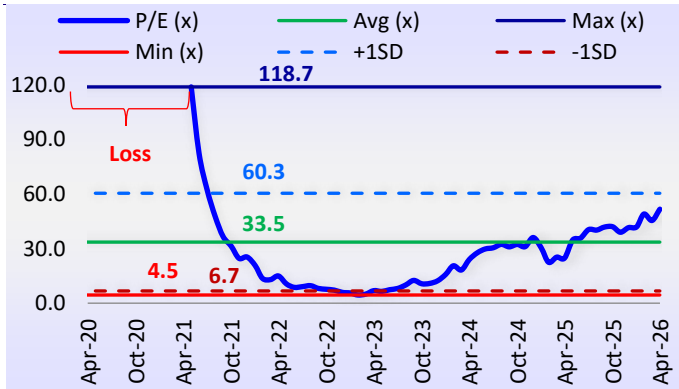


Exhibit 38: GE Vernova T&D India 1Y forward P/E



Source: Company, MOFSL

Exhibit 39: GE Vernova T&D India 2Y forward P/E



Source: Company, MOFSL

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CG Power and Industrial Solutions

BSE Sensex	S&P CNX
78,494	24,354

CG Power and Industrial Solutions Ltd.

Stock Info

Bloomberg	CGPOWER IN
Equity Shares (m)	1575
M.Cap.(INRb)/(USDb)	1220.2 / 13.1
52-Week Range (INR)	798 / 526
1, 6, 12 Rel. Per (%)	6/8/23
12M Avg Val (INR M)	2254
Free float (%)	43.6

Financials Snapshot (INR b)

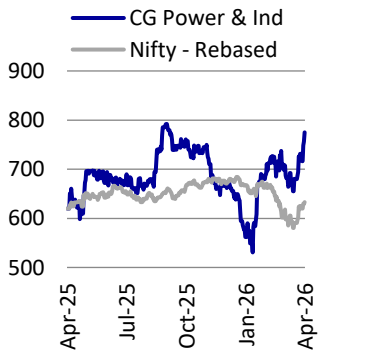
Y/E MARCH	FY26E	FY27E	FY28E
Sales	123.9	157.0	199.2
EBITDA	16.2	21.7	30.2
Adj PAT	11.8	15.1	20.6
EPS (INR)	7.5	9.6	13.1
EPS Gr. (%)	17.6	28.3	36.1
BV/Sh (INR)	49.1	56.5	66.7
Ratios			
RoE (%)	20.4	18.2	21.3
RoCE (%)	20.2	18.2	21.3
Payout (%)	22.5	22.8	21.8
Valuations			
P/E (x)	103.3	80.5	59.2
P/BV (x)	15.8	13.7	11.6
EV/EBITDA (x)	72.8	54.7	39.2
Div Yield (%)	0.2	0.3	0.4

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	56.4	56.4	58.1
DII	17.6	16.3	11.9
FII	12.0	13.0	14.3
Others	14.1	14.4	15.7

FII includes depository receipts

Stock's performance (one-year)



CMP: INR775 **TP: INR900(+16%)** **Buy**

Scaling up in high-growth areas

CG Power and Industrial Solutions (CG Power) is ideally positioned to benefit from the strong addressable market in the transmission sector with its existing as well as upcoming capacity expansion. The company is a leader in the LT motor market. CG Power is ramping up the portfolio of HT motors, and we expect the company to gain from demand recovery in the industrial segment, too, after a few quarters. It is also one of the early movers in the OSAT market and will witness revenue ramp-up once its second phase of capex for 14.5m chips per day commences from FY27. With a strong order book of INR158b as on Dec'25, we expect revenue/EBITDA/PAT CAGR of 26%/32%/28% over FY25-28. Recent increases in commodity prices, weak demand in the motors segment as well as railways, and initial costs for the OSAT business can weigh on the near-term performance. The stock currently trades at 80.5x/59.2x P/E on FY27/FY28 estimates. We initiate coverage on the stock with a BUY rating and a TP of INR900 based on SoTP methodology on Mar'28E earnings. Key risks to our thesis would come from lower-than-expected order inflows, intensified competition from domestic and Chinese players, and a surge in commodity prices.

Capex to drive the growth

To capitalize on the strong demand potential across T&D and other segments, CG Power is expanding its capacity in transformers from the current 40,000MVA to 85,000MVA by FY27/28 at an estimated capex of INR7.1b. Post this expansion, CG Power would emerge as the No. 1 player in the transformer segment. The company is also investing another INR7.5b in greenfield capacity in Western India to double the company's existing Switchgear manufacturing capacity. We expect both these facilities to enable the company to participate in domestic and export opportunities.

Power systems segment growth to remain strong

We believe power systems will continue to remain a key growth driver for CG Power over the next few years, based on a strong addressable market of INR9.2t. Order inflows and order book have grown at 46%/62% CAGR over FY22-25 for this segment, and we expect inflows to record a 27% CAGR over FY25-28. The company's new capacities can potentially add INR100b of revenues at peak utilization 2 years post commissioning. CG Power has visibility of order inflows from both the domestic and export markets for the upcoming facilities. We expect industry margins to remain strong until FY28; we bake in moderation after that as more supplies commence in the entire power transformer industry. We thus expect power systems revenue to grow at 47%/43%/30% with an EBIT margin of 21% in FY26/FY27/FY28.

The industrial segment will bounce back over time

Industrial segment performance is impacted by weak demand for LT motors as well as the railways segment. The company is continuously trying to improve the sales mix, and now the segment performance is gradually improving with 1) price hikes taken in LT motors and customized offerings in HT motors. We expect industrial segment revenue to clock 8% CAGR over FY25-28 and expect an EBIT margin of 9.3%/9.5%/10% in FY26/FY27/FY28.

Electronics to provide another leg up to revenue

CG Semi is also one of the early movers in the OSAT market and will witness revenue ramp-up once its second phase of capex for 14.5m chips per day commences from FY27. The company has already commissioned the first phase of the capacity of 0.5m chips per day. After the initial years of cost and investments, we expect EBITDA breakeven to happen from FY28 on operating leverage as the scale increases.

Margin performance would be mixed

We expect margins to remain strong in the power systems segment, driven by strong demand and price hikes. However, margins in the industrial segment are currently hit by weak demand, higher commodity prices, and low margins in the railways segment. Further, the OSAT business, in the initial years, will be in the investment phase. Hence, we do not expect it to contribute meaningfully to the profitability numbers. We thus bake in an EBITDA margin of 13.1%/13.8%/15.1% for FY26/FY27/FY28, assuming 21% EBIT margin in power systems and 9.3%/9.5%/10% EBIT margin in the industrial segment and losses in OSAT business for 2 years.

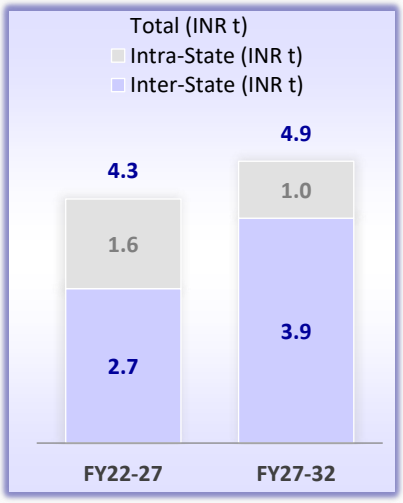
Strong cash flows, along with QIP proceeds, to sustain capex

CG Power generated an OCF of ~INR10b annually over FY23-25 and raised ~INR30b through QIP to fund capex and any strategic acquisitions. We expect the company to generate an cumulative OCF of INR52b over FY26-28 and expect capex of INR48b over the same period for capacity expansion across transformers, switchgear, motors, and OSAT business. We thus expect a cumulative FCF of INR4b over FY26-28. We expect the recent fund raise of INR30b via QIP to also help meet requirements.

Aiming to grow exports from the new plant

The export share is gradually increasing for CG Power. Exports contributed ~5% of CG Power's revenue in FY25 and the company aims to take it to 20% of sales over the next few years. It serves more than 50 countries across Europe, the Middle East, Africa, the Americas, and Southeast Asia with motors, transformers, switchgear, and railway products. With the ongoing capex for transformers, CG Power aims to increase transformer exports.

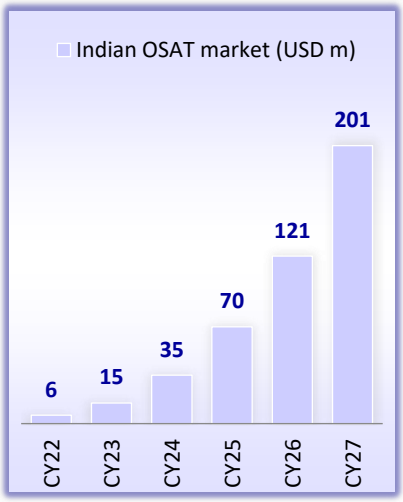
INR9.2t transmission capex anticipated in India between FY22 and FY32



Strong management team driving strategic decisions

Under the leadership of Vellayan Subbiah as Chairman and Amar Kaul as Managing Director & CEO, the current management team at CG Power & Industrial Solutions is focused on driving sustainable business growth supported by strong execution. Since the time the company was taken over by the Muruguppa group, revenue has grown at 14% CAGR over FY20-25, while PAT improved from a loss of INR3.6b in FY20 to a profit of INR9.7b in FY25, reflecting a strong turnaround in profitability. Mr. Amar Kaul, with over 30 years of industrial and engineering leadership experience, is driving the expansion across key segments like transformers, motors, and semiconductors, along with exploring new markets.

Exhibit 1: Trend in Indian OSAT market (USD m)



Valuations look higher on account of losses in the OSAT business

The stock is currently trading at 80.5x/59.2x P/E on FY27/28E earnings. We believe that with current capex, over the next two years, CG will emerge as a leading player in the transformer market and will also see full commissioning of the OSAT facility, both providing a strong uptick to growth. We bake in 26%/32%/28% CAGR in revenue/EBITDA/PAT over FY25-28 and ascribe a TP of INR900 based on SoTP methodology on Mar'28 estimates. We ascribe 58x multiple for power systems business which bakes in the upcoming large capacity in power systems segment and also some discount to MNC players. We ascribe 55x multiple to industrial systems which is at 10% discount to ABB and we ascribe value to OSAT business via DCF to capture the benefits which will start accruing from FY28 onwards.

Key risks and concerns

Key risks would include: 1) a slowdown in T&D capex, 2) an increase in commodity prices, 3) weak motor demand, and 4) limited OSAT experience.

SoTP based valuation of CG Power based on Mar'28 estimates

Segment	PAT (INR m)	Valuation multiple (x)	Valuation (INR b)	Per share (Rs)	Rationale
Power systems	15,299	58	893	567	❖ At slight discount to MNC players expanding transformer capacities
Industrial systems	6,780	55	373	237	❖ At 10% discount to ABB which is into premium motors
CG Semi - OSAT			109	69	❖ Based on DCF
Total			**1,375**	**900**	

Source: MOFSL

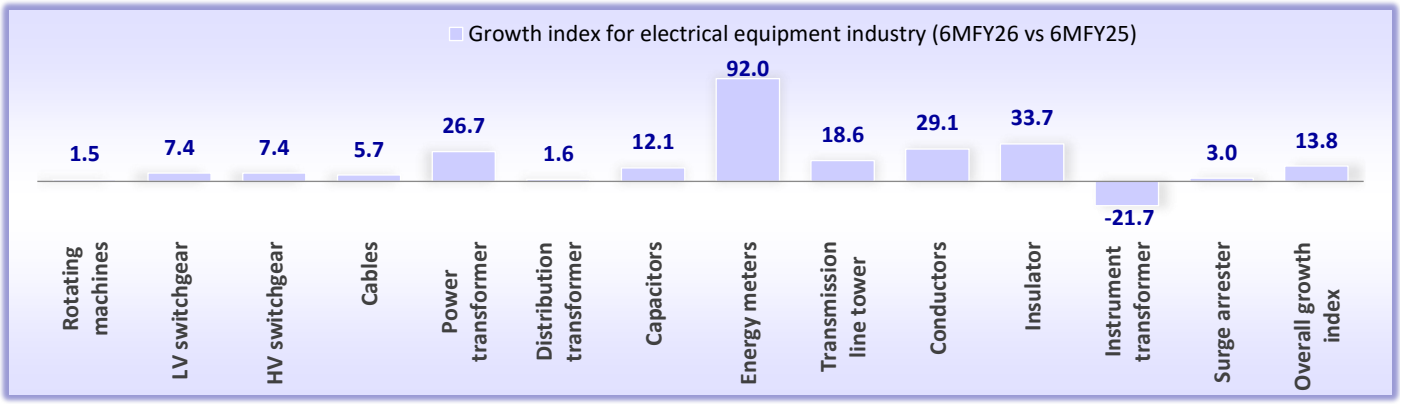
STORY IN CHARTS

Transmission lines and substation capacity addition by 2031-32

Transmission System Type / Voltage Class	Unit	At the end of 2021-22 (31.03.2022)	Likely addition during 2022-27	Likely at the end of 2026-27 (31.03.2027)	Likely addition during 2027-32	Likely at the end of 2031-32 (31.03.2032)
Transmission lines						
HVDC (± 320 kV/ 500 kV/800 kV Bipole)	ckm	19,375	80	19,455	15,432	34,887
765 kV	ckm	51,023	36,558	87,581	27,138	1,14,719
400 kV	ckm	1,93,978	34,618	2,28,596	20,989	2,49,585
230/220 kV	ckm	1,92,340	43,431	2,35,771	13,228	2,48,999
Total Transmission lines	**ckm**	**4,56,716**	**1,14,687**	**5,71,403**	**76,787**	**6,48,190**
Sub-stations						
765 kV	MVA	2,57,200	3,43,500	6,00,700	3,19,500	9,20,200
400 kV	MVA	3,93,113	2,84,970	6,78,083	1,35,745	8,13,828
230/220 kV	MVA	4,20,637	1,47,860	5,68,497	42,610	6,11,107
Total Substations	**MVA**	**10,70,950**	**7,76,330**	**18,47,280**	**4,97,855**	**23,45,135**
HVDC						
Bi-pole link capacity	MW	30,500	1,000	31,500	32,250	63,750
Back-to-back capacity	MW	3,000	0	3,000	0	3,000
Total HVDC	**MW**	**33,500**	**1,000**	**34,500**	**32,250**	**66,750**

Source: NEP, MOFSL

Broad-based growth in the electrical equipment industry (6MFY26 vs. 6MFY25)



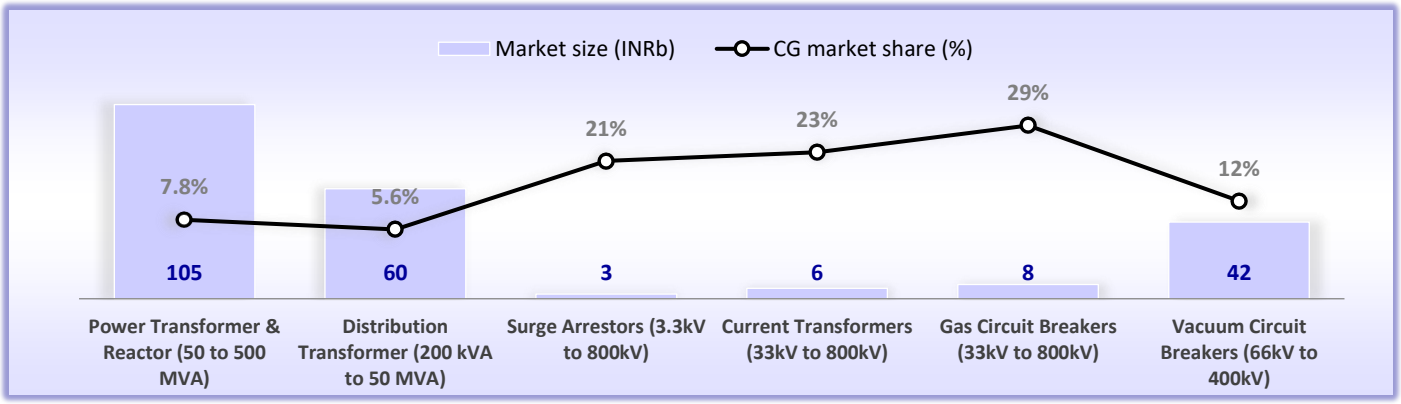
Source: IEEMA, MOFSL

Strong momentum in power transformers and switchgear; growth trajectory improving

Product	1QFY25 vs. 1QFY24	2QFY25 vs. 2QFY24	3QFY25 vs. 3QFY24	4QFY25 vs. 4QFY24	1QFY26 vs. 1QFY25	2QFY26 vs. 2QFY25
Rotating machines	10.1	17.9	10.0	5.6	3.4	0.1
LV switchgear	15.9	5.4	23.2	15.6	7.6	7.3
HV switchgear	**36.8**	**27.8**	**26.8**	**-0.3**	**30.6**	**38.2**
Cables	14.2	6.9	11.6	-1.2	4.6	7.3
Power transformers	**53.8**	**23.6**	**38.0**	**32.9**	**21.6**	**27.8**
Dist transformers	33.3	14.7	10.5	17.6	-5.6	8.9
Capacitors	-7.5	11.3	-9.5	3.0	8.1	15.6
Energy meters	13.1	1.6	22.1	44.6	88.3	96.7
Transmission lines	34.3	31.5	6.6	3.7	18.1	19.4
Conductors	5.1	-11.0	9.2	11.4	21.2	41.6
Insulators	27.6	12.0	2.9	10.9	21.2	58.6
Electrical equipment growth index	**21.6**	**12.7**	**16.7**	**10.2**	**11.7**	**16.4**

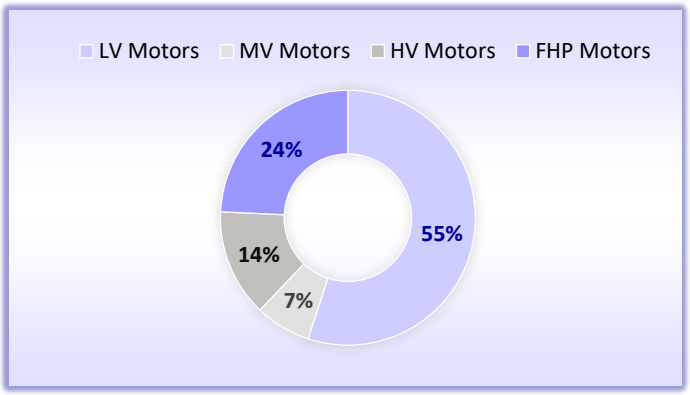
Source: IEEMA, MOFSL

Market size of CG Power's domestic offerings and market share (market size/share) as of Sep'24



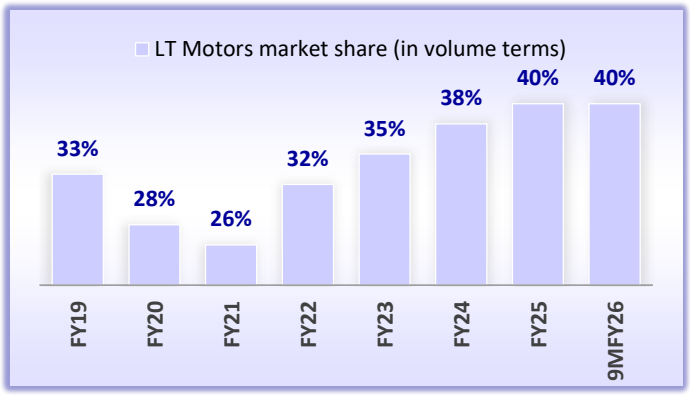
Source: IEEMA, MOFSL

LV motors contribute ~55% of India's overall motor market as of CY25



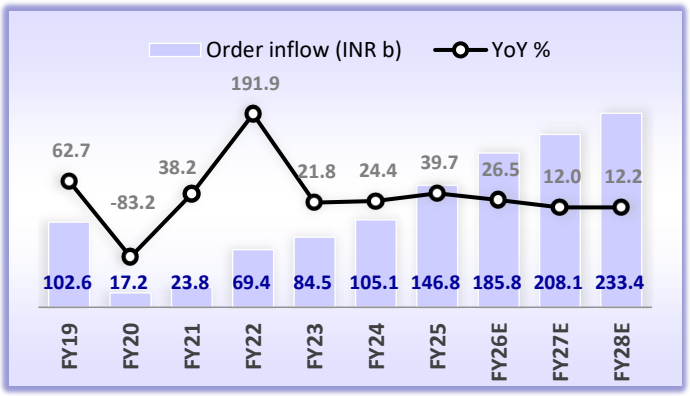
Source: CareEdge Research, MOFSL

CG's LT motor market share has recovered steadily from its FY21 low

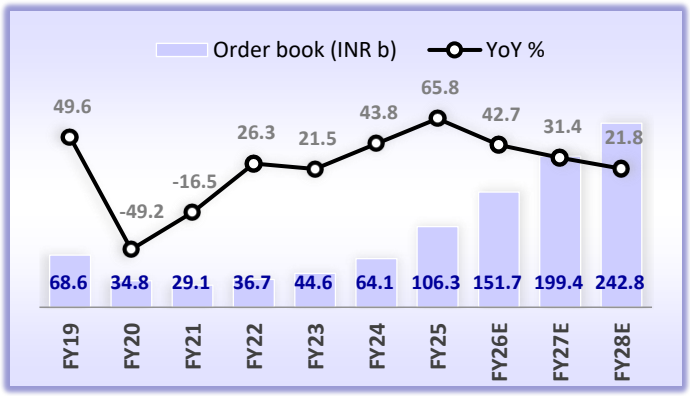


Source: Company, MOFSL

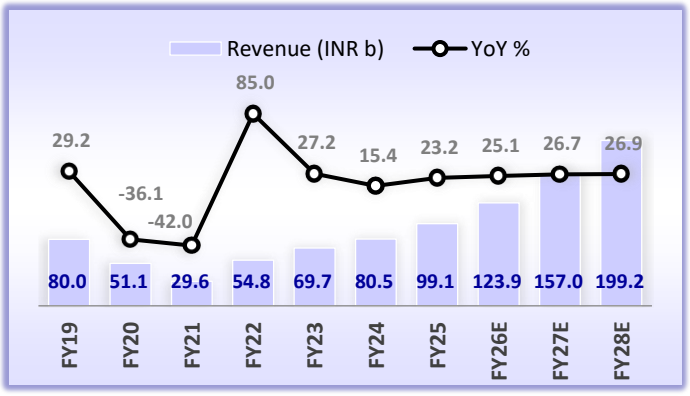
Order inflow to clock a CAGR of 17% over FY25-28E



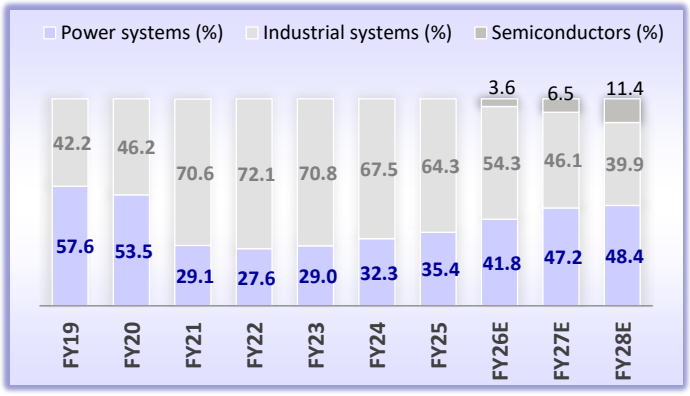
Order book to clock a CAGR of 32% over FY25-28E



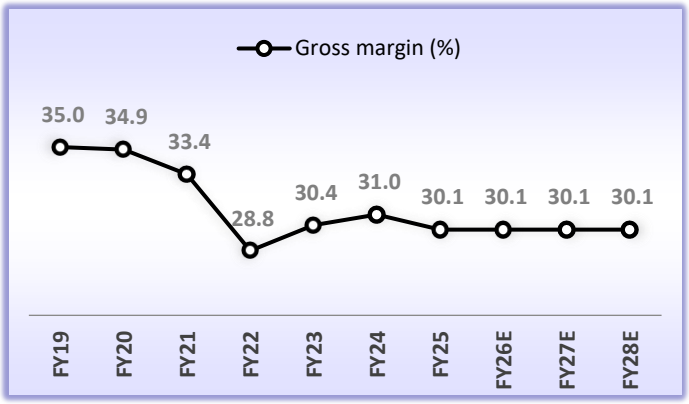
We expect revenue to clock a CAGR of 26% over FY25-28E



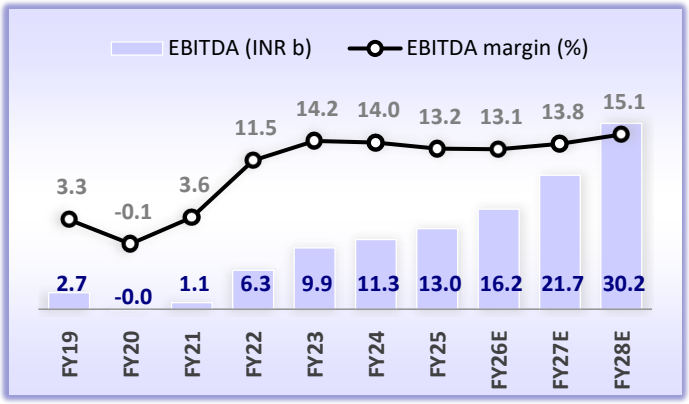
Share of power systems likely to grow beyond FY25



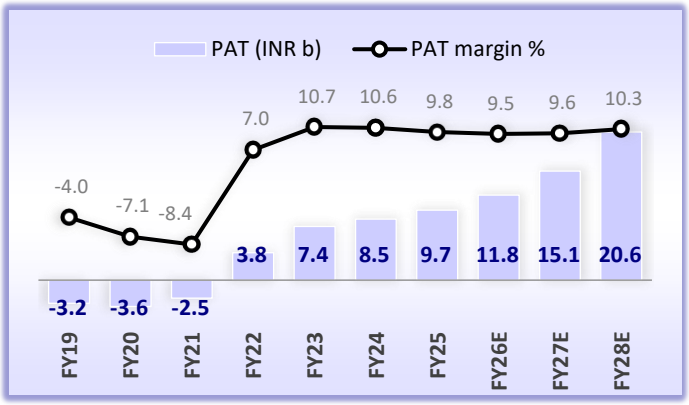
Gross margin to remain at healthy levels on better pricing in power systems



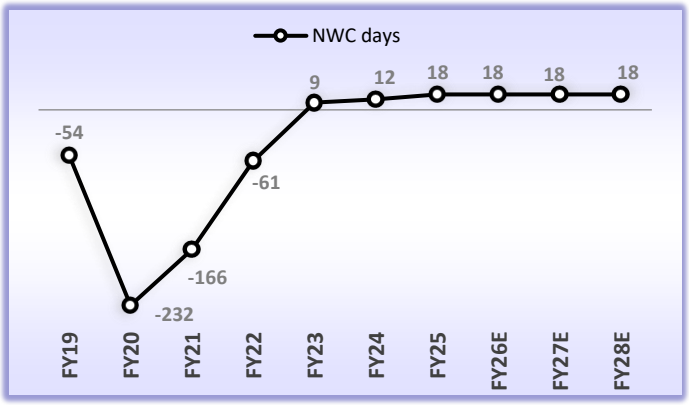
Gradual improvement in margins led by better revenue mix and reduction in OSAT losses after FY27



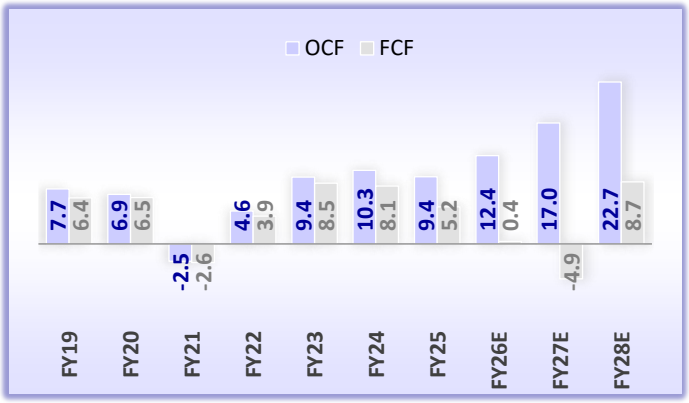
We expect PAT to clock a CAGR of 28% over FY25-28E



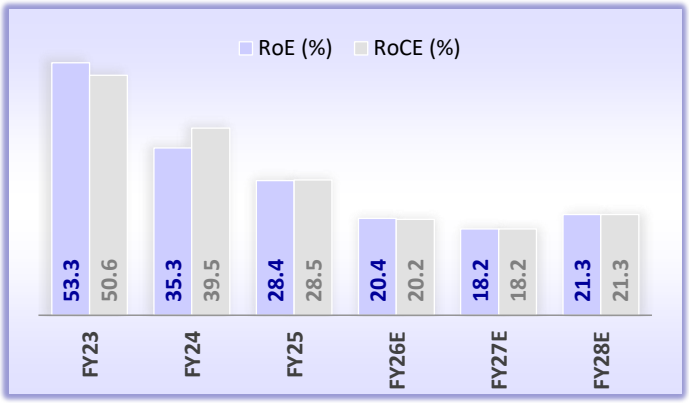
We expect working capital cycle to be at comfortable levels



We expect OCF and FCF to improve beyond FY27 (INR b)



RoE and RoCE to remain comfortable at 21% by FY28



Power systems – Benefitting from strong demand

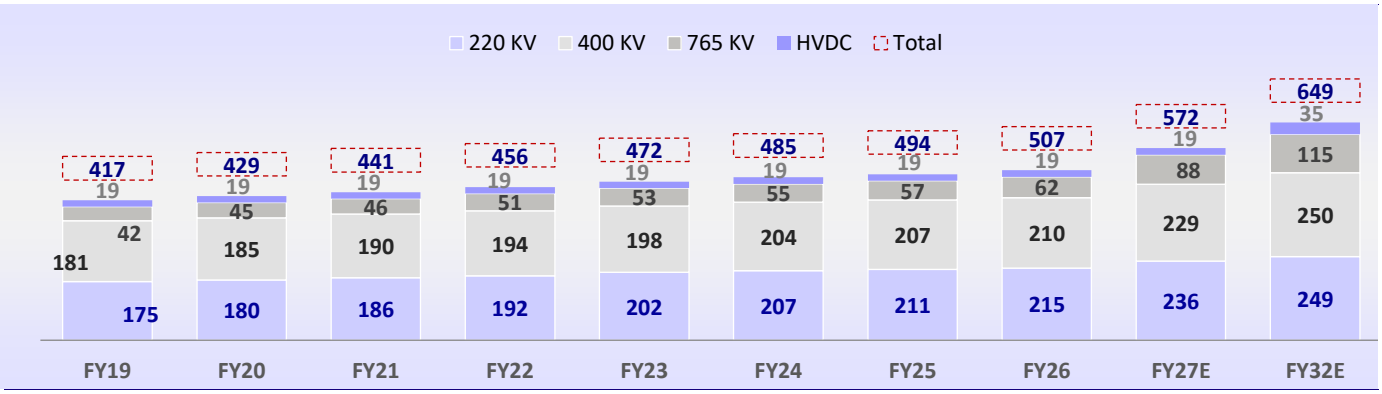
India's transmission sector has been witnessing continued capex over the last few years, driven by planned capacity addition across renewable and thermal power. With an estimated spend of INR9t over FY22-32 on transmission lines, substations, and reactive compensation systems for renewable energy into the grid, we expect continued growth momentum over the next few years for ordering. This targeted capex is expected to result in 17% CAGR for substation capacity in the 400kv range and 38% CAGR in the 765kv range over FY25-27. The strong growth across these ranges and limited capacity addition over the past few years has created a demand-supply mismatch, resulting in higher prices across product ranges for 400kv and 765kv transformers. Within this, players have already announced capex for expanding across high voltage ranges, and CG Power is one of them to take its capacity from 20,000 MVA in FY25 to 85,000MVA by FY28.

Exhibit 40: According to CEA, a capex of INR9.2t would be undertaken until FY32 on enhancing the network of transmission lines and substation capacity addition

Transmission System Type / Voltage Class	Unit	At the end of 21-22 (31.03.2022)	Likely addition during 22-27	Likely at the end of 26-27 (31.03.2027)	Likely addition during 27-32	Likely at the end of 31-32 (31.03.2032)
Transmission lines						
HVDC (± 320 kV/ 500 kV/800 kV Bipole)	Ckm	19,375	80	19,455	15,432	34,887
765 kV	Ckm	51,023	36,558	87,581	27,138	1,14,719
400 kV	Ckm	1,93,978	34,618	2,28,596	20,989	2,49,585
230/220 kV	Ckm	1,92,340	43,431	2,35,771	13,228	2,48,999
Total Transmission lines	**Ckm**	**4,56,716**	**1,14,687**	**5,71,403**	**76,787**	**6,48,190**
Sub-stations						
765 kV	MVA	2,57,200	3,43,500	6,00,700	3,19,500	9,20,200
400 kV	MVA	3,93,113	2,84,970	6,78,083	1,35,745	8,13,828
230/220 kV	MVA	4,20,637	1,47,860	5,68,497	42,610	6,11,107
Total Substations	**MVA**	**10,70,950**	**7,76,330**	**18,47,280**	**4,97,855**	**23,45,135**
HVDC						
Bi-pole link capacity	MW	30,500	1,000	31,500	32,250	63,750
Back-to-back capacity	MW	3,000	0	3,000	0	3,000
Total HVDC	**MW**	**33,500**	**1,000**	**34,500**	**32,250**	**66,750**

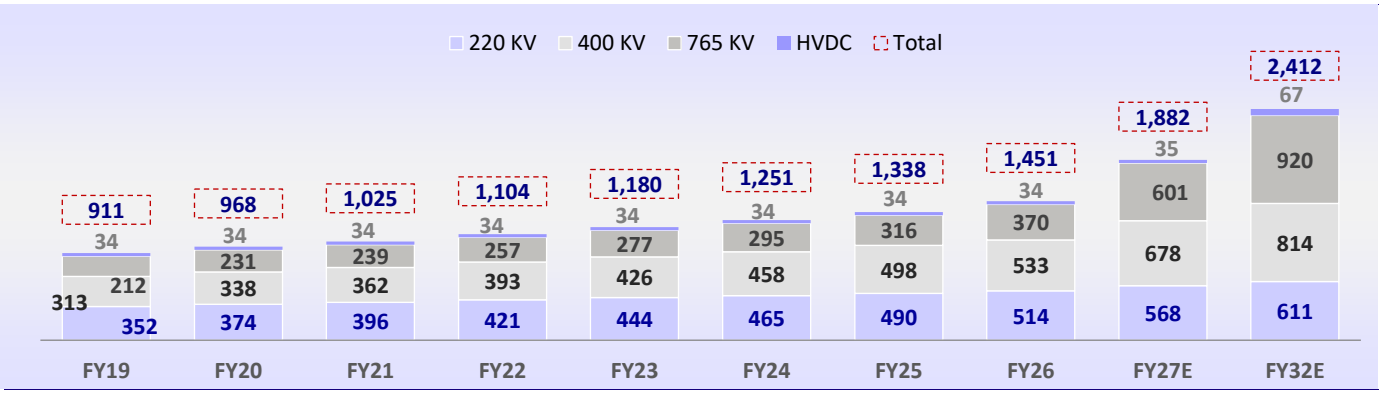
Source: NEP, MOFSL

Exhibit 41: Transmission line network (220kV & above) to grow at ~4% CAGR over FY26-FY32 ('000ckm)



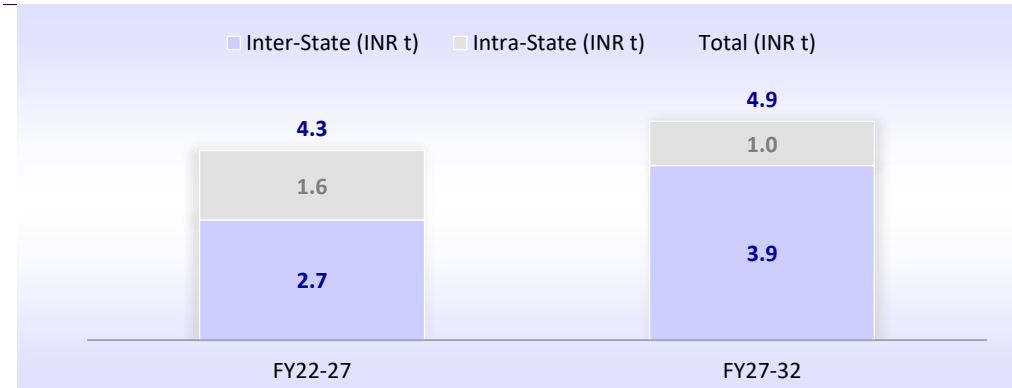
Source: CEA, MOFSL

Exhibit 42: Transformation capacity (220kV & above) to grow at 9% CAGR over FY26-FY32 (in GVA)



Source: CEA, MOFSL

Exhibit 43: INR9.2t transmission capex anticipated in India between FY22 and FY32 potentially translating into an ordering of INR1t per year



Source: CEA, MOFSL

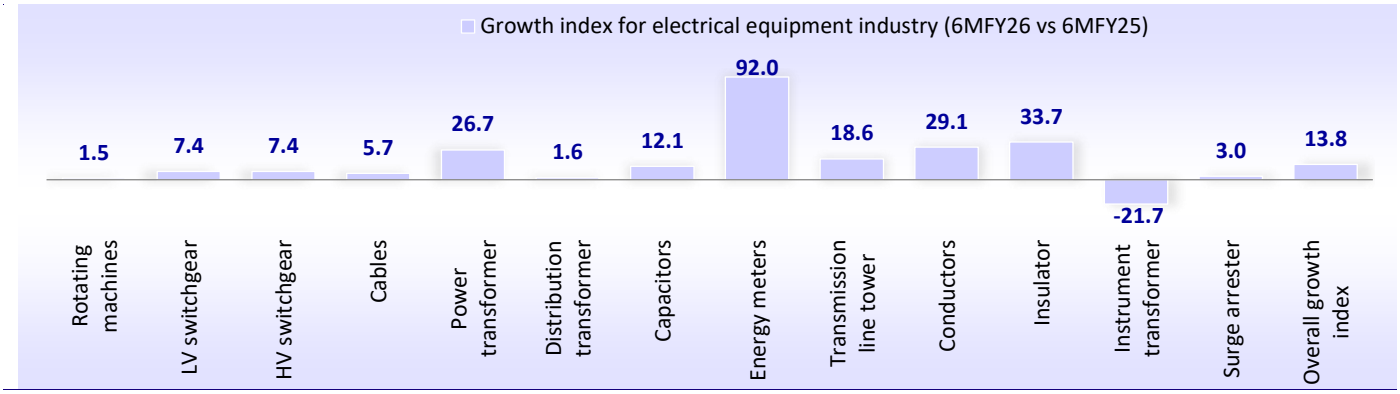
The large planned expansion in transmission lines and substation capacity is translating into stronger demand for electrical equipment. IEEMA data indicates a strong 14% YoY growth in the electrical equipment industry during 6MFY26 vs 6MFY25, driven by continued strength in power transformers (+27%) and switchgears (+7%). The rise in transformer demand reflects higher investments in grid expansion, renewable integration, and industrial electrification, while rising switchgear volumes reflect increasing adoption of smart and energy-efficient systems.

Exhibit 44: Capex on transmission is driving growth in the electrical equipment industry across sub-segments in the last few years

Product	1QFY25 vs. 1QFY24	2QFY25 vs. 2QFY24	3QFY25 vs. 3QFY24	4QFY25 vs. 4QFY24	1QFY26 vs. 1QFY25	2QFY26 vs. 2QFY25
Rotating machines	10.1	17.9	10.0	5.6	3.4	0.1
LV switchgear	15.9	5.4	23.2	15.6	7.6	7.3
HV switchgear	**36.8**	**27.8**	**26.8**	**-0.3**	**30.6**	**38.2**
Cables	14.2	6.9	11.6	-1.2	4.6	7.3
Power transformers	**53.8**	**23.6**	**38.0**	**32.9**	**21.6**	**27.8**
Dist transformers	33.3	14.7	10.5	17.6	-5.6	8.9
Capacitors	-7.5	11.3	-9.5	3.0	8.1	15.6
Energy meters	13.1	1.6	22.1	44.6	88.3	96.7
Transmission lines	34.3	31.5	6.6	3.7	18.1	19.4
Conductors	5.1	-11.0	9.2	11.4	21.2	41.6
Insulators	27.6	12.0	2.9	10.9	21.2	58.6
Electrical equipment growth index	**21.6**	**12.7**	**16.7**	**10.2**	**11.7**	**16.4**

Source: IEEMA, MOFSL

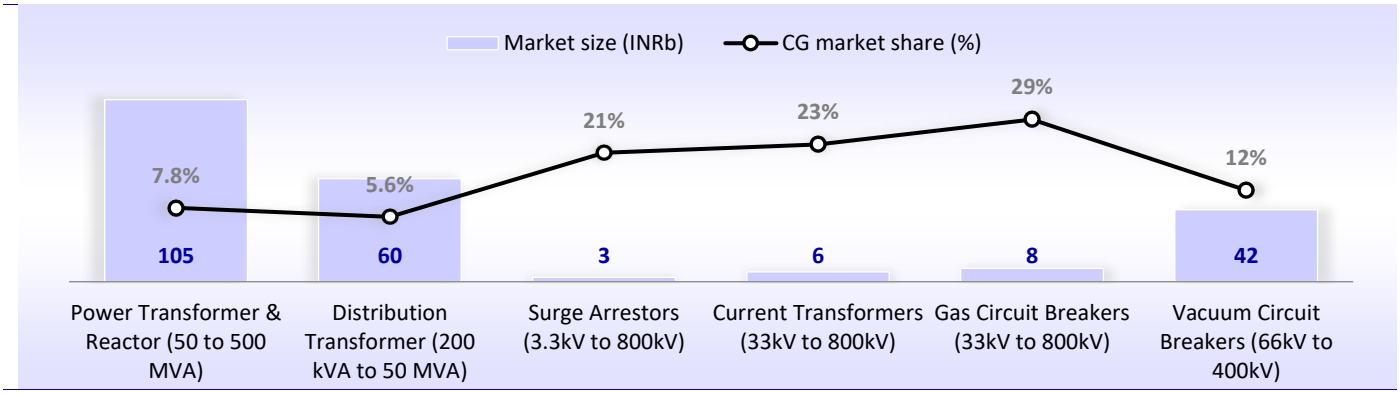
Exhibit 45: Broad-based growth in the electrical equipment industry (6MFY26 vs. 6MFY25)



Source: IEEMA, MOFSL

In this improving market environment, CG Power stands to benefit**,** supported by its presence in key categories such as power transformers (7.8% share), distribution transformers (5.6% share), and a wide range of switchgear products. With strong industry tailwinds, a broad product portfolio, and upcoming capacity additions, CG Power is well placed to capture higher orders as the transmission and distribution network continues to expand.

Exhibit 46: Market size of CG Power's domestic offerings and share (market size/share as of Sep'24)



Source: Company, MOFSL

CG Power is adding capacity in transformers and switchgears

The company is doubling the capacity in power transformers from 40,000MVA currently to 85,000MVA by FY28 at a planned capex of INR7.1b. Following this expansion, CG Power would emerge as the No.1 player in the transformer segment. In the switchgears, management is investing INR1.6b in automation and line modernization to enhance efficiency and meet growing demand for smart and energy-efficient products. In addition, the recently announced INR7.5b greenfield capacity at Western India will double the company's existing switchgear manufacturing capacity. Its capacity utilization across transformers and switchgears surged over FY23-25, reflecting strong demand recovery and better operational efficiency. With most units now operating near optimal capacity, CG's planned expansions will create headroom to capture future growth opportunities in the domestic and export markets.

Exhibit 47: Capacity utilization trends in the transformer and switchgear businesses

Products	FY23				FY24				FY25			
	Installed Capacity	Available Capacity	Actual Prodn.	Capacity Util. (%)	Installed Capacity	Available Capacity	Actual Pron.	Capacity Util. (%)	Installed Capacity	Available Capacity	Actual Prodn.	Capacity Util. (%)
Transformer Business												
Distribution Transformer (MVA)	5,760	5,557	3,853	69.0	5,760	5,593	4,732	85.0	6,772	6,531	5,881	90.0
Power Transformer (MVA)	18,000	12,000	8,855	74.0	14,701	14,701	14,841	101.0	19,500	19,500	19,475	99.8
Switchgear Business												
S1 - Instrument Transformer	3,265	3,265	2,739	84.0	3,283	3,283	2,758	84.0	3,860	3,860	3,766	97.6
S2 - MV Switchgear	6,890	6,890	6,359	92.0	7,019	7,019	6,864	98.0	7,872	7,872	7,745	98.4
S3 - GAS Circuit Breakers	6,312	6,312	3,595	57.0	6,312	6,312	4,011	64.0	6,807	6,807	5,264	77.3
GIS - HV Gas Insulated Switchgear	132	132	118	89.0	189	189	144	76.0	195	195	179	91.8
S4 - Surge Arrestor	12,916	12,916	11,682	90.0	13,446	13,446	12,022	89.0	14,660	14,660	13,309	90.8
S6 - Vacuum Interrupters	1,56,360	1,56,360	96,005	61.0	1,56,360	1,56,360	1,21,354	78.0	1,56,360	1,56,360	1,32,339	84.6
Total Switchgears	**1,85,875**	**1,85,875**	**1,20,498**	**65.0**	**1,86,609**	**1,86,609**	**1,47,153**	**79.0**	**1,89,754**	**1,89,754**	**1,62,602**	**85.7**

Source: Company, MOFSL

Exhibit 48: Capacity expansion in the transformer and switchgear businesses

Plant	Current Capacity (MVA)	Incremental Capacity (MVA)	Total Capacity (MVA)	Capex (INRm)	Completion timeline
Power Transformer, Bhopal	17,000	23,000	40,000	1,310	Commissioned in Jul' 25
Power Transformer, Bhopal	40,000	45,000	85,000	7,120	FY27-28
Distribution Transformer, Gwalior	6,900	3,000	9,900	400	Jul'25
Switchgear, Nashik			Multiple	1,555	Dec' 26
Switchgear, Western India			MV and EHV Circuit breakers	7,482	Within 33 mths

Source: Company, MOFSL

Potential revenue accretion post capacity addition

The expansion capex of ~INR17b has a potential to generate ~INR135-140b in additional revenue at 90% capacity utilization once the new capacity is fully operational, reflecting the strong growth potential of the ongoing expansion.

The recent large-sized data center order win is a key positive

CG Power won a USD99m (~INR9b) Tallgrass order from the US for a large data center project, which is a key positive as it is the single largest order in the history of CG Power and will be executed over 12-20 mths, supporting revenue visibility. Under this contract, CG Power will supply 330 kV power transformers specifically engineered to meet the stringent reliability, efficiency, and uptime requirements of hyperscale data center applications. Management indicated that data centers are now an important focus area and that this order reflects about two years of focused efforts in this segment.

Diversified portfolio to support growth and margins

CG is accelerating new product development in power systems, with a strong focus on advanced transformers, reactors, and switchgear to strengthen its high-voltage and grid automation presence. It introduced V-connected trackside transformers (up to 63 MVA, 220 kV), high-efficiency renewable transformers, low-noise shunt reactors, and high-rated 315 MVA, 400 kV dual LV and 60 MVA LPT units, expanding its transmission portfolio. In switchgear, CG launched 12-36 kV RMUs, compact GIS panels, and upgraded outdoor VCBs, and it developed 800/420 kV SF6 breakers along with new high-current and air-to-air bushings. These initiatives reinforce CG's technology leadership and its readiness to support India's growing power and railway infrastructure needs.

Exhibit 49: Transformers – new product developments over the last two years

Product type	New product developments (FY24)	New product developments (FY25)
Transformers	❖ 16.5MVA Trackside Autotransformer developed for Indian Railways	❖ 38/53/63 MVA 132/2*27 kV, 220/2*27 kV Trackside V-Connected Transformer
	❖ Developed and installed Trackside Transformer 30MVA, 132 /27.5kV for Metro Project	❖ Trackside Transformer 50MVA, 110/27.5 kV for Metro Project
	❖ Developed and installed the highest rating transformer for Bhopal Metro 50MVA, 132 / 33kV transformer with additional tertiary winding for harmonic suppression	❖ Trackside Transformer 40MVA, 66/27.5 kV for the Metro project
	❖ Conducted successful short circuit testing of 8MVA 33 / 11kV transformer for Nepal Electricity Authority	❖ 3.6MVA, 33/0.95 kV Transformer for wind application
	❖ Conducted successful short circuit testing of 33kV and 11kV Cable Boxes for Engineers India Ltd	❖ Highest rated transformer in LPT range 60MVA, 33/11.3kV Transformer
	❖ Constant Ohmic type design 25MVA, 132 / 33kV supplied to Nepal Electricity Authority	❖ Developed 315 MVA 400 kV Dual LV Power Transformer for Solar Application
		❖ Product upgrade concluded for Low noise shunt reactors for the domestic and export markets

Source: Company, MOFSL

Exhibit 50: Switchgears – new product developments over the last two years

Product type	New product development (FY24)	New product development (FY25)
MV Switchgear	❖ 12kV 21kA 630A 1 sec IAC AFLR RMU/Vertical RMU	❖ 12kV 40kA 3150A 1 sec IAC AFLR
	❖ 12kV 21kA 630A Green RMU	❖ 12kV 21kA 630A Switch E3 class Vertical RMU
	❖ 36kV 26.3kA 630A RMU	❖ 650mm wide 12kV 26.3kA 2000A Indoor AIS S1 Class E2 C2
	❖ 24kV 21kA 630A RMU	❖ 12kV 26.3kA 2000A 0.1 sec IAC AFLR
	❖ Outdoor VCB 36kV 26.3kA 2500A S2 Class E2 C2	❖ 600mm wide 36kV 31.5kA GIS S1 Class E2 C2 M2. 31.5kA GIS 1 sec IAC AFLR
	❖ Outdoor VCB 36kV 31.5kA 2000A S2 Class E2 C2	
	❖ Outdoor Two Pole Railway VCB 27.5kV 20kA 1600A	
	❖ Indoor VCB 36kV 26.3kA 2000A S1 Class E2 C2	
	❖ Indoor VCB 36kV 31.5kA 2500A S1 Class E2 C2	
	❖ Indoor VCB 12kV, 40kA, 3150A S1 Class E2 C2	
	❖ 550mm wide 12kV 13.1kA 630A Indoor AIS	
	❖ 600mm wide 36kV 31.5kA GIS	
	❖ 800mm wide 36kV 31.5kA 2500A Double Bus GIS	
	❖ 500mm wide 12kV 26.3kA 1250A GIS	
HV Switchgear	❖ 420 kV Wall Bushings	❖ 800kV and 420kV SF6 Gas Circuit Breakers
	❖ WRAP / CAGE Design of LA up to 60 kV	❖ 420kV OIP condenser bushings
	❖ 170kV 40kA Gang Operated SF6 GCB with Composite Insulator	❖ High-current transformers bushings (245kV, 2500A and 4000A)
	❖ 170kV 40kA SPAR SF6 GCB with Composite Insulator	❖ 420kV air-to-air type bushings for high voltage laboratories
	❖ 420kV 63kA SF6 GCB with Composite Insulator	❖ Molded Polymeric lightning arresters up to 245kV
	❖ Automatic Circuit Re-closer & Controller	❖ 624kV porcelain lightning arresters for 800kV system
	❖ 52kV, 4500Amp, 100BCT Condenser Bushing	
	❖ 33kV outdoor capacitor switch	

Source: Company, MOFSL

CG Power's product offerings are more or less similar to those of other MNC players operating in India

CG Power is among the few domestic transformer companies that have a presence in high-voltage classes such as the 400kv and 765kv transformers, where maximum growth is happening in the current industry capex spending. Only a few, including CG Power, offer a full range across distribution, power, and high-voltage classes up to >765 kV. This broad coverage gives CG a stronger competitive position in the market.

Exhibit 51: Product offerings across players in the power systems segment

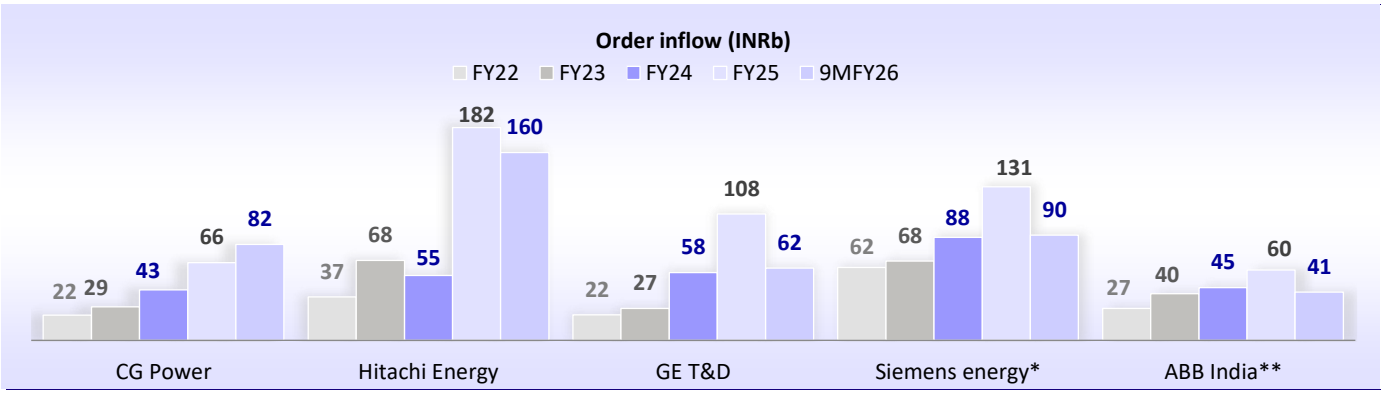
Transformer type	CG Power	Atlanta Electricals	GE Vernova T&D	Hitachi Energy India	Siemens Energy	Bharat Bijlee	Voltamp	Shilchar
Distribution	✓	✓	✓	✓	✓	✗	✓	✓
Dry Type	✓	✓	✓	✓	✓	✓	✓	✓
Furnace	✓	✓	✓	✓	✗	✓	✓	✓
IDT	✓	✓	✓	✓	✗	✗	✗	✓
Rectifier	✗	✗	✓	✓	✓	✗	✗	✗
Reactor	✓	✗	✓	✓	✓	✗	✗	✓
Traction	✓	✓	✓	✓	✓	✓	✗	✓
Power	✓	✓	✓	✓	✓	✓	✓	✓
33-66kV	✓	✓	✓	✓	✓	✓	✓	✓
66-132kV	✓	✓	✓	✓	✓	✓	✓	✓
132-220kV	✓	✓	✓	✓	✓	✓	✓	✗
400-765kV	✓	✓	✓	✓	✓	✓	✗	✗
>765kV	✓	✓	✓	✓	✓	✗	✗	✗

Source: Company, MOFSL

Strengthening position among power systems peers

CG Power has grown its order inflows almost 4x over FY22-9MFY26, showcasing strong momentum and a steadily improving position in the domestic power systems market. This healthy order intake has supported a steady rise in revenues, which have grown at a CAGR of 26% over FY22-9MFY26, higher than its peers, driven largely by the domestic market. Alongside this, the company has seen a sharp improvement in margins in power systems, rising to ~21% in 9MFY26 from 9% in FY22, aided by better cost control, operating leverage, and a strong order mix.

Exhibit 52: Power systems – order inflow surged ~4x over FY22-9MFY26

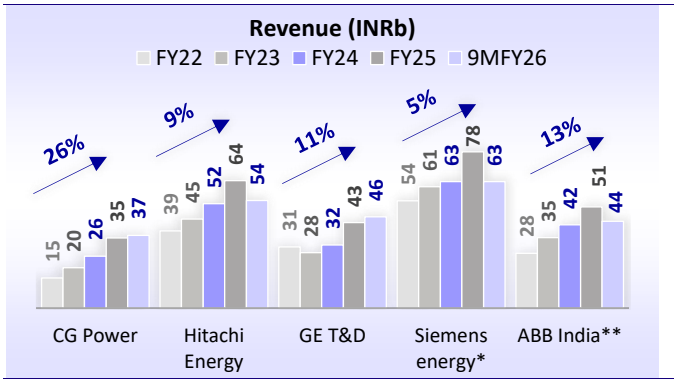


Source: Company, MOFSL

Note: *For Siemens Energy, FY25 indicates datapoints for power transmission segment the year-end Sep'25, 9MFY26 indicates last three quarters

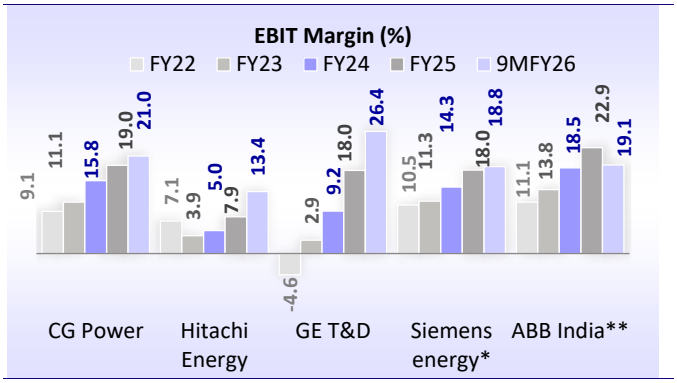
**For ABB India, FY25 indicates datapoints for electrification segment for the year-end Dec'24, 9MFY26 indicates last three quarters

Exhibit 53: Power systems division of CG Power clocked a 26% CAGR over FY22-9MFY26



Source: Company, MOFSL

Exhibit 54: Power systems' EBIT margin of CG Power remained strong and held up well against peers



Source: Company, MOFSL

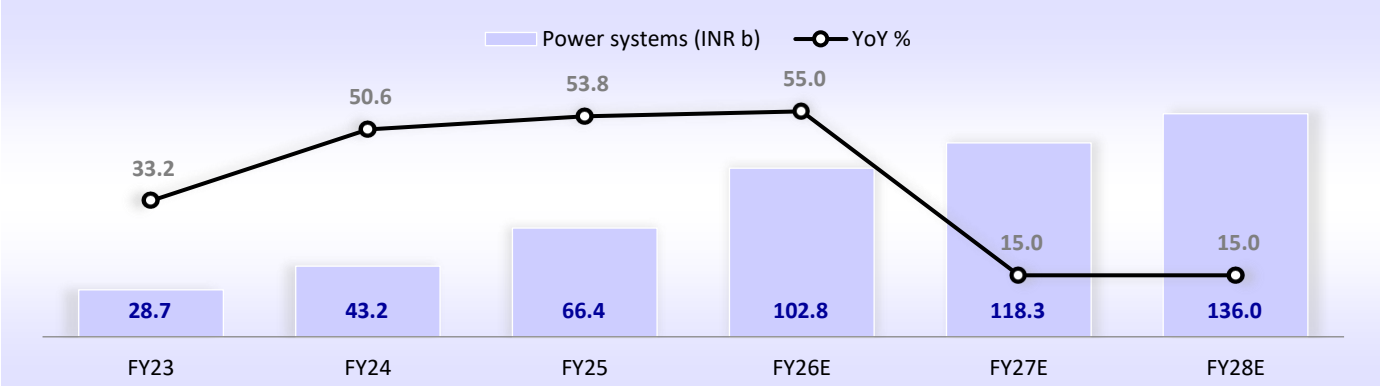
*Note: *For Siemens energy, FY25 indicate datapoints for year-end Sep'25; 9MFY26 indicates last three quarters*

***For ABB India, FY25 indicate datapoints for year-end Dec'24; 9MFY26 indicates last three quarters*

Inflows, revenue, and margins to remain strong

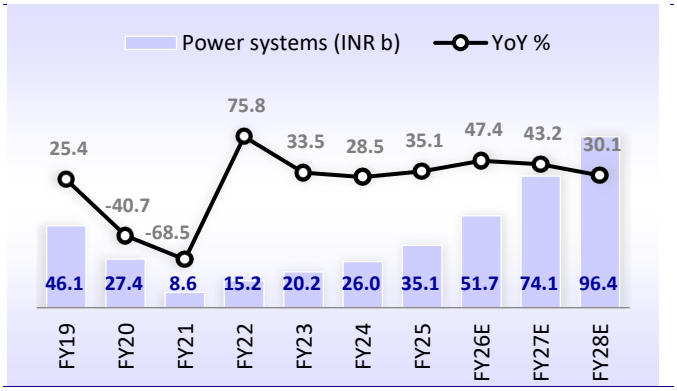
We expect order inflows to post 27% CAGR over FY25-28, supported by the ongoing requirements for high-voltage transformers. We project revenue to record a 40% CAGR over FY25-28, driven by strong inflows, capacity expansion, and faster project execution. Its margin is also likely to expand 200bp over this period, aided by operating leverage and scale.

Exhibit 55: We expect power systems' order inflow to post a CAGR of 27% over FY25-28



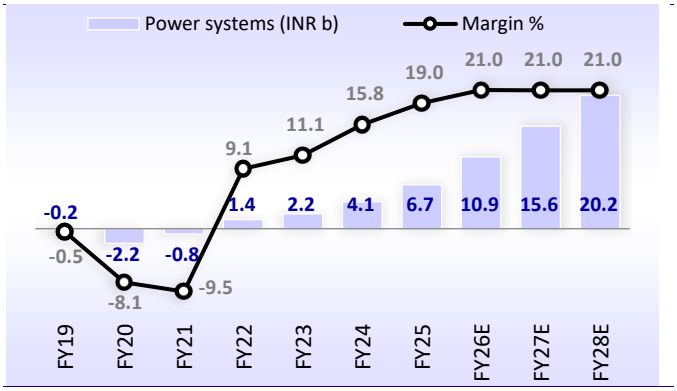
Source: Company, MOFSL

Exhibit 56: We expect power systems' revenue to register a CAGR of 40% over FY25-28



Source: Company, MOFSL

Exhibit 57: We expect a healthy margin led by strong demand and improved product mix



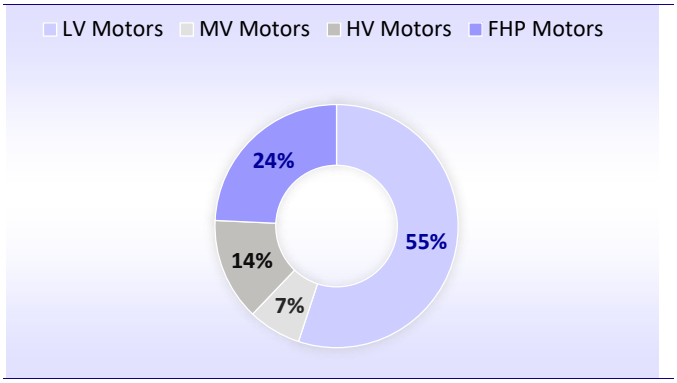
Source: Company, MOFSL

Industrial Systems – Capex trends weak

CG Power is a strong play on motors

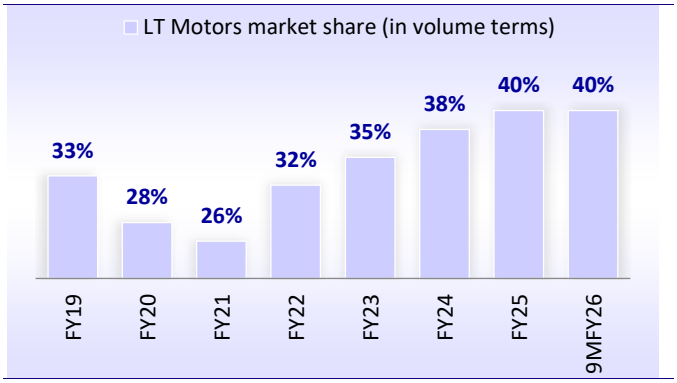
- India's overall motor market is largely composed of low-voltage (LV) motors, which account for ~55% of the total market. Within this segment, CG Power's share in the low-tension (LT) motor category stands at nearly 40% and has improved steadily since FY21, reflecting its strengthening position in the domestic motors industry. Currently, the motors industry is emerging from a weak demand phase, with recent IEEMA data showing that demand is now roughly flat, with only a slight improvement. Despite this, CG Power's motors business has outperformed, supported by its strong value proposition and customer engagement. To maintain pricing discipline and offset commodity inflation, the company has implemented price hikes in motors over the last three quarters, which management stated have been absorbed fairly well by the market.
- CG Power continues to strengthen its motors portfolio with new product launches focused on efficiency and performance. The company is the first in India to design and manufacture a complete range of high-efficiency motors, from IE2 to IE5, and has introduced new models such as Fluxtron and Axelera to address the growing demand for energy-efficient solutions.

Exhibit 58: LV motors contribute ~55% of India's overall motor market as of CY25



Source: CareEdge Research, MOFSL

Exhibit 59: CG Power's LT motor market share has recovered steadily from its FY21 lows



Source: Company, MOFSL

Exhibit 60: Motors – key product offerings

Motors	Range	Industry application
Low Tension Motors and IE2, IE3, and IE4 efficiency motors	**0.18kW to 710kW**	❖ Multiple variants and standards, customizable to configurations required for any industry/equipment, and EV Motors for e-mobility
Fractional Horse Power (FHP) Motors / Single Phase Motors, BLDC, PMSM, and SRM Motors	**0.02kW to 5.5kW**	❖ Used for all general-purpose applications in the Domestic, Commercial, Agricultural, Industrial, Healthcare, and Construction segments
Hazardous area application Motors (LV and HV)	**0.37kW to 12000kW**	❖ Designed to suit the ignitable atmospheres present in hazardous Locations such as Zone 1, Zone 2, or Class 1 Div 1 and 2
Large Stamping and Laminations (HT Motors)	**Up to 12000KW**	❖ Energy-efficient and intelligent motors for various applications in IP23, IP55, IP56, and IP65 enclosures
Stamping and Laminations	**Consumer products to HVDC Generator & Alternators**	❖ For Industrial Motors, Alternators, Generators, Consumer Goods Motors like fan pump, etc., Railway Motors, Electric Vehicle Laminations

Source: Company, MOFSL

Exhibit 61: Motors – new product developments over the last two years

Product type	New product developments (FY24)	New product developments (FY25)
Motors	❖ Developed the E2.1 FDU/VFX models, offering 75kW / 90kW and compact in size	❖ Fluxtron – High-Efficiency MV Induction Motors
	❖ Introduced the compact high-power PEBB models, offering 160kW / 200kW	❖ Axelera – LT Process Performance Motor
	❖ Launched a slim liquid-cooled active front drive up to 1.6 MW	
	❖ Expanded TSA Soft Starter Range up to 1000kW	
	❖ Enhanced the industrial drive user interface and connectivity features with Bluetooth / Wi-Fi	

Source: Company, MOFSL

Capacity expansion in the motors business

With demand expected to gradually recover and the portfolio shifting toward high-efficiency models, CG Power is expanding its motor manufacturing capacity to enhance productivity and capture future growth opportunities. Capacity utilization in the low-tension (LT) motors segment improved from 71% in FY23 to over 82% in FY25, indicating better operational efficiency. To support future volume growth, the company is increasing low-tension (LT) motor capacity from 1m to 1.8m units per annum with an investment of INR3.3b and high-tension (HT) motor capacity from 1,008 to 1,728 units per annum at a cost of INR350m. The capex also aims to automate the manufacturing process using the concept of Industry 4.0.

Exhibit 62: Motors – capacity utilization trend

Products	FY23				FY24				FY25			
	Installed Capacity	Available Capacity	Actual Prodn.	Capacity Util. (%)	Installed Capacity	Available Capacity	Actual Prodn.	Capacity Util. (%)	Installed Capacity	Available Capacity	Actual Prodn.	Capacity Util. (%)
Motors												
LTM	10,13,457	10,13,457	7,22,714	71.3	10,23,173	10,23,173	7,89,967	77.2	12,49,615	12,49,615	10,29,703	82.4
Commercial Motors (Goa)	5,36,568	5,36,568	3,91,728	73.0	5,85,135	5,85,135	4,29,798	73.5	6,35,985	6,35,985	4,90,517	77.1
Large Motor & Generator (Bhopal)	1,002	1,002	988	98.6	1,002	1,002	1,126	112.4	1,002	1,002	1,212	121.0
M6 Stamping (Ahmednagar) MT)	17,200	17,200	13,725	79.8	17,400	17,400	16,599	95.4	17,400	17,400	16,807	96.6
M6 Stamping (Goa) MT)	NA	NA	NA	NA	3,600	3,600	4,111	114.2	3,600	3,600	4,195	116.5

Source: Company, MOFSL

Exhibit 63: Motors – capacity expansion snapshot

Plant	Current Capacity (units)	Incremental Capacity (units)	Total Capacity (units)	Capex (INRm)	Completion timeline
LT Motors, Ahmednagar and Goa	10 lakhs	8 lakhs	18 lakhs	3,270	Jun' 26
HT Motors, Bhopal, M.P.	1,008	720	1,728	350	Jul'25

Source: Company, MOFSL

Shift towards energy-efficient motors to drive growth

The industrial motors industry is steadily shifting to energy-efficient IE3 models from low-efficiency IE1 and IE2 motors, aided by the Bureau of Energy Efficiency (BEE)'s push for energy conservation and emission reduction. There is also growing adoption of advanced IE4 and IE5 technologies, driven by stricter efficiency norms. IE3 motors typically have 15-20% lower energy losses than IE2 models, while IE4 motors offer a similar reduction over IE3. CG Power offers a complete range of high-efficiency motors from IE2 to IE5, including the IE5 Ultra-Premium Synchronous Reluctance Motors, designed to lower power consumption and lifecycle costs. It has also launched new products such as Fluxtron to meet rising efficiency standards and customer needs for performance and reliability.

Exhibit 64: Comparison of energy savings across IE1 to IE4

Motor Type	Efficiency (%)	Annual Energy Consumption (kWh)	Savings vs IE1
IE1	85	23,520	
IE2	89	22,472	1,048
IE3	93	21,500	2,020
IE4	95	21,060	2,460

Source: The Indian Electric Co, MOFSL, *Note:* Assumptions: 10 kW motor, 8 hours/day, 250 days/year

Exhibit 65: Cost benefits – high upfront costs, higher long-term gains

Motor Type	Additional cost (INR)	Annual savings (INR)	Payback period
IE3	10,000	14,140	0.71
IE4	15,000	17,220	0.87

Source: The Indian Electric Co, MOFSL, *Note:* Electricity cost INR7/kWh, based on a 10 kW motor example

Demand is currently weak in motors, though the company has hiked prices across ranges

CG Power has an 80:20 mix of LT to HT motors in the overall motor segment. Demand for LT motors has remained stagnant or weak over the past 4-5 quarters, as capex trends have not been fully visible across user industries. Though HT motor demand has remained strong, the overall share of HT motors for the company is currently small, at 20%. Going ahead, the company would focus more on improving the revenue mix and has been focusing on price hikes to pass on RM cost pressures despite a weak market in LT motors. Even after these price hikes, CG Power, being the market leader, has managed to grow better than the IEEMA index growth.

Expanding presence in the drives & automation business

- CG Power is scaling its drives & automation business through capacity expansion, broader geographic reach, and ongoing product upgrades. India is emerging as a key production base for standard and project drives, while Sweden and Germany continue to focus on premium offerings supported by global certifications. The company has also strengthened its international presence through a dedicated MEA office and expanded distribution in France, North America, and South America, helping drive export-led growth across marine, water/wastewater, and green-energy applications.
- The company is strengthening its drive business by linking it closely with motors, developing new technologies such as modular power-conversion systems for BESS and hydrogen, and using Industry 4.0 tools. Management plans to scale this business over the next few years and make it a key margin contributor within Industrial Systems. CG Power's drives are modular, energy-efficient, and built for green applications across low- and medium-voltage needs.

Exhibit 66: Drives and automation – key product offerings

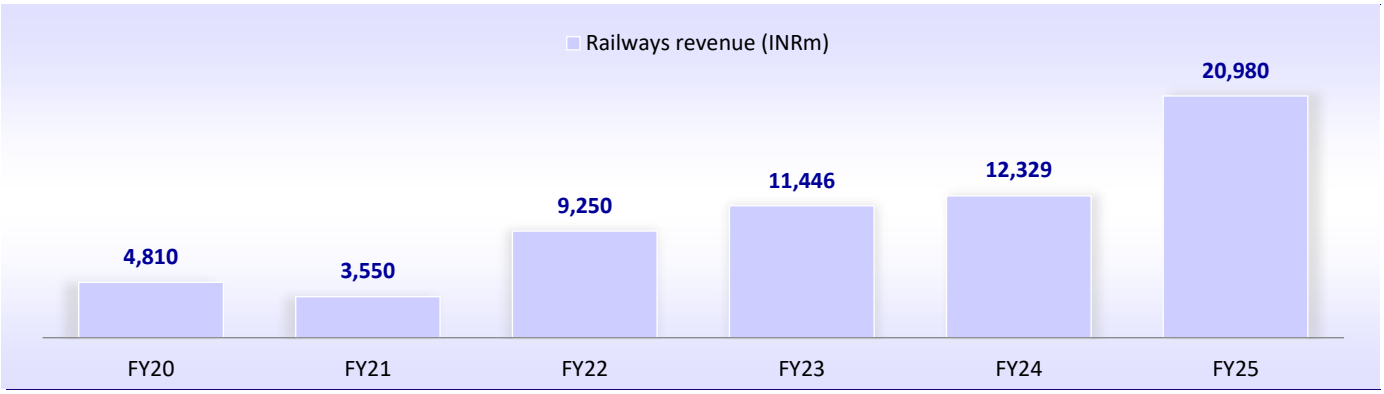
Drives & automation	Power range	Key applications
Industrial AC Drives (LV/MV)	0.75kW–4,000kW	❖ Cement, water, metals, marine, sugar
Active Front End (AFE) Drives	11kW–4,000kW	❖ Regenerative, low harmonics
Soft Starters	5.5kW–1,000kW	❖ Pumps, fans
Power Conversion Systems	Up to 3,000kW	❖ BESS, hydrogen, renewables
Solar Drives	0.75kW–110kW	❖ Solar pumping
Shaft Power Monitor	Up to 999Amp	❖ Dry-run protection

Source: Company, MOFSL

Railways – a strong play on India's railway capex growth despite near-term challenges

- CG Power is well-positioned to benefit from surging railway investments in India, leveraging its legacy in traction motors, propulsion systems, transformers, and signaling equipment. The company's products directly feed into big-ticket projects like Vande Bharat trainsets and KAVACH (Train Collision Avoidance System). With Indian Railways' FY26/27 capex at INR2.52t/INR2.8t, CG's railway exposure is growing via organic orders and strategic acquisitions.
- **G.G. Tronics -** CG Power acquired a 55% stake (~INR3.2b) in G.G. Tronics, strengthening its position in railway safety and signaling, especially in KAVACH. G.G. Tronics is one of only four approved KAVACH suppliers and already has a strong share in digital axle counters (~40-45%), making it a strategic fit with CG's existing railway business. Management has indicated that KAVACH is expected to be a major growth area for G.G. Tronics as Indian Railways steps up safety investments.
- The company's railways business has grown at a CAGR of ~34% over the last five years, with revenue rising from about INR4.8b in FY20 to over INR21b in FY25. Growth has been driven by sustained traction in locomotive and EMU supplies, entry into signaling and control systems, and rising content per trainset. The segment has evolved from being primarily a traction motor supplier to offering complete propulsion and control packages, auxiliary converters, and signaling products, positioning it as a key beneficiary of India's rail modernization cycle.
- However, the current performance of the railway division is impacted by slower ordering as well as margin pressure.

Exhibit 67: Railways segment – revenue trend (INR m)



Source: Company, MOFSL

Exhibit 68: Railways segment – key product offerings

Railways	Key products	Applications
Traction Machines & System (TMS)	❖ AC/DC Traction Motors, Alternators, Electric Packages	❖ Locomotives, EMU/MEMU, DEMU, Vande Bharat
Rail Transportation Traction Electronics (RTTE)	❖ IGBT Propulsion, Converters, TCMS, VCU, Auxiliary Converters	❖ Electric Locomotives (up to 9,000 HP), Trainsets
Railway Signaling (RS)	❖ KAVACH (TCAS), Point Machines, Q-Relays, SCADA	❖ Collision avoidance, Track switching, Monitoring
Coach applications	❖ BLDC/Universal Carriage Fans	❖ Coach ventilation
Control panels for locomotives and coaches	❖ Switchboards (SB1/SB2, HB1/HB2), Filter Panels	❖ Locomotive/Coach controls

Source: Company, MOFSL

Exhibit 69: Except for rolling stock, CG Power has a presence across the entire value chain of railway projects

Company Name	Rolling stock	Traction equipment	Signaling	KAVACH	Electrification
CG Power	✗	✓	✓	✓	✓
BHEL	✓	✓	✓	✓	✓
Siemens	✓	✓	✓	✗	✓
ABB India	✗	✓	✗	✗	✓
Titagarh Rail Systems	✓	✓	✗	✗	✗
Jupiter Wagons	✓	✗	✗	✗	✗
Texmaco Rail & Engineering	✓	✓	✗	✗	✗

Source: Company, MOFSL

KAVACH and Vande Bharat – expanding opportunities for CG Power

- KAVACH, Indian Railways' SIL-4 train-collision avoidance system, remains a major long-term opportunity, with plans to deploy it across ~44,000 route-km within the next five years. For CG Power, this is translating into a growing, though still early-stage, commercial footprint. G.G. Tronics has secured an INR1.5b order from North Western Railway for station-side KAVACH covering supply, installation, and commissioning over about two years.
- In addition, the company has also won an INR4.3b KAVACH order from Chittaranjan Locomotive Works for on-board equipment with a one-year execution timeline and 11-year AMC. For this loco program, G.G. Tronics is in the advanced stages of obtaining final RDSO clearance for KAVACH 4.0, having completed all mandatory safety tests, with the final Independent Safety Assessment (ISA) slated to begin in Feb'26.
- The Loco-KAVACH order from CLW (INR5-6b) was cancelled due to pending ISA/RDSO approvals. These approvals are now close to completion, and GGT continues to remain qualified in the developmental category, keeping it eligible for upcoming KAVACH tenders. We see this as a timing issue rather than a structural setback and expect CG to remain well placed to address a larger KAVACH opportunity over the medium term.
- Vande Bharat is another key growth driver for CG's Railways business. India's investments in Vande Bharat trains are expected to grow at a 12.8% CAGR between CY24 and CY29P, reaching USD11.2b, reflecting the government's push to expand semi-high-speed train capacity. This creates steady demand for traction motors, converters, and transformers. CG has a long-term agreement with Kinet Railway Solutions and has received an initial INR4-4.5b order for propulsion kits, motors, and transformers for 10 trainsets, along with a 35-year service contract.
- This gives CG Power a strong entry into a flagship platform and provides long-term visibility through the attached maintenance contract. As more trainsets are ordered, the company should be well placed to bid for follow-on orders and be aided by the successful execution of the first batch and a growing installed base.

Exhibit 70: Key railway orders across KAVACH and Vande Bharat announced by CG Power so far

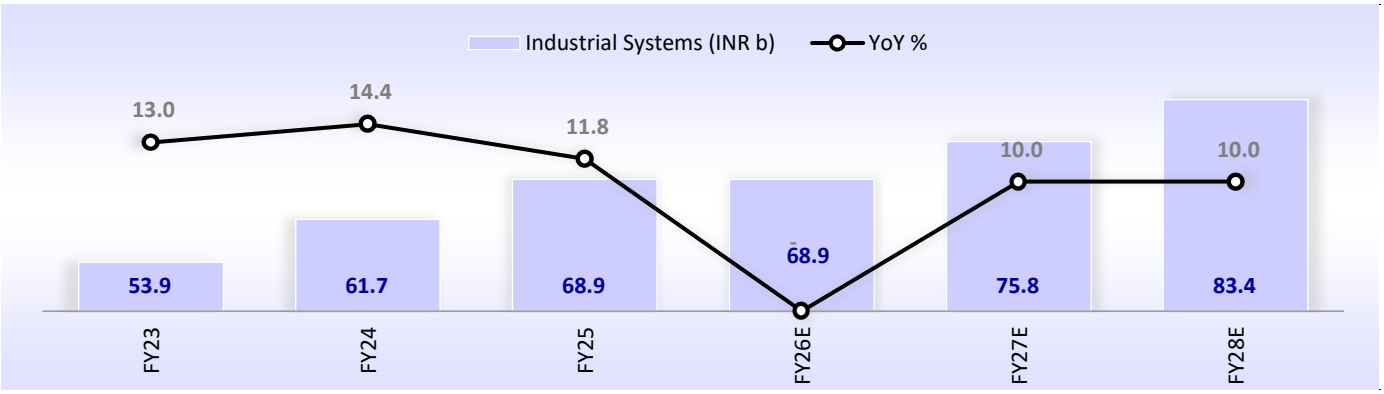
Project	Customer	Date announced	Approx. value (INRb)	Status/Scope
KAVACH	CLW via G.G. Tronics	Jan'26	4.3	❖ INR4.3b KAVACH order; execution timeline of one year, plus 11-year AMC starting from 5th year at 3% p.a.; includes full supply, installation, testing, and commissioning.
KAVACH	North Western Railway via G.G. Tronics	1QFY26	1.5	❖ Supply, installation, and commissioning of station KAVACH and associated systems over ~2 years.
Vande Bharat - Propulsion	Kinet railway solutions ltd	Mar'25	4-4.5	❖ Long-term agreement; first PO for propulsion kits, motors, and transformers for 10 Vande Bharat trainsets, along with a 35-year service contract.

Source: Company, MOFSL

Industrial segment outlook: Current demand weak

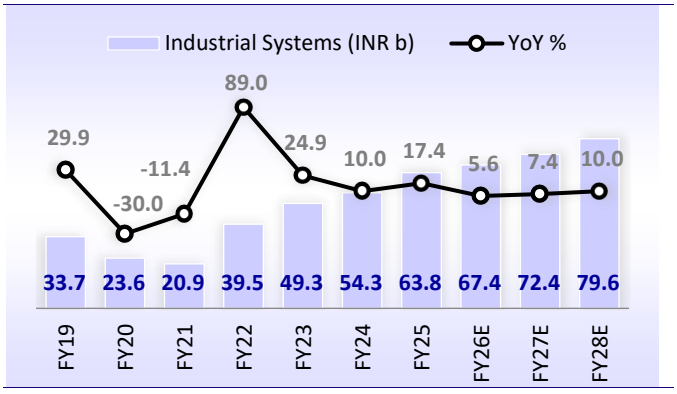
We expect order inflows to post a 7% CAGR over FY25-28. This should translate into a revenue CAGR of 8% over FY25-28E. The company has taken price hikes in this segment to pass on the RM cost pressure. We expect EBIT margin to stabilize around 9.5%-10% over the same period.

Exhibit 71: We expect industrial systems' order inflow to post a CAGR of 7% over FY25-28



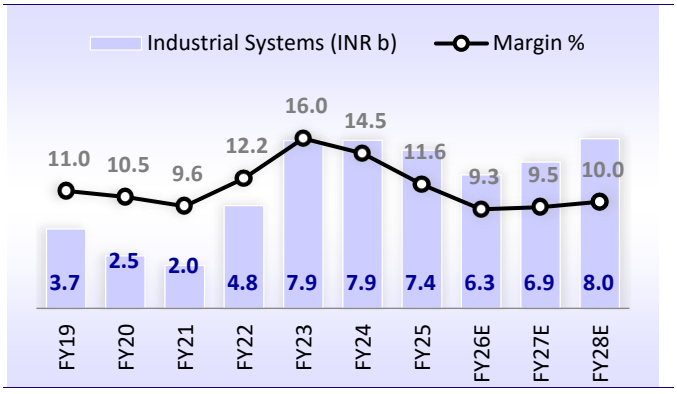
Source: Company, MOFSL

Exhibit 72: We expect industrial systems' revenue to record a CAGR of 8% over FY25-28



Source: Company, MOFSL

Exhibit 73: We expect the margins to stabilize around 9.5-10% over FY26-28E



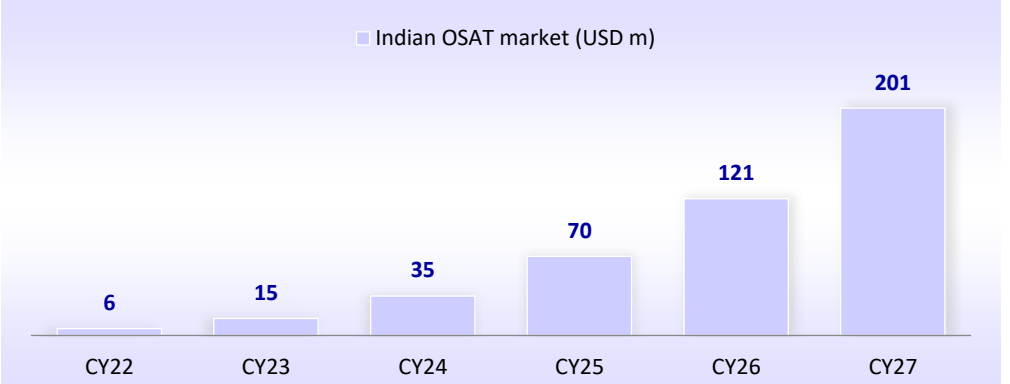
Source: Company, MOFSL

Semiconductors – a new growth engine

OSAT industry landscape in India – company presence and vertical focus

The Indian OSAT market is currently in its early stages of development; however, it holds substantial potential for growth in the coming years. It is projected to reach a market size of approximately USD201m by CY27. Growth will be driven by rising electronics demand, government support, and India's strengths in cost competitiveness and skilled labor. With major global players expected to establish local facilities, India is well-positioned to emerge as a key hub in the global semiconductor supply chain.

Exhibit 74: Trend in Indian OSAT market (USD m)



Source: Kaynes QIP, MOFSL

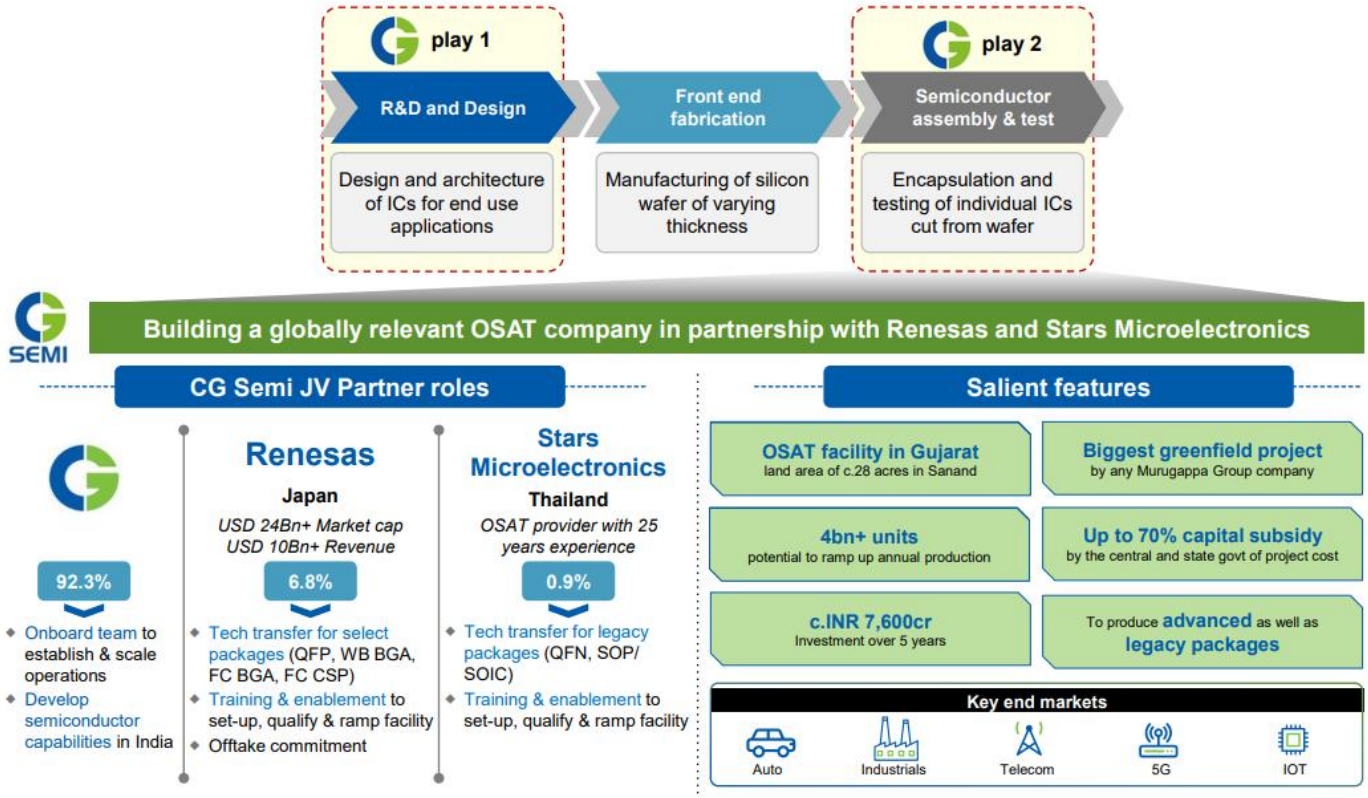
CG Semi's semiconductor initiative – a large-scale & de-risked execution model

CG Power's semiconductor initiative, housed under CG Semi, integrates manufacturing and design capabilities to establish a full-stack presence across the semiconductor value chain. Its OSAT facility at Sanand, Gujarat, entails an investment of INR76b, supported by capital support from the Central (50%) and the state (20-25%) governments. The project will be executed in two phases:

- Mini plant G1 (0.5m units/day) by FY26
- Main plant G2 (14.5m units/day) by FY27

The JV is majority-owned by CG Power (92.3%), with Renesas Electronics (Japan) holding 6.8% and Stars Microelectronics (Thailand) holding 0.9%, ensuring access to advanced technology and operational expertise. CG has also signed an offtake and manufacturing agreement with Renesas, under which management indicates that roughly one-third of the OSAT capacity is already tied up for Renesas, giving visibility on future orders. The company has already incurred around INR4b in capex until Jun'25, with civil and equipment work well underway. Production qualification and yield testing are expected to begin in FY26, followed by a phased capacity ramp-up through FY27.

Exhibit 75: CG Power's semiconductor platform – building a globally competitive OSAT ecosystem

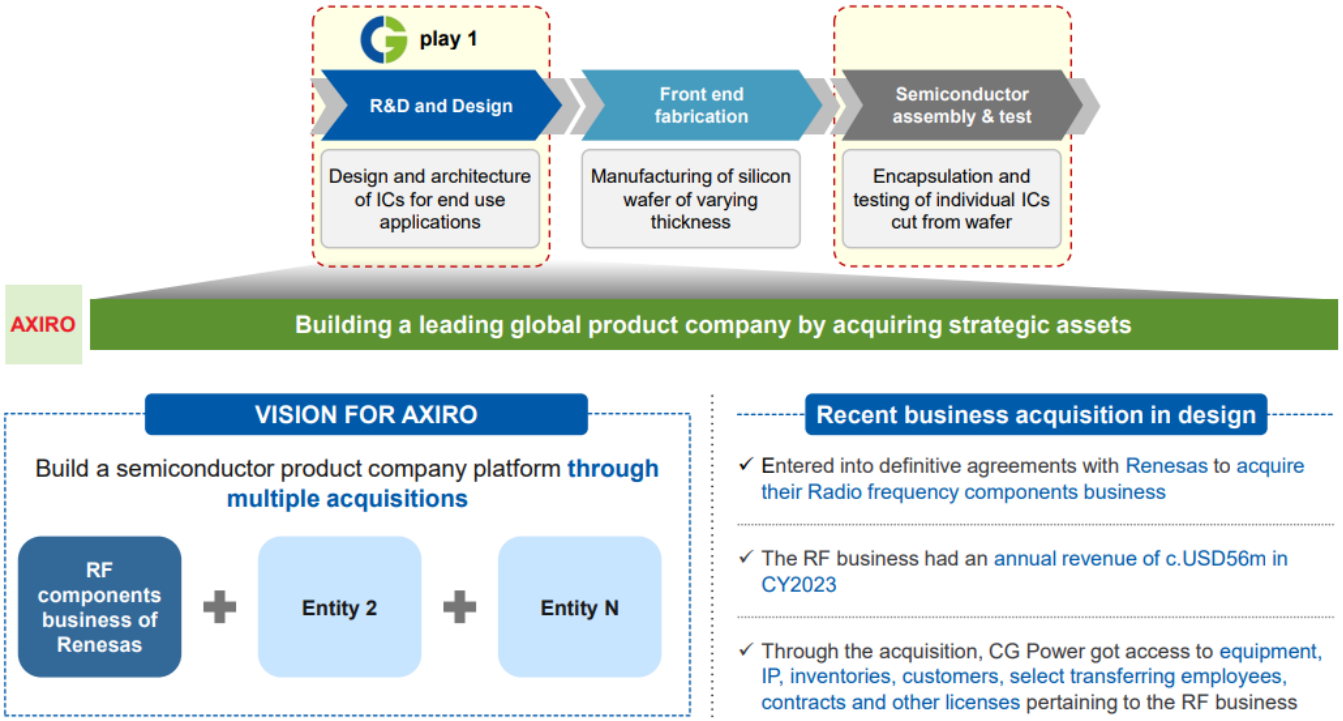


Source: Company, MOFSL

Axiro Semiconductor – strengthening front-end design capabilities

CG Power has established Axiro Semiconductor, a design-led platform that expands the company's participation across the upstream value chain. Axiro was created through the acquisition of Renesas Electronics America's Radio Frequency (RF) components business, which reported a CY23 revenue of USD56m. The acquisition provides CG Power with immediate access to design IPs, product licenses, customer contracts, and a skilled engineering base, enabling it to operate across both design and manufacturing stages of the semiconductor ecosystem.

Exhibit 76: Axiro – strengthening CG Power's semiconductor value chain through RF design capabilities



Source: Company, MOFSL

The company is currently incurring some costs for Axiro on account of continued investment in the talent pool for the semiconductor business and deferred revenue on account of holiday-related timing of customer activity, which has impacted the margins of the OSAT business too. As of 3QFY26, Axiro's business is now at a breakeven level, and the EBIT loss is largely due to investments in CG Semi, which may remain for the initial years. We expect CG Semi to break even mainly from FY28, as the remaining phase of 14.5m units/day will be commissioned from FY27. We forecast a revenue of INR5b/INR10b/INR23b for FY26E/FY27E/FY28E, reflecting a strong scale-up trajectory as CG Power's semiconductor operations ramp up. Its margin is expected to improve sharply to -12% in FY27 from -25% in FY26 and turn positive at 3% by FY28, driven by operating leverage, process stabilization, and higher capacity utilization.

Exhibit 77: Global OSAT players

Global OSAT Players	Country	Market Cap	Revenue (USD b)			EBITDA Margin (%)			EBIT Margin (%)			PAT Margin (%)			ROCE (%)		
		(USD b)	CY22	CY23	CY24	CY22	CY23	CY24	CY22	CY23	CY24	CY22	CY23	CY24	CY22	CY23	CY24
ASE Technology	Taiwan	63.6	22.5	18.7	18.5	20.0	16.7	16.4	11.9	6.9	6.6	8.9	5.2	4.5	19.8	11.4	11.5
Amkor Technology	USA	14.8	7.1	6.5	6.3	22.4	18.0	17.0	12.7	7.2	6.9	10.8	5.5	5.6	17.9	8.1	7.8
ChipMOS Technologies	Taiwan	1.6	0.8	0.7	0.7	33.6	31.3	27.0	13.4	8.9	5.6	14.4	8.7	5.8	11.0	5.9	4.5
Huatian Technology	China	6.0	1.8	1.6	2.0	27.5	21.8	21.6	8.2	0.2	3.6	3.8	0.0	3.0	6.1	NA	4.1
JCET Technology	China	11.5	5.0	4.2	5.0	20.8	17.6	15.2	9.6	5.7	5.1	9.2	4.9	4.5	14.9	6.7	6.7
King Yuan Electronics	Taiwan	11.0	1.2	0.8	0.8	50.0	49.6	46.9	24.9	21.9	23.0	18.5	16.9	16.5	13.2	10.9	13.8
Powertech Technology	Taiwan	5.1	2.8	2.3	2.3	32.5	30.9	30.1	14.8	11.6	12.8	10.9	7.9	9.5	11.5	10.5	9.9
Tongfu Microelectronics	China	10.7	3.2	3.1	3.3	19.1	20.3	19.6	5.2	4.4	6.1	2.2	0.4	2.7	NA	3.9	6.0

Source: Company, Bloomberg, MOFSL

Exhibit 78: Utilization of the QIP proceeds over the next 3-4 years

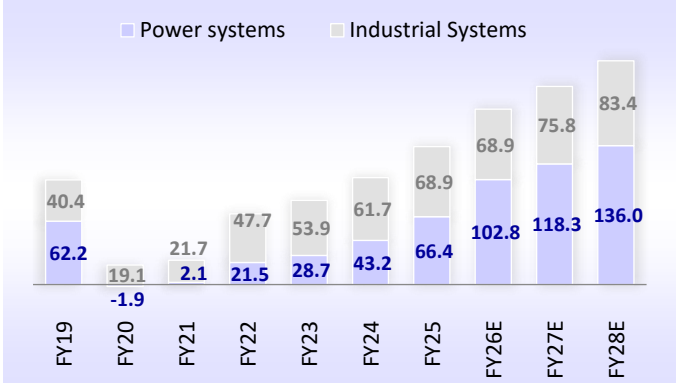
Particulars	Utilization of funds (INR b)	Estimated timeline
Investment in a subsidiary, CG Semi Private Limited, for funding capital expenditure requirements in relation to setting up an OSAT facility	10.6	FY29
Funding capital expenditure requirements and strategic initiatives of the company for the following: a) setting up of a power transformer plant, and b) development of a leasehold land	8.6	FY29
Acquisitions and inorganic growth opportunities by the company	3.3	FY29

Source: Company, MOFSL

Financial outlook

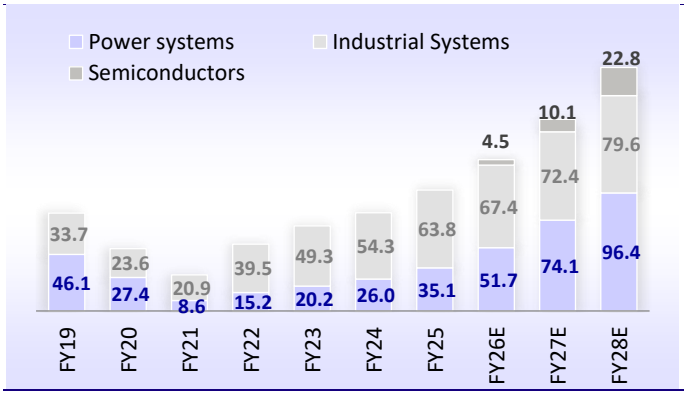
We expect order inflows to register a 17% CAGR over FY25-28E, fueled by healthy demand for transformers and switchgear in the power systems segment across domestic and export markets. In the Industrial segment, inflows will be supported by expansion in motors and railways. These strong inflows should drive a revenue CAGR of 26% over FY25-28E, along with margin improvement. We expect an EBIT margin of 13%/13.6%/14.5% for FY26/FY27/FY28.

Exhibit 79: We expect order inflow to clock a CAGR of 17% over FY25-28E (INR b)



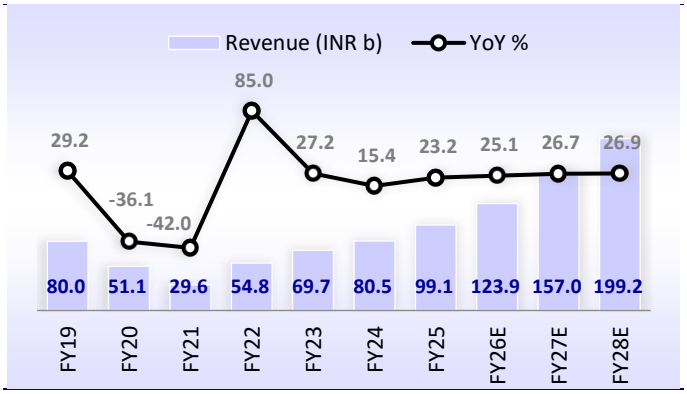
Source: Company, MOFSL

Exhibit 80: We expect revenue to post a CAGR of 26% over FY25-28E, led by power systems (INR b)



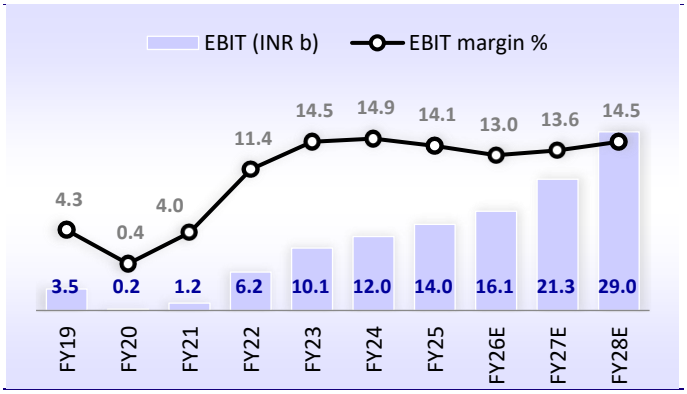
Source: Company, MOFSL

Exhibit 81: We expect revenue to record a CAGR of 26% over FY25-28E (INR b)



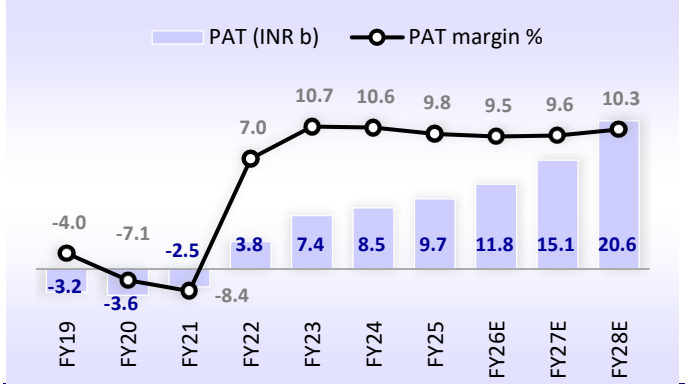
Source: Company, MOFSL

Exhibit 82: Gradual improvement in margin led by better revenue mix and operating efficiencies



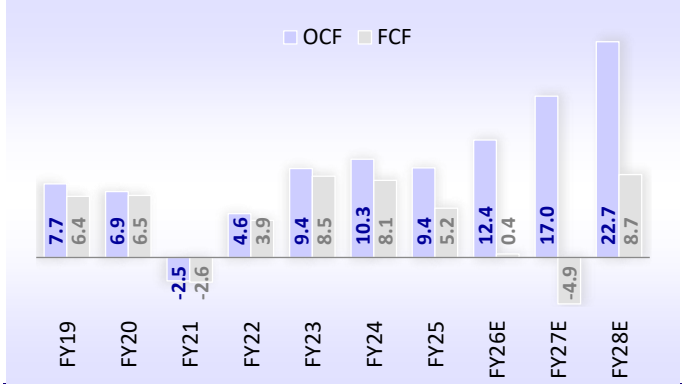
Source: Company, MOFSL

Exhibit 83: We expect PAT growth to be driven by higher revenue and margin improvement (INR b)



Source: Company, MOFSL

Exhibit 84: We expect OCF and FCF to remain strong on a stable working capital cycle (INR b)

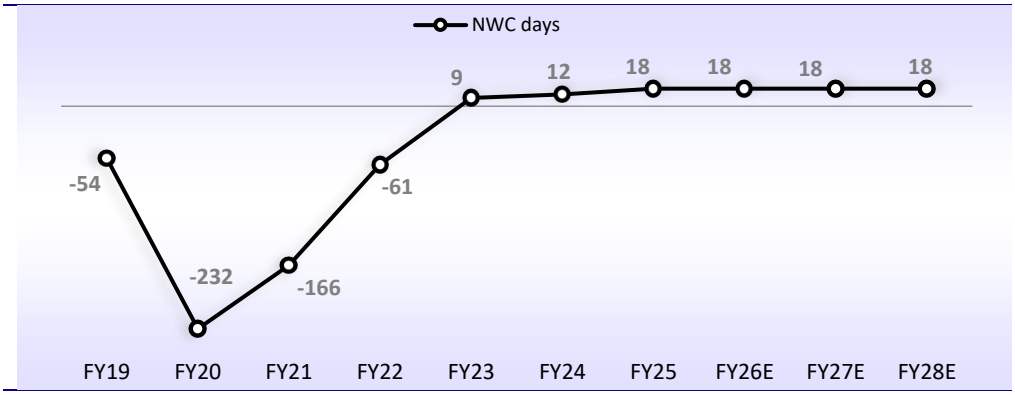


Source: Company, MOFSL

Working capital cycle to remain healthy

CG's NWC days stood at 18 in FY25. We expect NWC days to remain around this level over FY26-FY28E, indicating a steady and normalized working-capital cycle as the business scales.

Exhibit 85: NWC days expected to remain at comfortable levels

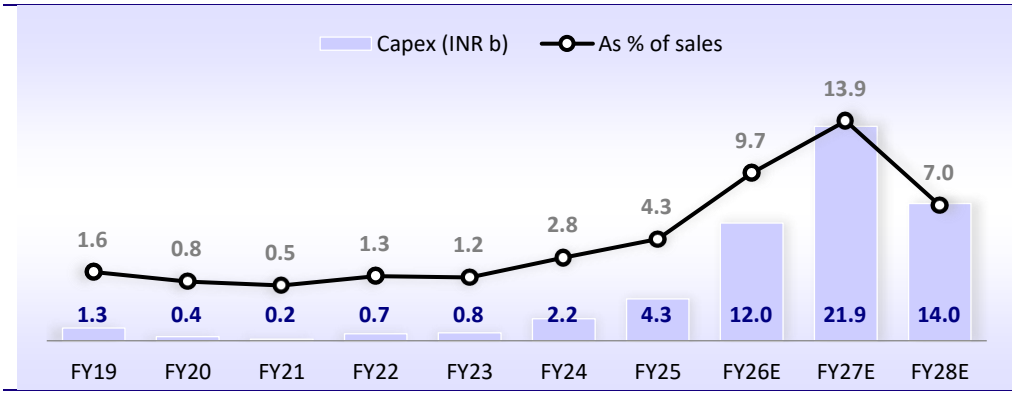


Source: Company, MOFSL

Capex to remain high in the coming years

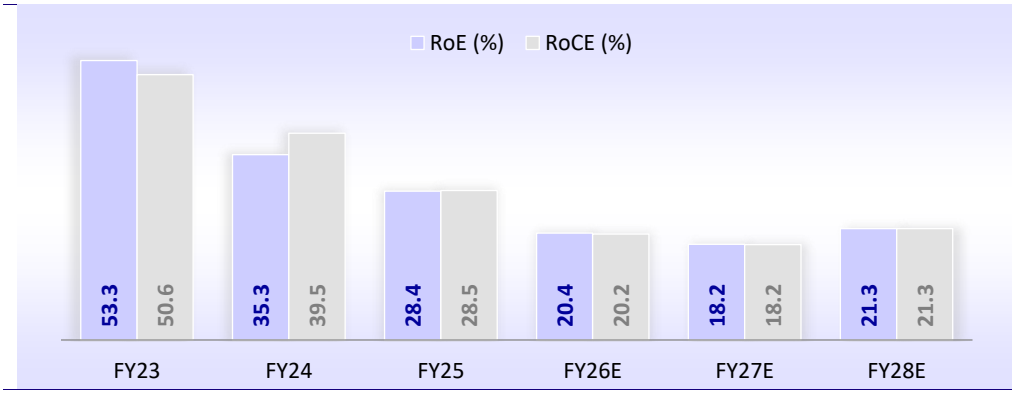
The company is incurring capex for power systems and industrial systems, along with investments for the OSAT business, too. Over FY25-28, for the core business, CG Power intends to invest INR20b for expanding capacity across transformers, switchgear, and LT motors. For the OSAT business, the total capex is INR76b, which will also have central and state government support of 46% and 17%, respectively. We thus take into account the net capex to be done by the company for the OSAT business.

Exhibit 86: Capex as a % of sales is likely to reach 10% by FY26 as the company is expanding capacity to take care of larger platforms



Source: Company, MOFSL

Exhibit 87: We expect RoE/RoCE to be around ~21% by FY28



Source: Company, MOFSL

Valuation and view: Initiate coverage with a BUY rating

CG Power is currently trading at 80.5x/59.2x P/E on FY27E/FY28E EPS. **We initiate coverage on the stock with a BUY rating and a TP of INR900 based on sum-of-the-parts methodology.** We ascribe 58x multiple for power systems business which bakes in the upcoming large capacity in power systems segment and also some discount to MNC players. We ascribe 55x multiple to industrial systems which is at 10% discount to ABB and we ascribe value to OSAT business via DCF to capture the benefits which will start accruing from FY28 onwards.

Exhibit 88: SoTP based valuation of CG Power based on Mar'28 estimates

Segment	PAT (INR m)	Valuation multiple (x)	Valuation (INR b)	Per share (Rs)	Rationale
Power systems	15,299	58	893	567	❖ At slight discount to MNC players expanding transformer capacities
Industrial systems	6,780	55	373	237	❖ At 10% discount to ABB which is into premium motors
CG Semi - OSAT			109	69	❖ Based on DCF
Total			**1,375**	**900**	

Source: MOFSL

Exhibit 89: Key financials of domestic transmission equipment companies

Companies	Revenue (INR b)			CAGR	EBITDA (INR b)			CAGR	EBITDA Margin (%)			PAT (INR b)			CAGR
	FY26E	FY27E	FY28E	FY25-28	FY26E	FY27E	FY28E	FY25-28	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY25-28
CG Power	**123.9**	**157.0**	**199.2**	**26**	**16.2**	**21.7**	**30.2**	**32**	**13.1**	**13.8**	**15.1**	**11.8**	**15.1**	**20.6**	**28**
Atlanta Electricals	17.1	23.9	33.8	**39**	3.1	4.4	6.4	**49**	18.2	18.5	19.0	1.8	2.6	4.0	**50**
TRIL#	25.9	35.1	44.1	**30**	4.2	5.6	7.0	**29**	16.0	15.9	15.9	2.8	3.5	4.4	**27**
Voltamp#	22.0	25.2	29.6	**15**	3.9	4.6	5.4	**14**	17.8	18.1	18.2	3.6	4.1	4.9	**14**
Siemens Energy*	78.3	94.9	133.4	**29**	15.1	20.1	28.6	**43**	19.3	21.1	21.5	11.0	15.0	21.6	**46**
Hitachi Energy	79.8	104.3	142.1	**31**	12.4	17.9	27.0	**65**	15.6	17.2	19.0	9.8	13.6	20.1	**80**
GE Vernova T&D	61.9	79.2	103.9	**34**	16.3	20.7	27.0	**49**	26.3	26.2	26.0	12.0	15.7	20.5	**50**

Source: Company, Bloomberg, MOFSL

Note: *For Seimens Energy India, FY26E/FY27E/FY28E indicate data for periods Sep'25/Sep'26E/Sep'27E year-ends

# indicates Bloomberg estimates

Exhibit 90: Relative valuation comparison of domestic transmission equipment companies

Companies	CMP	Mcap	EPS (INR)			P/E (X)			ROE (%)		
	(INR)	(INR b)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
CG Power	**775**	**1,220**	**7.5**	**9.6**	**13.1**	**103.3**	**80.5**	**59.2**	**20.4**	**18.2**	**21.3**
Atlanta Electricals	1,375	106	22.8	33.7	51.8	60.3	40.8	26.6	19.0	21.9	25.1
TRIL#	322	97	9.1	12.2	14.5	35.6	26.4	22.2	19.6	21.3	21.0
Voltamp#	10,139	103	355.4	405.5	481.3	28.5	25.0	21.1	20.9	20.4	20.7
Siemens Energy*	3,019	1,075	30.9	42.2	60.7	97.7	71.6	49.8	25.1	25.7	27.0
Hitachi Energy	28,920	1,290	220.0	304.5	451.1	131.4	95.0	64.1	19.0	20.9	23.7
GE Vernova T&D	4,140	1,060	46.7	61.5	80.2	88.7	67.3	51.6	53.9	47.9	43.5

Source: Company, Bloomberg, MOFSL

Note: *For Seimens Energy India, FY26E/FY27E/FY28E indicate data for periods Sep'25/Sep'26E/Sep'27E year-ends

# indicates Bloomberg estimates

Sensitivity analysis assumptions

Base case: In our base case assumptions, we have assumed 27%/28% revenue/PAT CAGR for the company, taking into account the benefits of expansion in the power systems segment, along with lower margins in the industrial and OSAT businesses.

Bear case: In the bear case assumptions, if company is not able to reach optimum utilization levels in power systems, and margins fall further in the industrial systems segment, then the stock would witness a decline in consolidated earnings as well as valuation multiple de-rating.

Bull case: In the bull case assumptions, better-than-expected demand for both power systems and the industrial systems segment as well as improved margins, can result in earnings to imrpove.

Exhibit 91: Sensitivity analysis: Bear, Base, and Bull case valuations

	Bear case	Base case	Bull case	Rationale
Taking into account on going expansion in power systems and margin performance of industrial	Lower utilization levels in power systems, and declining margins in Industrial	Expansion on time in the power systems segment, lower margins in the Industrial and OSAT businesses	Better than expected demand for core business resulting in improved earnings	
Power Systems PAT (INR m)	**13,004**	**15,299**	**17,593**	❖ **15% sensitivity on FY28 earnings**
Valuation multiple (x)	50	58	58	❖ Lower multiple in bear case to factor in slower growth
Industrial Systems PAT (INR m)	**5,763**	**6,780**	**7,797**	❖ **15% sensitivity on FY28 earnings**
Valuation multiple (x)	45	55	55	❖ Lower multiple in bear case to factor in slower growth
CG Semi - OSAT Valuation	**1,08,784**	**1,08,784**	**1,08,784**	
Core business valuation (INR b)	**1,018**	**1,375**	**1,558**	
Price per share (INR)	**660**	**900**	**990**	

Source: MOFSL

Key risks and concerns

Revenue concentration risk

A large share of revenue (~64% as of FY25) comes from the Industrial Systems segment. Any decline in sales of motors, railway products, or automation solutions could materially impact revenue and profitability.

Raw material dependency

The company's business is exposed to fluctuations in prices of key raw materials like copper, steel, and aluminum, which can affect margins if costs cannot be passed on to customers.

Execution and cost overrun risk

Entering the OSAT (Outsourced Semiconductor Assembly and Test) market poses a major risk for CG Power as it ventures into this industry for the first time in India. This move involves high execution risk since semiconductor manufacturing requires advanced technical know-how, strict quality standards, and precise operational control.

High working capital requirement

The company's business requires a significant amount of working capital to finance the purchase of materials and the performance of manufacturing and other work before payment is received from customers. The company's working capital requirements may increase if the payment terms in its agreements include reduced advance payments or longer payment schedules for its customers, or increased advance payments or shorter credit periods from its suppliers. Further, the actual amount of its future working capital requirements may differ from estimates as a result of unanticipated expenses, fluctuations in the price of raw materials/ components, economic conditions, growth in revenue, additional market developments, and new opportunities in the sector.

Operational and supply chain risk

CG Power depends on third parties for the supply of raw materials and delivery of finished products. Disruptions in logistics or vendor performance could delay production.

Company background

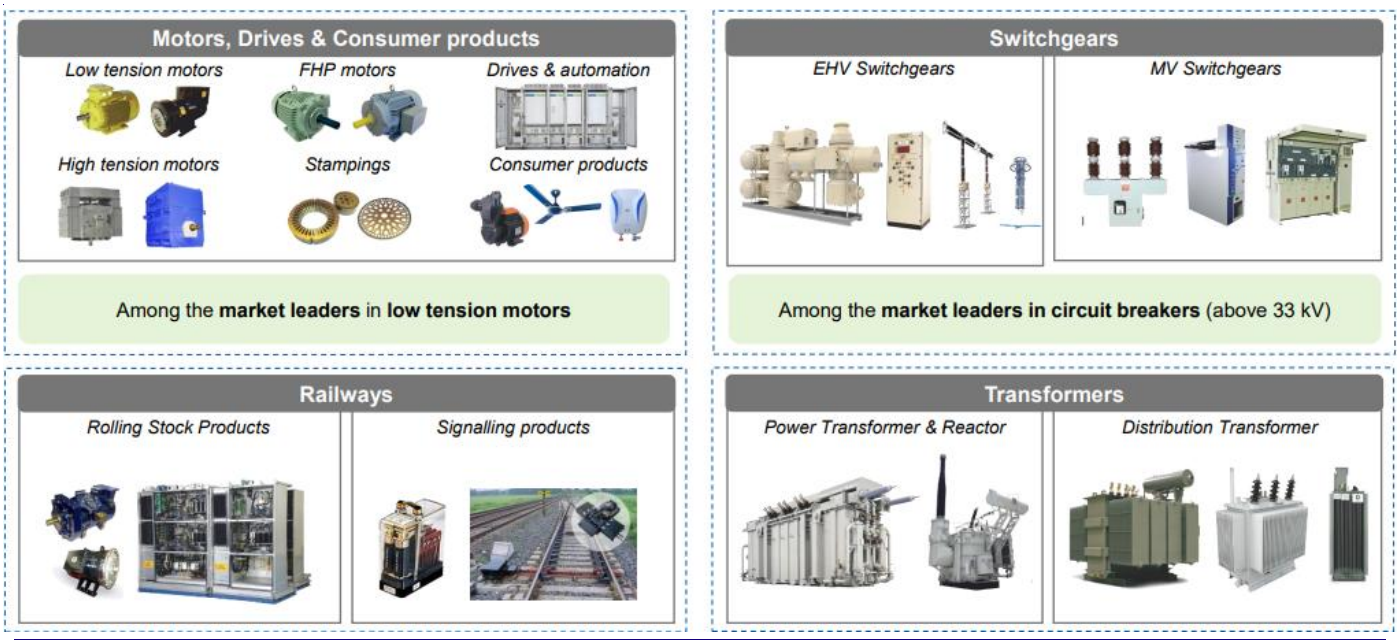
CG Power, headquartered in Mumbai, India, is an 87-year-old engineering conglomerate and a leader in the electrical engineering industry. Since Nov'20, the company has become a part of the Murugappa Group. CG Power has two business lines - Power Systems and Industrial Systems. It manufactures traction motors, propulsion systems, signaling relays, etc., for the Indian Railways, and a wide range of induction motors, drives, transformers, switchgears, and other allied products for the industrial and power sectors. In line with its strategy to diversify into high-growth, CG Power has forayed into semiconductors with the establishment of the CG SEMI OSAT facility, the largest greenfield project undertaken by any Murugappa Group company. Additionally, the company has strengthened its semiconductor capabilities through the acquisition of an RF component business that designs and develops semiconductor solutions.

Exhibit 92: Major events in the company's history

Year	Particulars
1937	❖ Established as Crompton Parkinson Works Limited.
2011	❖ Acquired Emotron in Europe to enter drives and automation.
2013	❖ Set up a 1600kV ultra-high voltage test and research center in Nashik.
2015	❖ The consumer electricals (B2C) business was demerged from Crompton Greaves Limited and sold to private equity investors.
2019	❖ Re-entered the consumer electricals business post expiry of the non-compete period.
2020	❖ The company became a subsidiary of Tube Investments of India Limited, which is part of the renowned Murugappa Group.
2023	❖ Became a debt-free company after the turnaround of its business operations.
2024	❖ Market capitalization surpassed INR1t. Entered into a joint venture agreement to build and operate an OSAT facility. Acquired majority stake in GG Tronics to enter the TCAS (KAVACH) market.
2025	❖ Acquired the RF components business of Renesas Electronics and its affiliate entities.

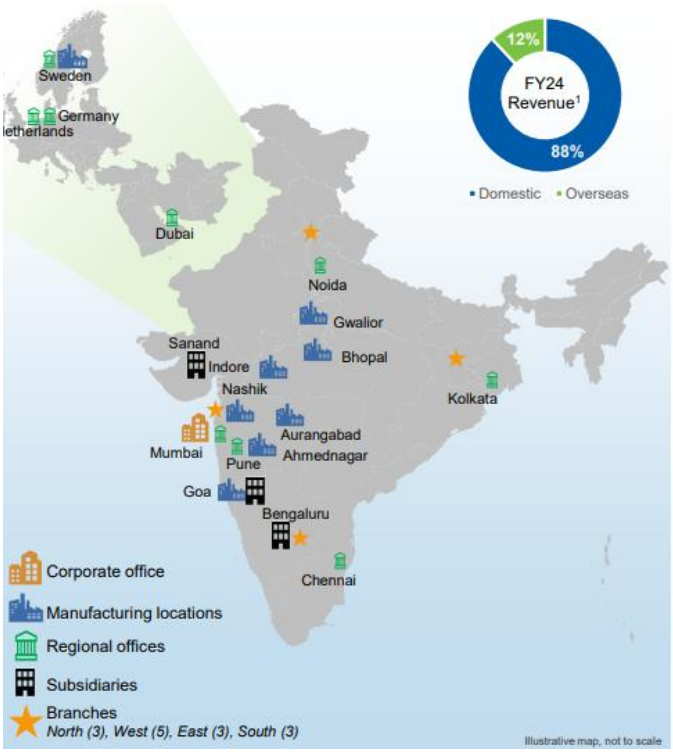
Source: Company, MOFSL

Exhibit 93: CG Power – product portfolio



Source: Company, MOFSL

Exhibit 94: CG Power – manufacturing plants and corporate & regional offices



18
Manufacturing Plants

9
Regional Offices

450+
Channel partner network

500+
Authorised Service centres









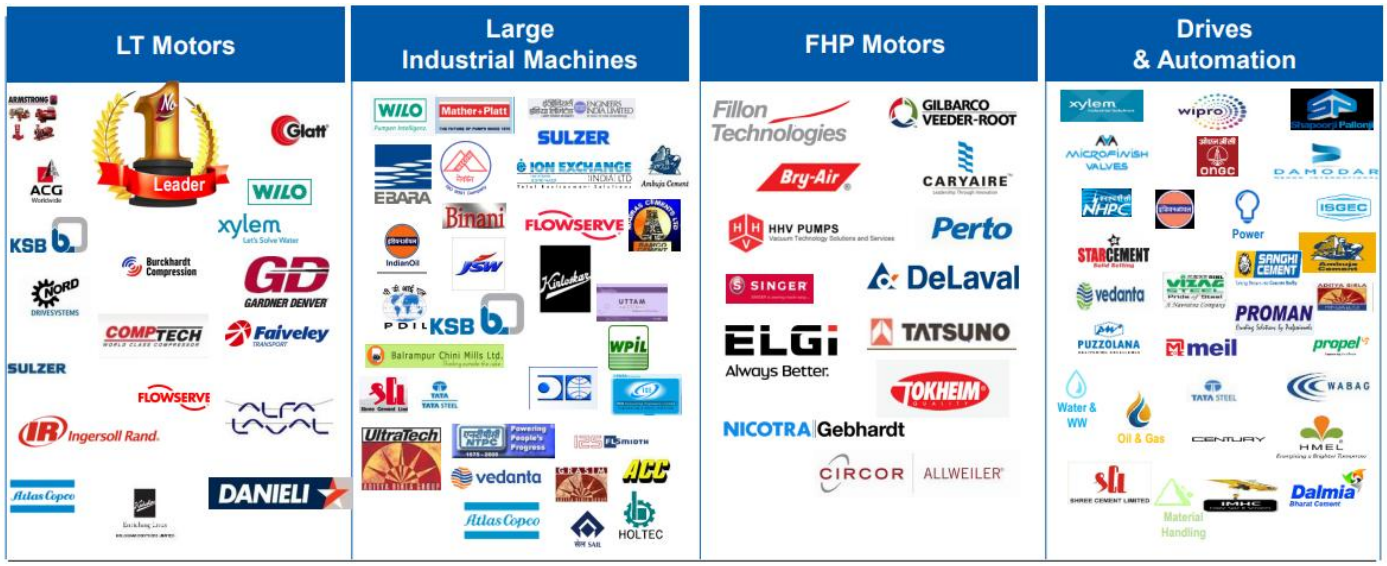
Source: The Indian Electric Co, MOFSL
Note: 1. Revenue is on a consolidated basis

Exhibit 95: Key end-use sectors of the company



Source: Company, MOFSL

Exhibit 96: Key customers of the company



Source: Company, MOFSL

ESG initiatives



Environment

CG Power continues to advance its sustainability performance through disciplined carbon reduction, water conservation, and material efficiency initiatives.

- **Water consumption**
  The company operates ETP/STP systems at major plants and reuses treated wastewater for gardening, cleaning, and other non-process uses, helping reduce freshwater consumption and effluent discharge.
- **Material Management**
  CG is working to reduce plastic packaging, increase local procurement, and digitalize supplier engagement (through portals and electronic documentation). These measures lower material and logistics impact while improving supply-chain efficiency and traceability.
- **Life Cycle Assessment (LCA)**
  CG became the only Indian instrument transformer manufacturer certified by a third party (ICMO, Italy) under ISO 14071 standards, demonstrating product-level environmental transparency and cradle-to-grave impact evaluation.
- **Waste Management**
  Two facilities achieved Single-Use Plastic (SUP) Free certification, and one facility attained a Silver rating on the GreenCo system**.** Hazardous materials such as asbestos are being phased out, replaced by galvanized steel sheets.

Social

- CG Power's social focus covers employees, customers, communities, and its value chain. It aims to provide an inclusive workplace where employees' skills are recognized, their opinions are heard, and their growth is supported through training and engagement programs, while building long-term brand value through strong customer relationships and ethical business conduct.
- The company also works with suppliers and other partners through awareness and training and spending on education, employability, and local development under its CSR program, with a focus on projects that give clear, long-term benefits to nearby communities.

Governance

- CG Power has a comprehensive governance framework supported by formal policies and codes that apply to employees, suppliers, contractors, and service providers, covering fair labor practices, non-discrimination, diversity, health and safety, and a safe, harassment-free workplace. The company follows a zero-tolerance approach to bribery and corruption, is committed to full legal and regulatory compliance, and has a code of conduct (with anti-bribery/anti-corruption provisions), together with a whistleblower/vigil mechanism and POSH policy, to define expected behavior and provide channels to report and address violations.

SWOT analysis

S – STRENGTH

- Diversified business segments are well positioned to capitalize on strong industry tailwinds
- Diverse customer base across various end-user sectors
- Strong parentage of the Murugappa group and experienced senior management
- The company is almost debt free

W – WEAKNESS

- Execution risk in OSAT venture
- Little presence outside India in the export market
- Working capital and execution risk

O – OPPORTUNITY

- Foraying into the semiconductor design business and setting up an OSAT facility
- Expand the production capacity in motors, transformers, and switchgears
- Capitalize on rising demand from international markets to grow exports
- Increasing the share in customer spending and focusing on growing FMEG products

T – THREATS

- Intense competition
- Policy and subsidy uncertainty
- Fluctuations in exchange rates and raw material prices can impact the supply chain



Management Team



Mr. Vellayan Subbiah (Chairman & Non-Executive Non-Independent Director)

Mr. Vellayan Subbiah holds a Bachelor of Technology in Civil Engineering from IIT Madras and a Master of Business Administration from the University of Michigan. He has over two decades of work experience in varied fields, i.e., consulting, technology, projects, and financial services. He has worked with McKinsey and Company, 24/7 Customer Inc., and Sundram Fasteners Ltd. He is currently the Executive Vice Chairman of Tube Investments of India Limited and Chairman of Cholamandalam Investment and Finance Company Limited. He is also on the Board of SRF Ltd., Cholamandalam Financial Holdings Ltd, and Ambadi Investments Ltd.



Mr. Amar Kaul (Managing Director & CEO)

Mr. Amar Kaul has over 30 years of total work experience, having led a global workforce across geographies and industry sectors. His expertise lies in strategy, global operations, product management, product development, and go-to-market strategy. Before joining CG, he was in an executive leadership position leading the EMEIA (Europe, the Middle East, India, and Africa) region for compression systems & services in Ingersoll Rand. He also served as the Chairman and Managing Director of Ingersoll Rand (India) Limited, a listed company in India. Before this, he held senior leadership positions in Bharat Forge Ltd. and Delphi Corporation. He holds a B. Tech (Mechanical Engineering) from G.B. Pant University, an MS Degree (Engineering Business Management) from Warwick University in the UK, and an Executive Leadership Program from Stanford University.



Mr. Susheel Todi (Chief Financial Officer)

Mr. Susheel Todi has over 23 years of experience in general management, business partnering, finance, and taxation, CA, ICAI, India. He previously served as Finance Controller at Kalpataru Power Transmission Ltd. and began his career at UM Cables Ltd. He has held several leadership roles at CG and has completed the Executive Management Program from IIM Ahmedabad.



Mr. M A M Arunachalam (Non-Executive Non-Independent Director)

Mr. M A M Arunachalam, also known as Arun Murugappan, holds a Master's in Business Administration from the University of Chicago, US. He is currently the Executive Chairman of Tube Investments of India Limited. He is also the Chairman of Cholamandalam Home Finance Limited. A senior member of the Murugappa family, he is an industrialist and has over 25 years' experience in varied industrial activities. He is also on the Boards of Cholamandalam Investments and Finance Company Limited, Shanthi Gears Limited, and Ambadi Investments Limited, among others.



Mr. P S Jayakumar (Non-Executive Independent Director)

Mr. P S Jayakumar holds a Master's in Commerce from the University of Chennai and is a Chartered Accountant from the Institute of Chartered Accountants of India, as well as an MBA graduate from XLRI Jamshedpur and a Gurukul Chevening Scholar, London School of Economics and Political Science. He started his career as an entry-level Management Associate in Citibank and went on to become the Co-Head of Citibank, India, with the responsibility of consumer banking. Next, he copromoted two companies, namely VBHC Value Homes and Home First India. He was the Managing Director of Bank of Baroda for a period from 2015 to 2019. Currently, he is the Senior Advisor at India Advisory Board, Master Card, India, and Board of Governors of the Indian Institute of Corporate Affairs. He is also on the Board of listed companies such as Emcure Pharmaceuticals Limited, HT Media Limited, Adani Ports and Special Economic Zone Limited, Northern ARC Capital Limited, and JM Financial Limited.



Mr. Sriram Sivaram (Non-Executive Independent Director)

Mr. Sriram Sivaram holds a B.Tech from IIT, Madras, and an MS and an MBA from Cornell University. He has worked for more than fifteen years with US-based multinational companies in the energy sector, where he has held various key management positions. He is currently the Joint Managing Director of Madras Engineering Industries Pvt. Ltd.



Mrs. Vijayalakshmi Rajaram Iyer (Non-Executive Independent Director)

Mrs. Vijayalakshmi Rajaram Iyer holds a post-graduation degree from Sydenham College of Commerce, Mumbai. She is also a certified associate of the Indian Institute of Banking and Finance. She has nearly four decades of experience in the banking and finance sector in India. She has served as the Chairperson for a number of boards and committees in the financial sector in India, including the Banking and Financial Institute Committee of the Federation of Indian Chambers of Commerce and Industry. She retired as the Chairperson and Managing Director of Bank of India in May 2015, where she played an instrumental role in structuring it as an umbrella institution offering all kinds of banking and financial services.



Mr. Mammen Chally (Non-Executive Independent Director)

Mr. Mammen Chally holds a graduation degree from IIT Madras and an MBA degree from Northeastern University, Boston. He is a retired partner and portfolio manager of Wellington Management Company, LLP, with over thirty years of investing experience in public market equities in the US. After graduating from IIT Madras in 1989, he spent three years at GAIL as an Engineer, primarily working on the construction of an LPG plant at Vijaipur, India. Thereafter, in 1994, he joined Wellington Management Company, LLP as an Analyst and was quickly promoted to the role of a portfolio manager (PM) and was named a co-PM to the Hartford Core Equity Fund in 1998. Over time, he was part of multiple projects to advise Wellington's CEO and leadership team on aspects of their products and strategy. He has also served on several committees that worked to improve the investment results that they generate for their clients.

Financials and valuations

Consolidated - Income Statement (INR m)

Y/E Mar	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	**29,640**	**54,835**	**69,725**	**80,460**	**99,087**	**1,23,929**	**1,56,966**	**1,99,233**
Change (%)	-42.0	85.0	27.2	15.4	23.2	25.1	26.7	26.9
Raw Materials	19,743	39,018	48,556	55,522	69,262	86,627	1,09,720	1,39,264
Gross Profit	**9,897**	**15,818**	**21,169**	**24,938**	**29,825**	**37,302**	**47,246**	**59,968**
Employee Cost	3,718	3,651	4,217	5,081	6,128	9,295	11,772	14,942
Other Expenses	5,104	5,834	7,019	8,576	10,650	11,801	13,746	14,855
Total Expenditure	**28,565**	**48,503**	**59,792**	**69,179**	**86,039**	**1,07,722**	**1,35,239**	**1,69,062**
% of Sales	96.4	88.5	85.8	86.0	86.8	86.9	86.2	84.9
EBITDA	**1,075**	**6,333**	**9,933**	**11,281**	**13,047**	**16,207**	**21,727**	**30,171**
Margin (%)	3.6	11.5	14.2	14.0	13.2	13.1	13.8	15.1
Depreciation	1,383	986	945	949	1,118	2,159	3,462	4,174
EBIT	**-308**	**5,347**	**8,988**	**10,332**	**11,929**	**14,048**	**18,266**	**25,997**
Int. and Finance Charges	1,971	682	162	25	71	110	138	172
Other Income	1,114	376	678	1,063	1,622	2,281	2,702	2,562
PBT bef. EO Exp.	**-1,165**	**5,041**	**9,504**	**11,369**	**13,480**	**16,218**	**20,831**	**28,387**
EO Items	-15,437	-5,312	-2,184	-5,780	0	356	0	0
PBT after EO Exp.	**14,272**	**10,353**	**11,688**	**17,149**	**13,480**	**15,863**	**20,831**	**28,387**
Total Tax	1,476	1,223	2,058	2,873	3,750	4,512	5,795	7,897
Tax Rate (%)	10.3	11.8	17.6	16.8	27.8	28.4	27.8	27.8
Profit share of asociates/JV	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minority Interest	-156	5	3	6	-16	-100	-110	-121
Reported PAT	**12,952**	**9,125**	**9,627**	**14,270**	**9,746**	**11,451**	**15,146**	**20,611**
Adjusted PAT	**-2,485**	**3,813**	**7,443**	**8,490**	**9,746**	**11,807**	**15,146**	**20,611**
Change (%)	-31.8	-253.4	95.2	14.1	14.8	21.1	28.3	36.1
Margin (%)	-8.4	7.0	10.7	10.6	9.8	9.5	9.6	10.3

Consolidated - Balance Sheet (INR m)

Y/E Mar	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	2,676	2,884	3,054	3,055	3,058	3,149	3,149	3,149
Total Reserves	-3,519	7,146	14,851	27,120	35,382	74,081	85,768	1,01,882
Net Worth	**-843**	**10,030**	**17,905**	**30,174**	**38,440**	**77,230**	**88,917**	**1,05,031**
Minority Interest	0	10	9	13	1,937	1,837	1,727	1,606
Total Loans	14,645	3,522	0	0	3	3	3	3
Deferred Tax Liabilities	-7,333	-6,219	-4,335	-1,557	838	838	838	838
Capital Employed	**6,469**	**7,342**	**13,579**	**28,630**	**41,217**	**79,907**	**91,484**	**1,07,478**
Gross Block	21,076	20,468	19,056	20,586	24,848	36,848	58,708	72,708
Less: Accum. Deprn.	11,176	11,178	10,973	11,635	12,869	15,028	18,490	22,664
Net Fixed Assets	**9,900**	**9,291**	**8,084**	**8,951**	**11,980**	**21,820**	**40,219**	**50,044**
Goodwill on Consolidation	1,557	1,524	1,621	1,638	2,811	2,811	2,811	2,811
Capital WIP	201	352	383	938	3,857	3,857	3,857	3,857
Total Investments	**19**	**413**	**10**	**5,885**	**4,375**	**4,375**	**4,375**	**4,375**
Curr. Assets, Loans&Adv.	**22,059**	**24,343**	**30,027**	**36,551**	**50,371**	**87,245**	**90,973**	**1,10,634**
Inventory	4,283	5,124	5,412	7,507	11,367	14,217	18,007	22,856
Account Receivables	5,870	9,437	12,971	15,342	20,092	25,129	31,828	40,399
Cash and Bank Balance	5,336	4,880	7,140	8,544	12,591	40,238	31,710	35,706
Loans and Advances	0	0	0	0	0	0	0	0
Other Current Asset	6,570	4,902	4,505	5,158	6,320	7,661	9,428	11,673
Curr. Liability & Prov.	**30,057**	**28,571**	**21,231**	**25,421**	**32,266**	**40,201**	**50,750**	**64,243**
Account Payables	10,345	11,486	12,727	14,843	18,700	23,389	29,624	37,601
Other Current Liabilities	17,255	15,064	6,506	8,256	10,928	13,513	16,948	21,339
Provisions	2,457	2,020	1,999	2,323	2,638	3,299	4,179	5,304
Net Current Assets	**-7,999**	**-4,229**	**8,796**	**11,130**	**18,105**	**47,044**	**40,223**	**46,391**
Discontinued operations	-2,791	8	5,315	-89	-90	0	0	0
Appl. of Funds	**6,469**	**7,342**	**13,579**	**28,630**	**41,217**	**79,907**	**91,484**	**1,07,478**

Financials and valuations

Ratios

Y/E Mar	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)								
EPS	**-1.9**	**2.6**	**4.9**	**5.6**	**6.4**	**7.5**	**9.6**	**13.1**
Cash EPS	-0.8	3.3	5.5	6.2	7.1	8.9	11.8	15.7
BV/Share	-0.6	7.0	11.7	19.8	25.1	49.1	56.5	66.7
DPS	0.0	0.0	1.5	1.3	1.3	1.7	2.2	2.9
Payout (%)	0.0	0.0	25.1	14.1	20.4	22.5	22.8	21.8
Valuation (x)								
P/E	-417.2	293.0	159.0	139.4	121.6	103.3	80.5	59.2
Cash P/E	-940.6	232.8	141.1	125.4	109.0	87.3	65.6	49.2
P/BV	-1,230.0	111.4	66.1	39.2	30.8	15.8	13.7	11.6
EV/Sales	35.3	20.3	16.9	14.6	11.8	9.5	7.6	5.9
EV/EBITDA	973.3	176.2	118.4	104.2	89.8	72.8	54.7	39.2
Dividend Yield (%)	0.0	0.0	0.2	0.2	0.2	0.2	0.3	0.4
FCF per share	-1.9	2.7	5.6	5.3	3.4	0.2	-3.1	5.5
Return Ratios (%)								
RoE	264.4	83.0	53.3	35.3	28.4	20.4	18.2	21.3
RoCE	4.9	36.9	50.6	39.5	28.5	20.2	18.2	21.3
RoIC	-3.9	361.1	191.2	89.1	51.2	38.8	31.8	32.6
Working Capital Ratios								
Fixed Asset Turnover (x)	1.4	2.7	3.7	3.9	4.0	3.4	2.7	2.7
Asset Turnover (x)	4.6	7.5	5.1	2.8	2.4	1.6	1.7	1.9
Inventory (Days)	53	34	28	34	42	42	42	42
Debtor (Days)	72	63	68	70	74	74	74	74
Creditor (Days)	127	76	67	67	69	69	69	69
Leverage Ratio (x)								
Current Ratio	0.7	0.9	1.4	1.4	1.6	2.2	1.8	1.7
Interest Cover Ratio	-0.2	7.8	55.5	406.8	168.2	127.7	132.8	151.3
Net Debt/Equity	-11.0	-0.2	-0.4	-0.5	-0.4	-0.6	-0.4	-0.4

Consolidated - Cashflow Statement

(INR m)

Y/E Mar	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	14,272	7,519	10,021	11,584	13,480	15,863	20,831	28,387
Depreciation	1,383	986	945	949	1,118	2,159	3,462	4,174
Interest & Finance Charges	1,971	682	162	25	71	110	138	172
Direct Taxes Paid	-35	397	-115	-32	-1,964	-4,512	-5,795	-7,897
(Inc)/Dec in WC	-5,008	-2,365	-714	-1,171	-2,012	-1,246	-1,657	-2,119
CF from Operations	**12,583**	**7,218**	**10,299**	**11,356**	**10,693**	**12,375**	**16,978**	**22,717**
Others	-15,033	-2,601	-935	-1,015	-1,249	0	0	0
CF from Operating incl EO	**-2,450**	**4,617**	**9,364**	**10,341**	**9,444**	**12,375**	**16,978**	**22,717**
(Inc)/Dec in FA	-150	-696	-818	-2,228	-4,254	-12,000	-21,860	-14,000
Free Cash Flow	**-2,601**	**3,920**	**8,546**	**8,113**	**5,190**	**375**	**-4,882**	**8,717**
(Pur)/Sale of Investments	3	-967	422	-5,635	-93	0	0	0
Others	-335	266	197	-5,905	-1,333	43	-50	-52
CF from Investments	**-483**	**-1,397**	**-199**	**-13,768**	**-5,681**	**-11,957**	**-21,910**	**-14,052**
Issue of Shares	6,644	574	556	32	324	91	0	0
Inc/(Dec) in Debt	-534	-6,564	-3,157	0	-157	0	0	0
Interest Paid	-354	-492	-95	-9	-32	-110	-138	-172
Dividend Paid	0	0	-2,291	-1,986	-1,988	-2,661	-3,459	-4,497
Others	143	-1,522	-1,104	-488	187	29,909	0	0
CF from Fin. Activity	**5,899**	**-8,004**	**-6,090**	**-2,451**	**-1,666**	**27,229**	**-3,596**	**-4,668**
Inc/Dec of Cash	**2,966**	**-4,785**	**3,075**	**-5,878**	**2,097**	**27,647**	**-8,528**	**3,996**
Opening Balance	1,920	4,880	3,973	7,119	2,004	12,591	40,238	31,710
Other Bank Balances	447	908	21	6,546	8,496	0	0	0
Other adjustments	2	3,878	72	758	-6			
Closing Balance	**5,335**	**4,880**	**7,140**	**8,545**	**12,591**	**40,238**	**31,710**	**35,706**

Atlanta Electricals

BSE Sensex	S&P CNX
78,494	24,354

CMP: INR1,376 **TP: INR1,650 (+20%)** **Buy**

Powering the next phase of growth!

- **Atlanta Electricals (ATLANTAE) is transitioning from a low-voltage transformer manufacturer (up to 220 kV) to a high-voltage transformer player (400kV and 765kV). It has emerged as the leading player, based on a commissioned capacity of 63 GVA. We expect the company to capitalize on the strong demand for high-range transformers from both state and central utilities. We expect ATLANTAE to participate fully in 400kV and 765kV transformer projects from 2HFY27, once it clears the short-circuit tests and completes technology tie-ups for the 765kV range. With an order book of INR24b and likely order inflow growth CAGR of 40% over FY25-28, we expect a revenue/EBITDA/PAT CAGR of 39%/49%/50%.**
- **ATLANTAE is well hedged in passing on higher RM prices through variable pricing contracts, and a shift in revenue mix could potentially drive higher margins in the future.**
- **The stock currently trades at 40.8x/26.6x P/E on FY27E/FY28E. We initiate coverage on the stock with a BUY rating and a TP of INR1,650 based on 32x Mar'28E EPS which is still at 55% discount to CG Power. The stock could potentially re-rate once it begins receiving and executing orders for the 400kV and 765kV transformer ranges.**
- **Key risks to our thesis include delays in obtaining necessary design and short-circuit testing approvals for higher kV ranges, intensified competition, and delays in ramping up revenues from new capacities.**

Positive industry tailwinds

Sector-level transmission tendering has been increasing, peaking in FY25 with 45 tenders awarded. The moderation in tendering during 9MFY26 (12 tenders) is attributable to a timing delay rather than a demand slowdown. The pipeline remains robust, with **~INR9t** of capital outlay planned through FY32. The total installed transmission substation capacity (>220 kV) is targeted to increase from 1,416 GVA as of Jan'26 to 2,412 GVA by FY32. Rising demand for renewable energy, expansion of data centers and EV charging infrastructure, ongoing railway electrification and metro/rail projects, along with continued focus on industrialization and urbanization, are expected to drive transmission demand.

Expanding capacity to meet growing demand

Over the past six mths, ATLANTAE has nearly quadrupled its transformer manufacturing capacity, increasing from ~16.7 GVA in FY25 to ~63.1 GVA currently. This growth has been achieved through a combination of: 1) **organic expansion:** commissioning a new facility at Vadod, Gujarat, with a capacity of about 30.5 GVA, which became operational in 3QFY26, and 2) **inorganic expansion:** strengthening capacity by consolidating its joint venture (JV) with BTW. ATLANTAE earlier held a 10% stake in this JV. Previously holding a 10% stake in the JV, ATLANTAE acquired the remaining 90% stake along with the associated debt, adding ~15.8 GVA of capacity. The integration of the entity, now renamed Atlanta Trafo Limited, has been completed.

Stock info

Bloomberg	ATLANTAE IN
Equity Shares (m)	77
M.Cap.(INRb)/(USDb)	105.8 / 1.1
52-Week Range (INR)	1398 / 708
1, 6, 12 Rel. Per (%)	30/41/-
12M Avg Val (INR m)	338
Free float (%)	12.7

Financials snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	17.1	23.9	33.8
EBITDA	3.1	4.4	6.4
Adj PAT	1.8	2.6	4.0
EPS (INR)	22.8	33.7	51.8
EPS Gr. (%)	37.7	47.7	53.6
BV/Sh (INR)	120.4	154.1	205.8
Ratios			
RoE (%)	19.0	21.9	25.1
RoCE (%)	21.0	23.1	26.8
Valuations			
P/E (x)	60.3	40.8	26.6
P/BV (x)	11.4	8.9	6.7
EV/EBITDA (x)	33.4	23.4	16.0

Shareholding pattern (%)

As On	Mar-26	Dec-25
Promoter	87.3	87.3
DII	4.3	4.2
FII	2.4	2.4
Others	6.0	6.2

FII includes depository receipts

Plans to manufacture transformers up to 400 kV at Vadod facility, and up to 765 kV at the Ankhi facility.

Moving up the value chain by entering higher kV transformers

The company has historically focused on manufacturing transformers of up to 200 kV. It is now moving up the value chain by expanding into higher voltage segments, with plans to manufacture transformers of up to 400 kV at its Vadod facility and up to 765 kV at the Ankhi facility. The company has already secured its first order in the 400 kV class. It has received design approvals from PGCIL on 1st Apr'26, plans to begin prototype manufacturing soon, and complete the dynamic short circuit test by 2QFY27. Following this, it intends to actively participate in additional tenders. We expect inflows in this category are expected to scale up from 2HFY27. For the 765 kV segment, the company is currently in discussions to establish technology partnerships with European manufacturers for the Ankhi facility. Management expects to finalize at least one such technology tie-up by Apr'26.

Pan-India presence

ATLANTAE has a pan-India presence with a well-established supply footprint across the country. As of Dec'25, the company has delivered more than 4,700 transformer units, with an aggregate installed capacity of ~107 GVA across 19 states and 3 union territories. This extensive geographical distribution highlights the company's strong execution capabilities and long-standing relationships with utilities, EPC contractors, and industrial customers across multiple regions. The company has strong relationships with 208 customers (up from 137 customers in FY23), including 21 public sector undertakings (PSUs), and 187 private players as of the end of FY25.

Execution ramp-up likely from FY27

We expect near-term execution to be supported by a strong order book of INR24b, primarily comprising transformers up to 220 kV. Once the short circuit test is completed for the 400 kV class, order inflows are expected to ramp up from mid-FY27 for 400 kV transformers, supporting execution growth from FY28 onward. For the 765 kV class, technological tie-ups are expected to be finalized in FY27, with order inflows likely to ramp up from FY27-end.

Financial outlook

We factor in order inflows of INR24b/INR33b/INR44b in FY26/27/28. Growth in FY27 order inflows will be driven base ordering from 220kV transformers and orders for 400 kV class transformers starting mid-FY27. For FY28, growth will be further aided by the addition of 765 kV class transformers following the completion of tech tie ups.This is likely to lead to a revenue/ EBITDA/PAT CAGR of 39%/49%/50% over FY25-28, with EBITDA margins estimated at 18.5% for FY26-FY28. With an improving revenue mix, strong margins, and a comfortable working capital, we expect the RoE/RoCE to reach 24.5%/26.3% by FY28.

Valuation and recommendation

ATLANTAE is currently trading at 40.8x/26.6x FY27E/FY28E EPS. We initiate coverage on the stock with a BUY rating and a TP of INR1,650 based on 32x P/E on Mar'28 earnings which is still at 55% to discount to CG player. Current valuation multiples of Atlanta are in line with its peers in the 220kV-400kV transformer range. We expect PE re-rating to start playing out in the future as the company starts receiving orders for the 400/765kV range transformers and shows efficient execution.

Key risks and concerns

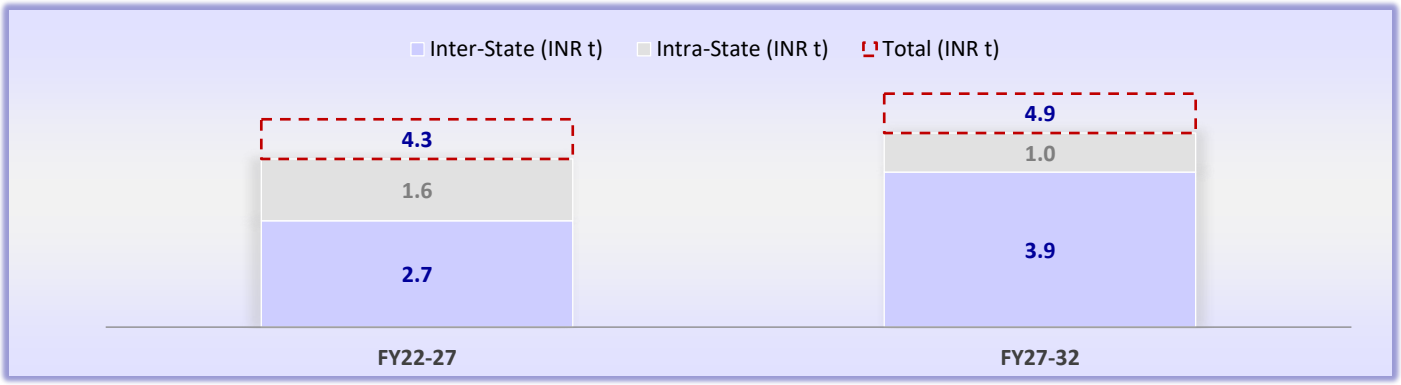
Key risks include: 1) a slowdown in the tendering of orders, 2) customers' non-acceptance of higher kV transformers, 3) supply chain-related issues, and 4) a spike in commodity prices.

Order book has surged over the years, and is expected to post a 37% CAGR over FY25-28, with the addition of higher-kV class transformers



STORY IN CHARTS

Expected capital outlay over the periods across inter-state and intra-state transmission projects to reach the desired targets (INR t)



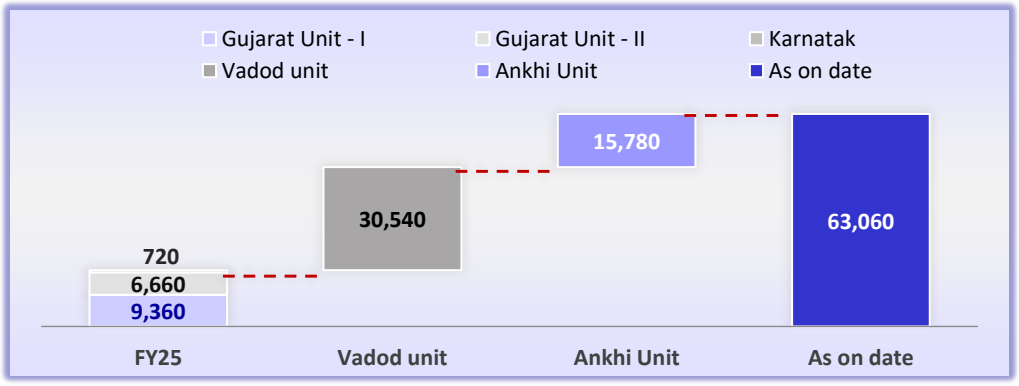
Source: CEA, MOFSL

Planned expansion of domestic transformer players (including above 220 kV)

Company Name	Number of Mfg Units	Current Capacity (MVA)	Proposed Capacity (MVA)	Total Capacity (MVA)		Comments on additional capacities
Transformers & Rectifiers Ltd.	3	38,000	37,000	75,000	❖	15,000 MVA to commence from 1QFY27 22,000 MVA to commence from 2QFY27
Siemens Energy India Ltd.	1	15,000	45,000	60,000	❖	15,000 MVA to commence from 2HCY26 30,000 MVA to commence from FY30-31
CG Power & Industrial Solutions Ltd.	2	40,000	45,000	85,000	❖	To commence from FY27-28
Atlanta Electricals Ltd.	**3**	**16,740**	**46,320**	**63,060**		**Commissioned**
Voltamp Transformers Ltd.	2	14,000	6,000	20,000	❖	INR2b for 220 kV transformer capacity
Meiden T&D (India) Ltd.	1	15,000	NA	15,000		
TBEA Energy (India) Pvt Ltd.	1	20,000	NA	20,000		
Toshiba T&D Systems (India) Pvt Ltd.	1	NA	NA	NA		
ECE Industries Ltd.	2	12,000	NA	12,000		
Technical Associates Ltd.	1	20,000	NA	20,000		
Indotech Transformers Ltd.	1	7,500	NA	7,500		
Bharat Bijlee Ltd.	1	18,000	NA	18,000		
Kanohar Electricals Ltd.	1	10,500	NA	10,500		
Shirdi Sai Electricals Ltd.	2	33,500	19,500	53,000		
Vishvas Power Engineering Services Pvt. Ltd.	1	NA	NA	NA		
Hitachi Energy India Ltd.	2	NA	NA	NA	❖	Planned capex of INR20b towards capacity enhancement and factory expansion
GE Vernova T&D India Ltd.	3	NA	NA	NA	❖	Planned capex of INR1.4b towards capacity expansion
Danish Power Ltd.	2	4,681	6,319	11,000		

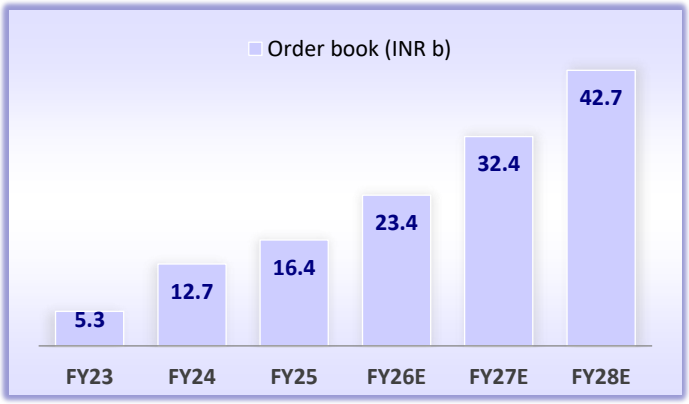
Source: Industry, MOFSL

ATLANTAE has increased its manufacturing capacity fourfold

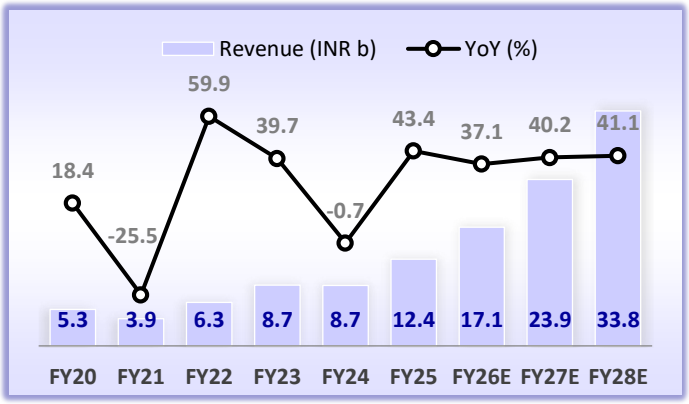


Source: Company, MOFSL

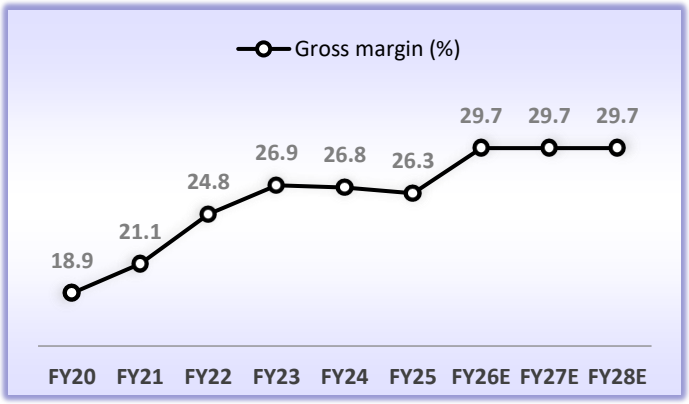
We expect the order book to clock 37% CAGR over FY25-28



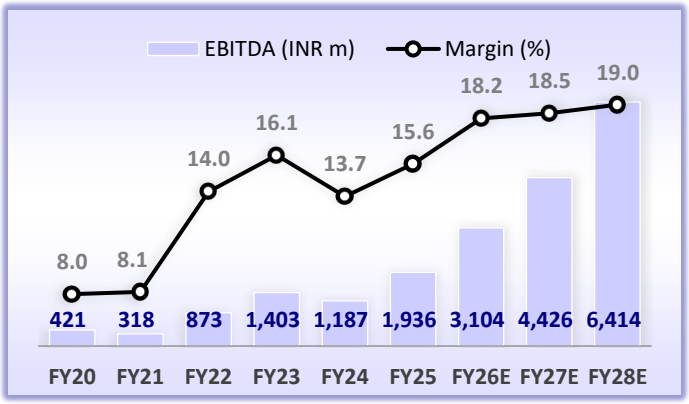
We expect a revenue CAGR of 39% over FY25-28



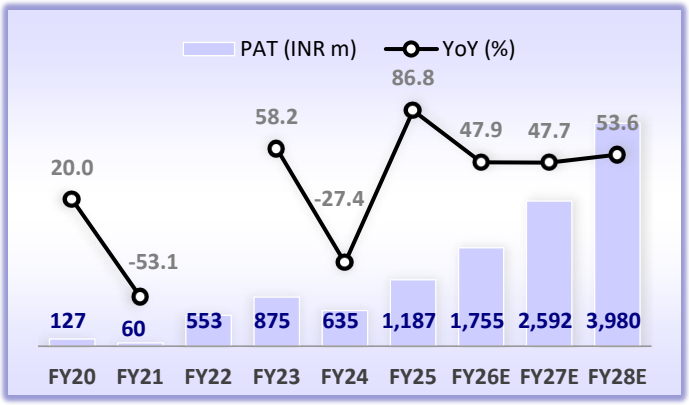
Gross margin to remain at healthy levels



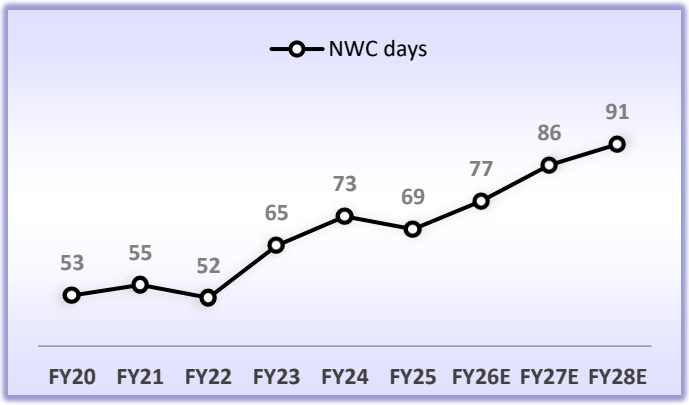
Margin to improve on execution of higher kV transformers



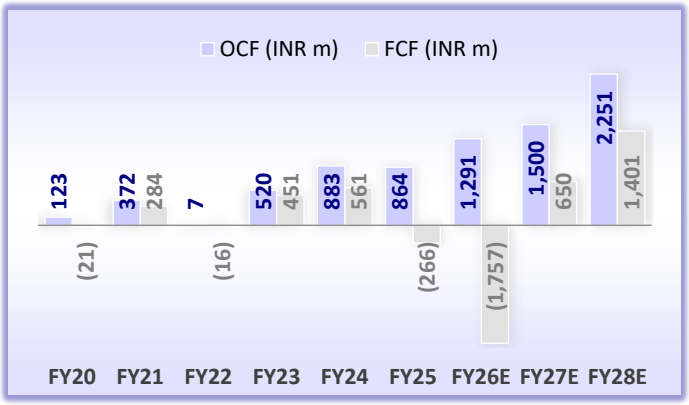
We expect a PAT CAGR of 50% over FY25-28



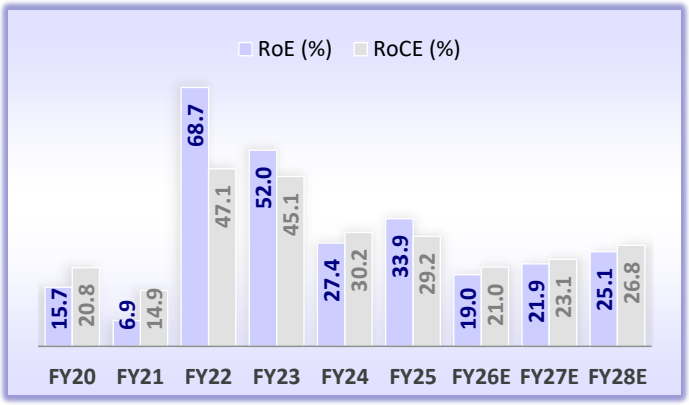
Working capital cycle likely to be at comfortable levels



We expect OCF and FCF to improve beyond FY26 (INR m)



RoE and RoCE to remain comfortable at 24-26% by FY28



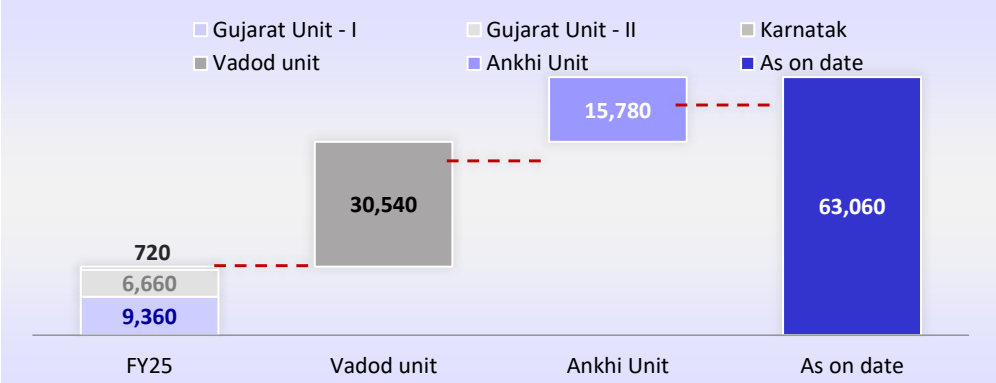
Key investment thesis

Emerging as one of the top 3 players in the domestic transformer market in terms of commissioned capacities

As of the end of FY25, ATLANTAE had a total manufacturing capacity of 16,740 MVA. Since then, the company has nearly quadrupled its capacity to 63,060 MVA. This growth was achieved through 1) the establishment of a new plant in Vadod with an annual capacity of 30,540 MVA, and 2) the acquisition of the remaining 90% stake in the BTW-ATLANTAE JV plant in Ankhi, which has a capacity of 15,780 MVA. The next largest competitors in terms of capacity are TARIL with 40,200 MVA and CG Power with 40,000 MVA. While both competitors have announced capacity expansion plans, ATLANTAE remains well ahead in terms of timely execution and actual commissioning. This aggressive expansion positions ATLANTAE to meet the accelerating demand in the transformer segment and capture a larger share of upcoming utility and private sector projects.

The company has nearly quadrupled its capacity to 63,060 MVA

Exhibit 97: ATLANTAE has increased its manufacturing capacity fourfold



Source: Company, MOFSL

Exhibit 98: Planned expansions of domestic transformer players (including above 220 kV)

Company Name	Number of Mfg Units	Current Capacity (MVA)	Proposed Capacity (MVA)	Total Capacity (MVA)		Comments on additional capacities
Transformers & Rectifiers	3	40,200	37,000	77,200	❖	15,000 MVA to commence from 1QFY27 22,000 MVA to commence from 2QFY27
Siemens Energy India	1	15,000	45,000	60,000	❖	15,000 MVA to commence from 2HCY26 30,000 MVA to commence from FY30-31
CG Power & Industrial Solutions	2	40,000	45,000	85,000	❖	To commence from FY27-28
Atlanta Electricals	**3**	**16,740**	**46,320**	**63,060**		**Commissioned**
Voltamp Transformers	2	14,000	6,000	20,000	❖	INR2b for 220 kV transformer capacity
Meiden T&D (India)	1	15,000	NA	15,000		
TBEA Energy (India) Pvt Ltd.	1	20,000	NA	20,000		
Toshiba T&D Systems (India) Pvt Ltd.	1	NA	NA	NA		
ECE Industries	2	12,000	NA	12,000		
Technical Associates	1	20,000	NA	20,000		
Indotech Transformers	1	7,500	NA	7,500		
Bharat Bijlee	1	18,000	NA	18,000		
Kanohar Electricals	1	10,500	NA	10,500		
Shirdi Sai Electricals	2	33,500	19,500	53,000		
Vishvas Power Engineering Services Pvt. Ltd.	1	NA	NA	NA		
Hitachi Energy India	2	NA	NA	NA	❖	Planned capex of INR20b
GE Vernova T&D India	3	NA	NA	NA	❖	Planned capex of INR9.4b
Danish Power	2	4,681	6,319	11,000		

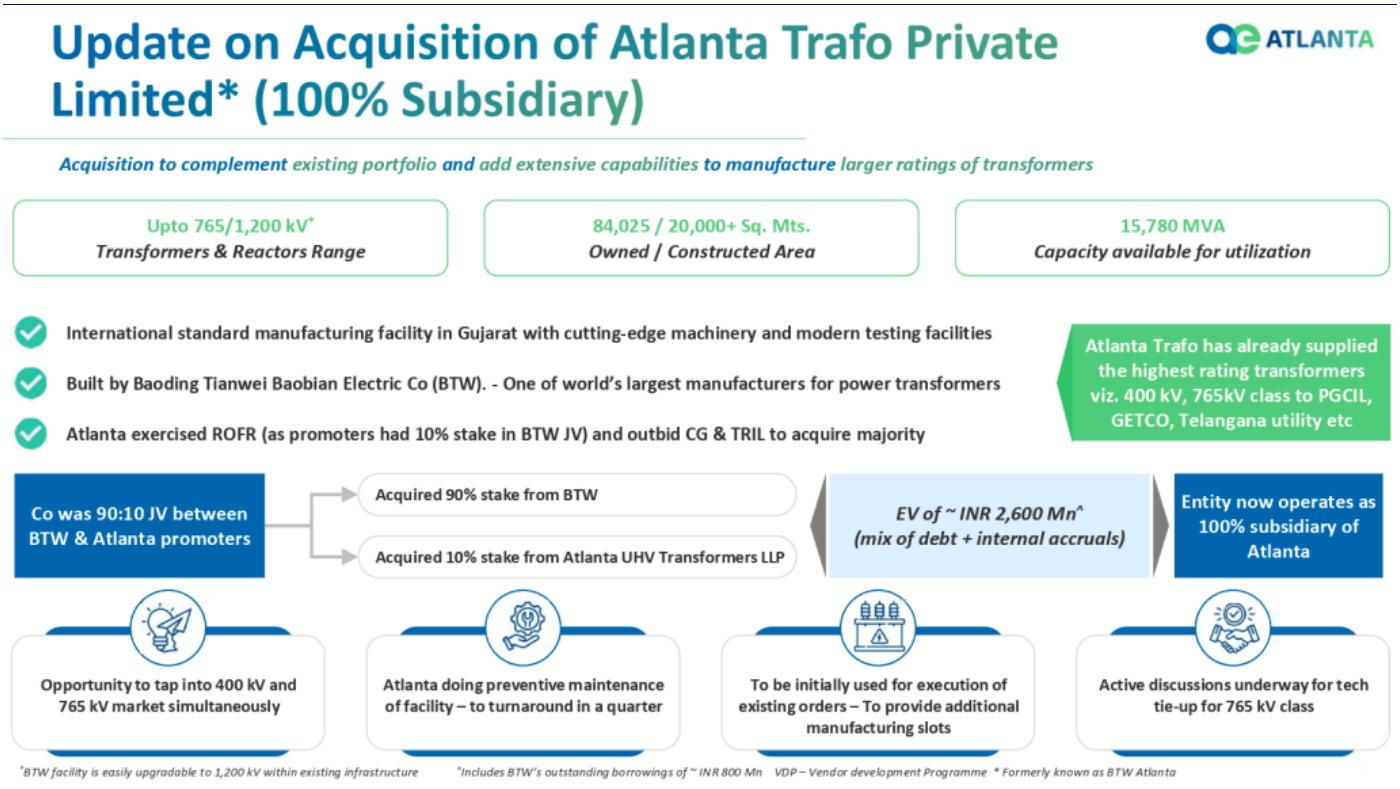
Source: Company, MOFSL

Acquisition of BTW capacity has put ATLANTAE in the high kV range

BTW acquisition added ~15,780 MVA of capacity with capability to manufacture up to 765 kV transformers

To meet the growing demand, ATLANTAE has expanded its annual transformer manufacturing capacity from ~16,740 MVA at the end of FY25 to 63,060 MVA as of today. This expansion includes a new 30,540 MVA facility at Vadod, Gujarat, capable of producing transformers up to 400 kV, taking the company's total capacity to 47,280 MVA. In addition, the company previously entered into a JV with Baoding under a 10:90 shareholding arrangement to manufacture transformers at a plant in Ankhi, Gujarat. ATLANTAE has since acquired Baoding's 90% stake for INR1.65b and assumed the JV's outstanding debt of ~INR805m, making it a wholly owned subsidiary. This acquisition has added around 15,780 MVA of incremental capacity, with the capability to manufacture transformers up to 765 kV, raising the company's total capacity to 63,060 MVA at present. The Ankhi unit can be easily upgraded to 1,200 kV within existing infrastructure with minimal capex.

Exhibit 99: Update on the acquisition of Atlanta Trafo (Ankhi unit)



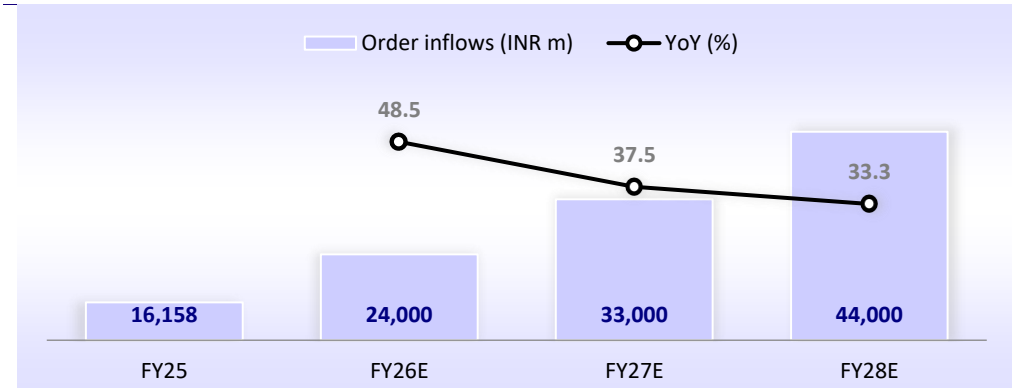
Source: Company

With a presence across the 400kv and 765kv transformers, the company will now target orders in these ranges

Order intake likely to improve materially once the first 400 kV class transformer is developed, tested and delivered

The company's current order book stands at around INR24.5b and is executable over the next one to two years. Capacity expansions have been completed, with most of the approvals already in place or at advanced stages, which will support a ramp-up in execution. The company has a near-term TAM of ~INR100b for up to 200 kV class transformers and has historically achieved a hit ratio of 10-15%. This provides strong visibility for near-term order inflows and execution. The company has already secured an order for a 400 kV transformer and has strategically paused accepting additional 400 kV class orders until it completes the testing of the first order. The order intake is likely to improve materially once the first 400 kV class transformer is developed, tested and delivered. We expect order inflows for the company to clock a CAGR of 40% over FY25-28.

Exhibit 100: We expect inflows to ramp up once all the approvals are in place



Source: Company, MOFSL

Strategy to utilize Vadod and Ankhi units in the near-to-medium term

Short-circuit testing of 400 kV expected to be completed by 2QFY27 post which company will begin bidding for additional tenders.

- **Plans for the 400kV Vadod facility:** ATLANTAE is developing a 400kV prototype under the supervision of PGCIL. The company has already secured an order for transformers in the 400kV class. It has received the design approvals from PGCIL, aims to begin prototype manufacturing soon, complete the short-circuit test by 2QFY27, and begin bidding for additional tenders thereafter. Since the 400kV segment does not require any technology tie-up, order inflows are expected to ramp up from 2HFY27, with execution likely to reflect from FY28.

Bidding for 765kV orders is expected to begin at the end of FY27

- **Plans for the BTW facility for transformers up to 765 kV:** The BTW facility acquisition was completed around Sep'25. ATLANTAE is currently in discussions with European manufacturers for a technology tie-up. Given that this technology is now well established and skilled engineers are available domestically, the company expects to finalize a tie-up by Apr'26. In case discussions with European firms do not materialize, ATLANTAE remains open to acquiring the technology directly from BTW. Bidding for 765kV orders is expected to begin at the end of FY27. ATLANTAE intends to build a prototype as part of PGCIL's vendor development program, and upon approval, will participate in large-scale tenders from 2HFY27 onward.

Established market presence

Strong presence in the domestic transformer market up to 220 kV with presence across 19 states and three union territories

PGCIL is supporting vendors developing 400kV and 765kV transformers. ATLANTAE has received design validation for its 400kV range and plans to begin 765kV manufacturing once the necessary technological tie-ups are completed, with bidding likely from FY27 and participation in bulk tenders from 2HFY27. It has developed a strong presence in the domestic transformer market up to 220 kV, supported by long-standing relationships with utilities, industrial clients, and EPC contractors. The company has a presence across 19 states and three union territories, holds approvals from key state utilities such as GETCO, MSETCL, and MPPTCL, and maintains strong relationships with marquee private customers, including Adani Green, Tata Power, and SMS India. As of 31 Mar'25, the company has cultivated relationships with 208 customers (up from 137 customers in FY23), of which 21 are PSUs and 187 are private players.

Exhibit 101: ATLANTAE's top 10 customers as of FY25

Name of Customers	Duration of association with ATLANTAE (in years)
Gujarat Energy Transmission Corporation Ltd.	21
Adani Green Energy Ltd.	7
Rajasthan Rajya Vidyut Prasaran Nigam Ltd.	13
Tamil Nadu Transmission Corp. Ltd.	8
Punjab State Power Corporation Ltd.	7
Uttar Pradesh Power Transmission Corporation Ltd.	7
Punjab State Transmission Corporation Ltd.	3
Maharashtra State Electricity Transmission Company Ltd.	3
Amod Stampings Private Ltd.	16
Tata Power Renewable Energy Ltd.	8
MBH Power Private Ltd.	12

Source: Company, MOFSL

In-house manufacturing of key components and testing facilities

Developed extensive in-house manufacturing and testing infrastructure

ATLANTAE has developed extensive in-house manufacturing and testing infrastructure to ensure precision, reliability, and quality across its transformer portfolio. The company's facilities are equipped with 49 winding machines, 13 core building stations, 21 core coil assembly stations, five vapor-phase drying ovens, seven vacuum drying ovens, and nine tanking workstations, enabling efficient large-scale production to meet tight delivery schedules. Complementing these capabilities are four NABL-accredited laboratories at Units 1 and 2 that can test transformers up to 200 MVA/245 kV, performing a comprehensive range of routine and specialized tests, including lightning impulse, temperature rise, and partial discharge analysis. This high level of self-sufficiency enhances quality assurance and minimizes dependence on third-party testing. The company has three more NABL-accredited laboratories in the Vadod facility. Additionally, ATLANTAE has long-term arrangements on an arm's length basis for the supply of critical raw materials such as CRGO steel from its related party, Amod Stampings Pvt. Ltd., which meets 45-50% of ATLANTAE's CRGO requirement.

Exhibit 102: ATLANTAE's top 10 suppliers as of FY25

Name of suppliers	Duration of Association with ATLANTAE (in Years)
Apar Industries Ltd.	8
Amod Stampings Pvt. Ltd.	16
NLMK INDIA SERVICE CENTER PRIVATE Ltd.	10
Savita Oil Technologies Ltd.	16
NKM Cables & Strips (P) Ltd.	6
Vidya Wires Ltd.	16
KSH INTERNATIONAL Pvt. Ltd.	7
MEW ELECTRICALS Ltd.	12
CTR MANUFACTURING INDUSTRIES PRIVATE Ltd.- PUNE	13
Elite Conductors Ltd.	13

Source: Company, MOFSL

Exhibit 103: Total purchases made from Amod Stampings (INR m)

Particulars (INR m)	FY22	FY23	FY24	FY25
Purchase of raw materials from Amod Stampings Pvt. Ltd.	1,237	1,793	1,224	1,110
Total COGS	4,705	6,384	6,352	9,164
As % of total COGS	26.3	28.1	19.3	12.1

Source: Company, MOFSL

Plans to boost its exports in the future

Geographic diversification into controlled export markets such as Nepal and select regions in Africa is a key focus area

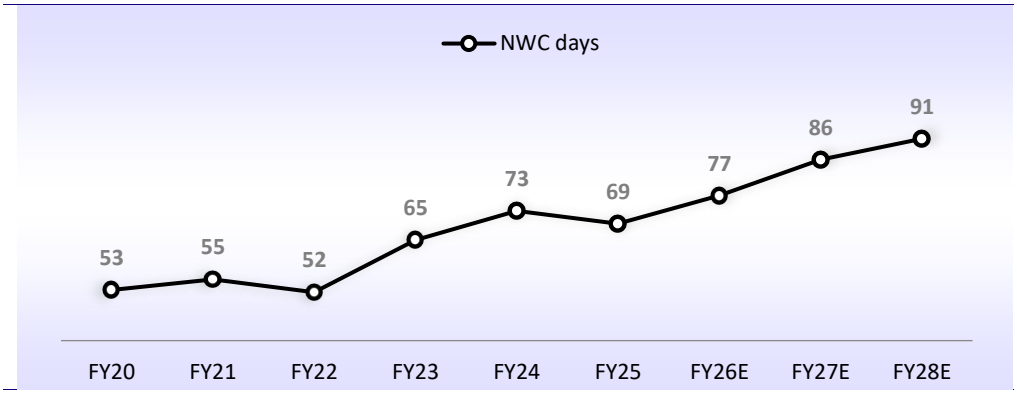
ATLANTAE is strategically positioning itself to capitalize on both domestic and international growth opportunities in the transformer sector. It received its first export order worth ~INR200m during 3QFY26 for the supply of a 132 kV class transformer and expects the export order book to strengthen over the next year. Beyond domestic expansion, geographic diversification into controlled export markets such as Nepal and select regions in Africa is a key focus area for ATLANTAE, supported by local partnerships to navigate regulatory environments effectively. By offering customized products, advanced technological solutions, and enhanced after-sales support, ATLANTAE aims to deepen existing client relationships while attracting new international customers.

Strong balance sheet and ability to meet future funding requirements

Expects to repay the entire long-term debt in the current fiscal year, with some spillover into FY27

ATLANTAE has a strong balance sheet position. The company has utilized most of the funds it raised to repay the debt incurred in setting up the Vadod unit, to acquire the Ankhi unit, and to repay vendors. The current total debt of the company stands at ~INR1.8b (INR650m is long-term debt, while INR1.2b is short-term in nature). The company expects to repay the entire long-term debt in the current fiscal year, with some spillover into FY27, which will reduce the total financial liability. Additionally, it has a large customer base spread out across PSUs, state utilities, and private players, which helps diversify the risk of delayed receivables. This has resulted in the company having a fairly decent working capital historically. Still, as the company moves up the value chain in higher kV class transformers, the execution period may expand, leading to extended receivables. We thus expect the working capital levels to increase to 80-90 days.

Exhibit 104: NWC days to increase but remain at comfortable levels



Source: Company, MOFSL

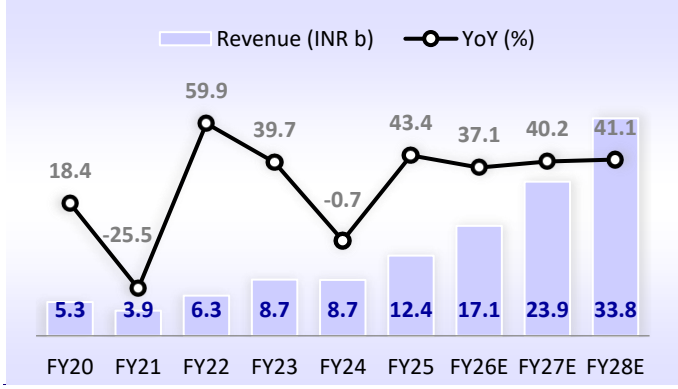
Growth in financials to be led by higher capacity and a stable margin profile

Capacity additions and portfolio upgrades to drive a sustained improvement in execution

ATLANTAE has historically focused on manufacturing transformers up to the 220 kV class and has consistently maintained healthy margins, supported by strong execution capabilities and operational scale benefits. Its efficient project management, optimized procurement practices, and disciplined cost controls have enabled it to sustain profitability even amid industry cyclicality. With the recent capacity expansion (Vadod unit) and the strategic stake acquisition (BTW Ankhi unit), the company is now well-positioned to target projects in higher kV class transformers. Higher kV transformers typically offer superior margin profiles due to

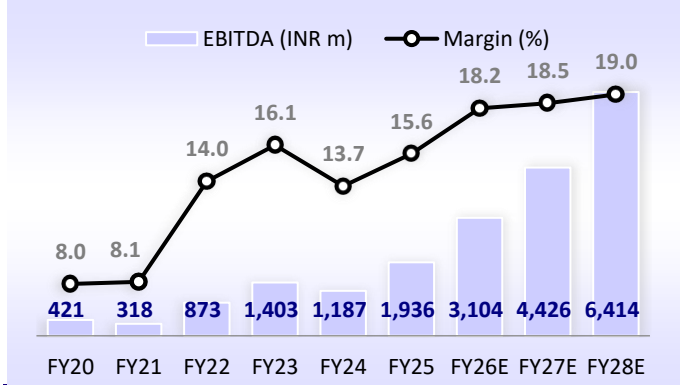
higher technical entry barriers, limited competition, and better pricing discipline. We expect these capacity additions and portfolio upgrades to drive a sustained improvement in execution. As the utilization levels at the new facilities start improving, operating leverage is likely to support the company in maintaining its current strong level of steady margins.

Exhibit 105: Revenue is expected to register a 39% CAGR over FY25-28E



Source: Company, MOFSL

Exhibit 106: Margin to improve due to the execution of higher kV transformers



Source: Company, MOFSL

Broad and diversified product portfolio

Manufactures six types of transformers

ATLANTAE offers a broad and diversified product portfolio that is designed to meet the diverse requirements of its customer base. The company manufactures six types of transformers. The company can manufacture and supply transformers tailored to unique specifications according to the customers' needs. For instance, ATLANTAE is one of the few companies to deliver 66 kV transformers to Leh, which were designed for installation at an altitude of over 3,000 meters and to withstand ambient temperature conditions.

Exhibit 107: Revenue mix in the past three years

Sale of Products	FY23	FY24	FY25
Power Transformer	8,159	7,719	9,157
Auto Transformer	271	80	1,338
Inverter Duty Transformer	26	492	1,291
Furnace Transformer	0	0	0
Generator Transformer	0	0	0
Special Duty Transformer	0	0	0
Allied products	55	86	251
Total revenue from the sale of products	**8,512**	**8,378**	**12,037**

Source: Company, MOFSL

Lower cost of setting up a new plant compared to its peers

Most critical machinery is locally manufactured in Anand or Vadod based on ATLANTAE's proprietary designs

ATLANTAE benefits from a structurally lower cost of acquisition and setup compared to its peers, driven by a combination of strategic location, in-house expertise, and local sourcing. The company leverages the experience of its sister concern, Neptune Realty, in negotiating favorable rates for land and construction while also optimizing facility design to reduce civil and ancillary costs. Most critical machinery, including cranes, winding machines, core beading stations, and CCA tables, is locally manufactured in Anand or Vadod based on ATLANTAE's proprietary designs, effectively employing reverse engineering to save both cost and lead time. The Vadod location itself is more economical compared to Baroda or Ahmedabad, where competitors like Voltamp and TRIL operate. Additionally, ATLANTAE has access to a rich engineering talent pool in Anand, which supports in-house design and product development, and maintains efficient working capital management through long-term vendor relationships and extended payment terms. Collectively, these factors enable ATLANTAE to achieve a lower overall capex and operational cost structure while maintaining high technical standards.

Exhibit 108: The cost of setting up/acquiring a new plant is lower for ATLANTAE vs. peers

Company	Planned expansion (in MVA)	Capex for expansion (INR m)	Cost per MVA (INR)
ATLANTAE (Vadod)	**30,540**	**1,900**	**62,213**
ATLANTAE - Ankhi (including INR8b debt)	**15,780**	**2,449**	**1,55,181**
Transformers & Rectifiers Ltd.	37,000	5,500	1,48,649
CG Power	45,000	7,120	1,58,222
Siemens Energy (HVDC)	15,000	4,600	3,06,667
Shirdi Sai Electricals	19,500	6,000	3,07,692
Voltamp	6,000	2,000	3,33,333

Source: Company, MOFSL

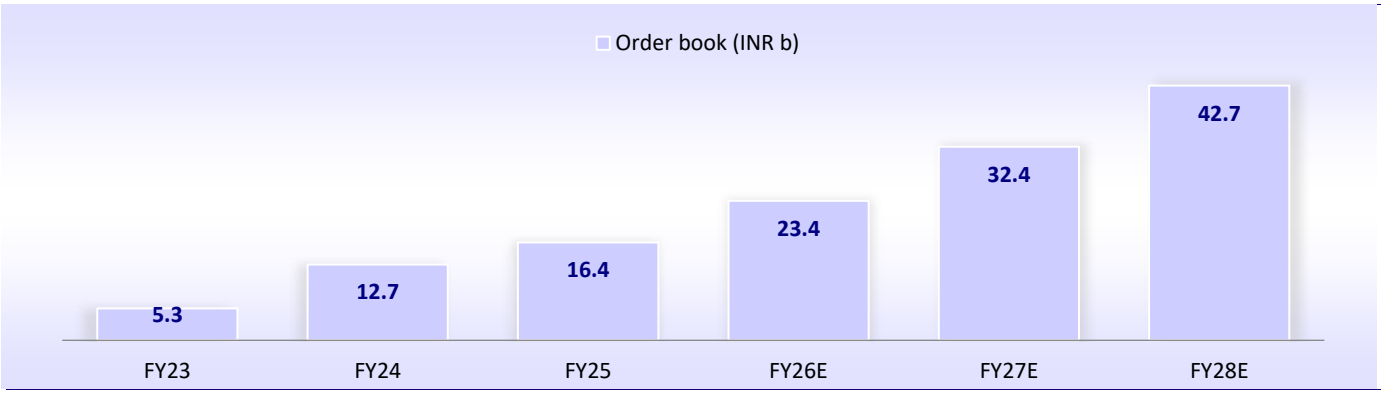
Financial outlook

Order book to expand due to increased capacities and higher-kV contribution

Order book has surged over the years, and is expected to post a 37% CAGR over FY25-28, with the addition of higher-kV class transformers

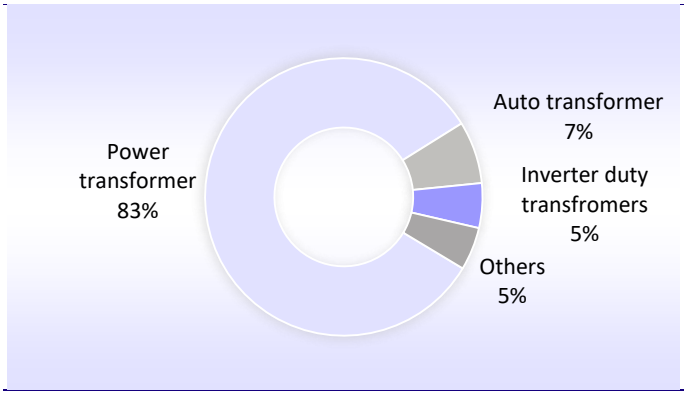
ATLANTAE's order book stood at INR24.5b as of Dec'25. With all the required permissions in the finalization stage to move up to 400 kV in the Vadod unit, and up to 765 kV in the Ankhi unit eventually, ATLANTAE's inflows are anticipated to rise at a much higher rate than they did historically. This is because the company's hit rate as well as market share will improve in 400kV and 765kV transformer orders. We thus expect the overall order book to clock a 37% CAGR over FY25-28, with 400kV transformer orders originating from 2HFY27 and 765kV transformer orders by the end of FY27. The company already has a strong presence in the domestic market for transformers of up to 220 kV.

Exhibit 109: Order book has surged over the years, and is expected to post a 37% CAGR over FY25-28, with the addition of higher-kV class transformers



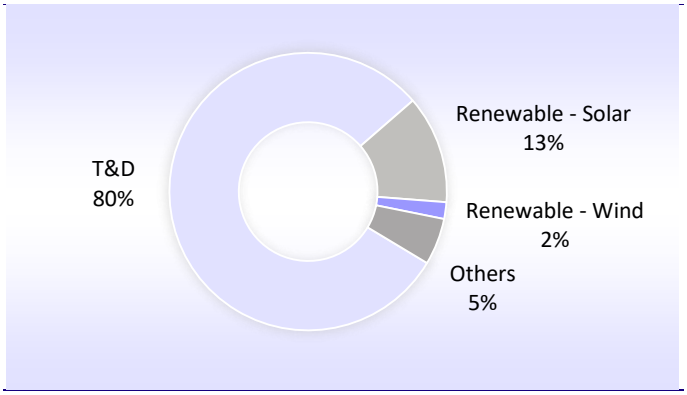
Source: Company, MOFSL

Exhibit 110: Product-wise split of the overall order book of INR24.5b as of Dec'25



Source: Company, MOFSL

Exhibit 111: Sector-wise split of the overall order book of INR24.5b as of Dec'25



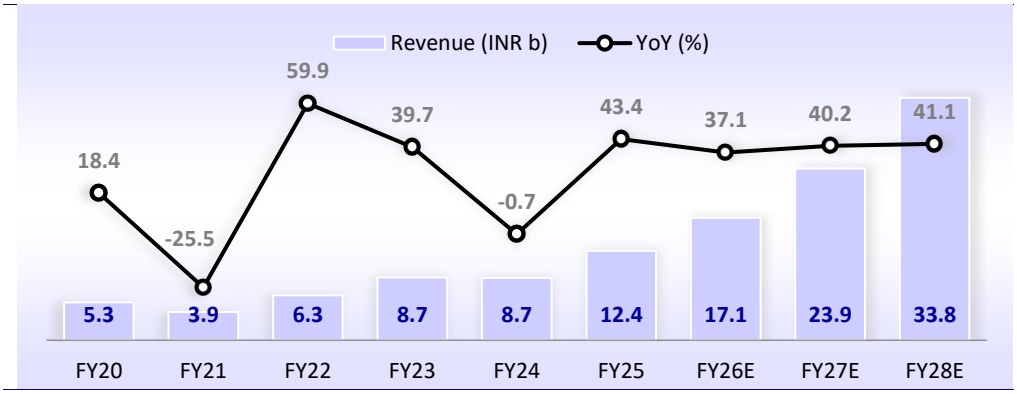
Source: Company, MOFSL

Execution to ramp up as utilization levels improve

We expect revenue to clock 39% CAGR over FY25-28 on capacity additions and expansion into manufacturing of higher kV transformers

We expect ATLANTAE's revenue to clock a CAGR of 39% over FY25-28, primarily driven by a fourfold increase in manufacturing capacity. The growth could be much stronger depending on the inflows, as the company can already increase its production rate. The company can also potentially scale up its business as it shifts into the manufacturing of higher-node transformers.

Exhibit 112: Revenue to clock a 39% CAGR over FY25-28E



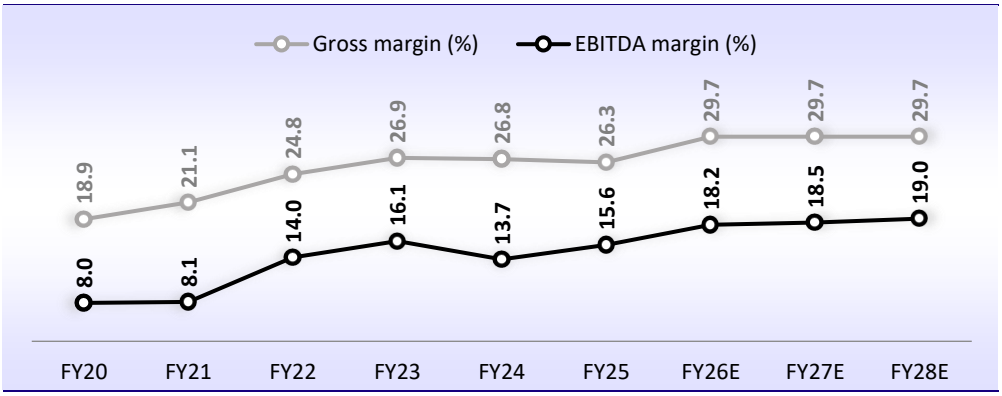
Source: Company, MOFSL

Margins to expand due to scale benefits and higher kV mix

Margins to improve on scale benefits

We expect ATLANTAE's gross margins to improve, driven by operational scale benefits as the business expands. Additionally, the company's potential to establish long-term supplier agreements could help mitigate raw material price volatility. Furthermore, its gradual shift toward higher-kV transformers is likely to support overall margin enhancement going forward. We thus expect the EBITDA margin to improve from 15.6% in FY25 to 19% by FY28.

Exhibit 113: EBITDA margin to scale up as operational efficiencies start to kick in over time



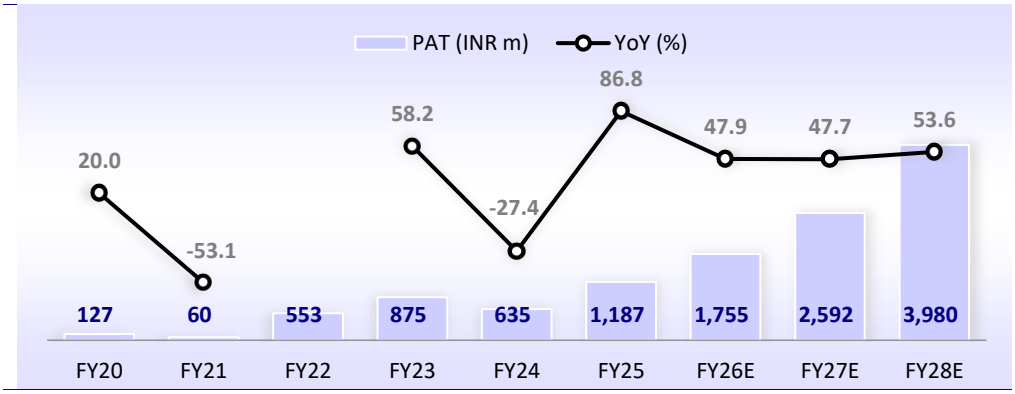
Source: Company, MOFSL

PAT to improve due to better execution and margin expansion

PAT to clock a CAGR of 50% over FY25-28

With an improving revenue mix driven by a higher share of higher-margin and higher-kV transformers, along with strong execution and better absorption of fixed costs, we expect profitability to grow at a CAGR of around 50% over FY25-FY28.

Exhibit 114: PAT to clock a CAGR of 50% over FY25-28



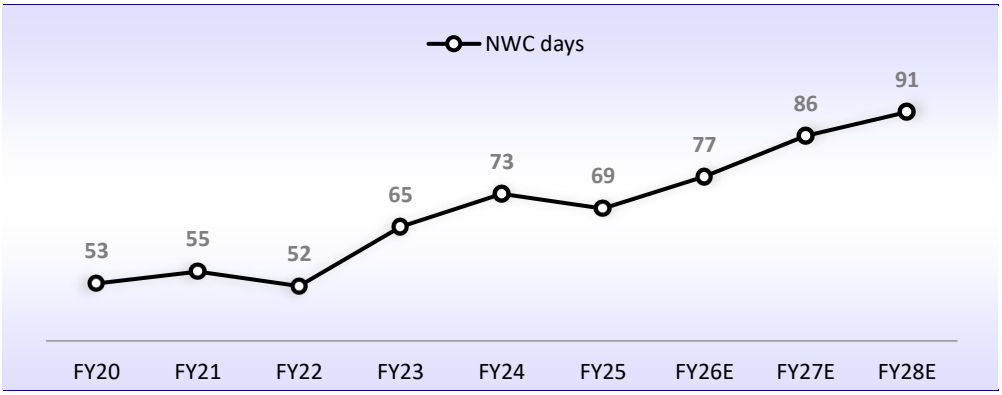
Source: Company, MOFSL

Working capital to rise due to the longer gestation of high-kV transformers

NWC to increase given the WC requirements for expanded capacities

ATLANTAE's working capital has been at comfortable levels historically, and we expect it to move up a bit given the working capital requirements of the company for expanded capacities and longer execution lead times for higher kV transformers. We expect working capital days to remain in the 80-90-day range.

Exhibit 115: NWC may move up due to the working capital needs on increased capacities



Source: Company, MOFSL

Exhibit 116: Peer comparison of NWC (days)

Companies	ATLANTAE			Voltamp			Transformers & rectifiers		
	FY23	FY24	FY25	FY23	FY24	FY25	FY23	FY24	FY25
Inventories	78	100	63	46	51	45	64	77	79
Trade receivables	109	76	103	60	54	55	166	173	143
Loans & advances	0	0	0	0	0	0	4	1	3
Other assets	12	14	13	5	6	5	26	26	27
Trade payables	117	100	91	1	2	1	89	68	73
Provisions	2	2	2	5	5	5	1	2	2
Other liabilities	15	15	17	24	29	27	26	41	47
Total	**65**	**73**	**69**	**81**	**75**	**73**	**143**	**165**	**131**

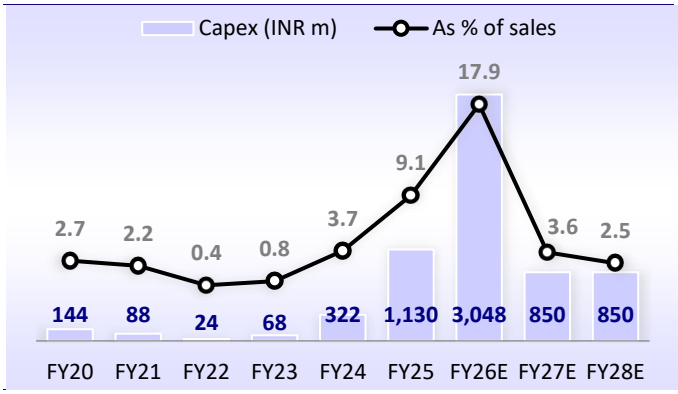
Source: Company, MOFSL

Most of the capex has already been incurred by the company

Multiple capex plans with most already incurred

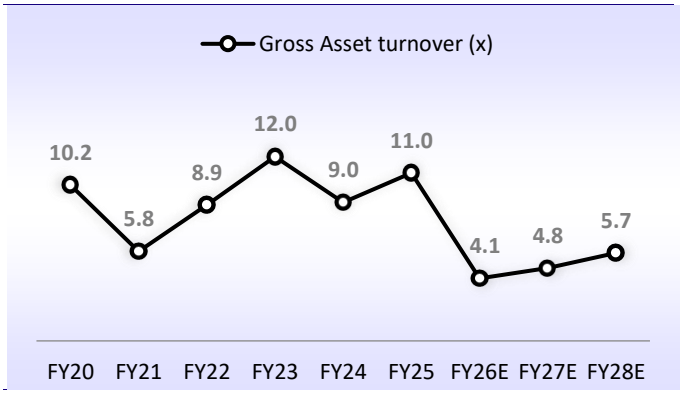
The company incurred a capex of ~NR1b in FY25. Further, it has announced the acquisition of the BTW-ATLANTAE plant in Ankhi, and the commercialization of its Vadod unit is expected in FY26 itself. The company also announced additional capex of INR650m to establish a new facility for Inverter Duty Transformers (IDT). It may also incur additional capex in the future to upgrade its Ankhi unit to further expand into the manufacturing of 1200 kV transformers beyond FY28.

Exhibit 117: ATLANTAE has recently incurred a major capex to quadruple its capacity…



Source: Company, MOFSL

Exhibit 118: …which will start improving the gross asset to t/o ratio once utilization levels improve



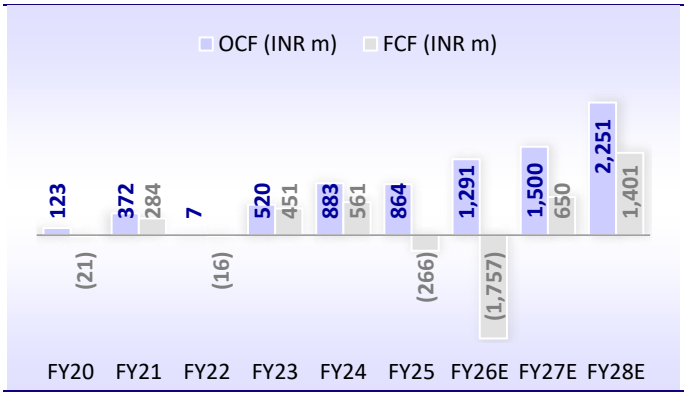
Source: Company, MOFSL

Healthy return ratios

Return ratios to settle around 24-26%

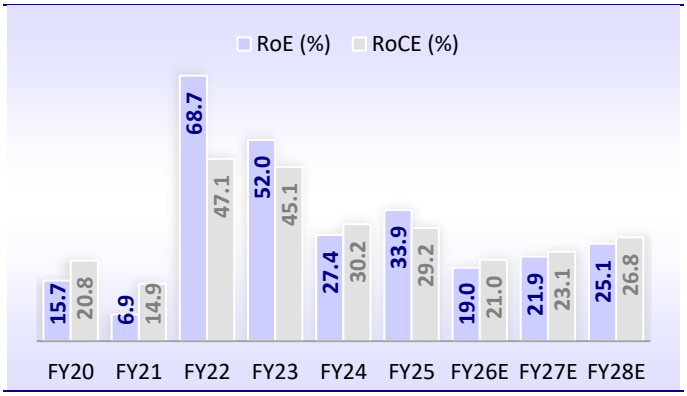
We expect ATLANTAE's OCF/FCF position to improve beyond FY26 once the utilization levels of new manufacturing units start improving and higher kV class transformers start reflecting in execution. This will lead to RoE/RoCE sustaining at comfortable levels of 25%/27% by FY28.

Exhibit 119: OCF/FCF to improve beyond FY26 (INR m)



Source: Company, MOFSL

Exhibit 120: We expect RoE/RoCE to remain ~24-26% by FY28



Source: Company, MOFSL

Valuation and view: Initiate coverage with a BUY rating

Initiate coverage with a BUY Rating and a TP of INR1,650 based on 32x P/E on Mar'28

ATLANTA is currently trading at 40.8x/26.6x P/E on FY27E/FY28E earnings. **We initiate coverage on the stock with a BUY rating and a TP of INR1,650 based on 32x P/E on Mar'28 earnings** which is still at 55% to discount to CG player. Current valuation multiples of Atlanta are in line with its peers in the 220kV-400kV transformer range. We expect PE re-rating to start playing out in the future as the company starts receiving orders for the 400/765kV range transformers and shows efficient execution.

Exhibit 121: Key financials of domestic transmission equipment manufacturers

Companies	Revenue (INR b)			CAGR	EBITDA (INR b)			CAGR	EBITDA Margin (%)			PAT (INR b)			CAGR
	FY26E	FY27E	FY28E	FY25-28	FY26E	FY27E	FY28E	FY25-28	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY25-28
Atlanta Electricals	**17.1**	**23.9**	**33.8**	**39**	**3.1**	**4.4**	**6.4**	**49**	**18.2**	**18.5**	**19.0**	**1.8**	**2.6**	**4.0**	**50**
TRIL#	25.9	35.1	44.1	**30**	4.2	5.6	7.0	**29**	16.0	15.9	15.9	2.8	3.5	4.4	**27**
Voltamp#	22.0	25.2	29.6	**15**	3.9	4.6	5.4	**14**	17.8	18.1	18.2	3.6	4.1	4.9	**14**
CG Power	123.9	157.0	199.2	**26**	16.2	21.7	30.2	**32**	13.1	13.8	15.1	11.8	15.1	20.6	**28**
Siemens Energy*	78.3	94.9	133.4	**29**	15.1	20.1	28.6	**43**	19.3	21.1	21.5	11.0	15.0	21.6	**46**
Hitachi Energy	79.8	104.3	142.1	**31**	12.4	17.9	27.0	**65**	15.6	17.2	19.0	9.8	13.6	20.1	**80**
GE Vernova T&D	61.9	79.2	103.9	**34**	16.3	20.7	27.0	**49**	26.3	26.2	26.0	12.0	15.7	20.5	**50**

Source: Company, Bloomberg, MOFSL

Note: *For Seimens Energy India, FY26E/FY27E/FY28E indicate data for periods Sep'25/Sep'26E/Sep'27E year-ends

# indicates Bloomberg estimates

Exhibit 122: Relative valuation of domestic transmission equipment manufacturers

Companies	CMP	Mcap	EPS (INR)			P/E (X)			ROE (%)		
	(INR)	(INR b)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Atlanta Electricals	**1,375**	**106**	**22.8**	**33.7**	**51.8**	**60.3**	**40.8**	**26.6**	**19.0**	**21.9**	**25.1**
TRIL#	322	97	9.1	12.2	14.5	35.6	26.4	22.2	19.6	21.3	21.0
Voltamp#	10,139	103	355.4	405.5	481.3	28.5	25.0	21.1	20.9	20.4	20.7
CG Power	775	1,220	7.5	9.6	13.1	103.3	80.5	59.2	20.4	18.2	21.3
Siemens Energy*	3,019	1,075	30.9	42.2	60.7	97.7	71.6	49.8	25.1	25.7	27.0
Hitachi Energy	28,920	1,290	220.0	304.5	451.1	131.4	95.0	64.1	19.0	20.9	23.7
GE Vernova T&D	4,140	1,060	46.7	61.5	80.2	88.7	67.3	51.6	53.9	47.9	43.5

Source: Company, Bloomberg, MOFSL

Note: *For Seimens Energy India, FY26E/FY27E/FY28E indicate data for periods Sep'25/Sep'26E/Sep'27E year-ends

# indicates Bloomberg estimates

Sensitivity analysis assumptions

Base case: In our base case assumptions, we have assumed 400 kV transformer inflows will ramp up from mid-FY27, after necessary approvals are received, and 765 kV transformer inflows will start flowing in from FY28 onwards.

Bear case: In our bear case assumptions, if customer acceptance remains limited for high-kV transformers, then inflows and hence execution can be impacted. Margins can also be dampened due to the low contribution of high-kV transformers, which have superior margins.

Bull case: In our bull case assumptions, early approvals and easy customer acceptance can lead to higher inflows and improve the margin profile for the company.

Exhibit 123: Sensitivity analysis: Bear, Base, and Bull case valuations

	Bear case	Base case	Bull case	Rationale
Assuming approvals for new transformers, better margins, and customer acceptance for higher kV transformers	Lower inflows, slightly lower margins (16.5%), delay in approval for higher kV transformers	All the necessary approvals for new units come on expected time	Customer acceptance leading to higher than expected inflows, and higher margins (21%)	
PAT (INR m)	3,383	3,980	4,458	❖ 15 % sensitivity of March'28 earnings
Valuation multiple (x)	25	32	35	❖ Upgradation to 400kv and 765kV transformers will result in re-rating of valuation multiples. If unsuccessful, it will take at lower multiples.
Core business valuation (INR m)	**84,585**	**1,27,374**	**1,56,034**	
Price per share (rounded off) (INR)	**1,100**	**1,657**	**2,029**	

Source: MOFSL

Key risks and concerns

Supply chain dependency

A substantial portion of ATLANTAE's raw material purchases is concentrated among a limited number of private suppliers, and any price increases or disruptions in supply from these suppliers could disproportionately impact its operations. The lack of long-term contracts further exposes the company to market fluctuations, complicating the forecasting of costs and effective margin management.

Raw material availability and price volatility

India faces the issue of the availability of cold-rolled grain-oriented (CRGO) steel, a critical material necessary for manufacturing distribution and power transformers. Reliance on imports of CRGO can lead to delays and increased costs. Fluctuations in the prices of raw materials such as copper, steel, and oil can also impact the company's profitability.

Dependence on limited customers

ATLANTAE derives more than ~60% of its revenue from its top 10 customers. The company depends and expects to continue to depend on these customers for a substantial portion of its revenue. Given this dependency on key customers, any disruptions, changes in demand, or reductions in business volumes from these relationships could significantly impact the company's results of operations, financial condition, and overall business prospects.

High working capital requirement

The company's business requires a significant amount of working capital for day-to-day operations, procurement of raw materials, and production, as there is a considerable time interval between the purchase of raw materials and the realization from the sale of its finished goods, and its inability to meet working capital requirements may hurt ATLANTAE's cash flow cycle. Further, any surplus production on account of inaccurate forecasting of customer requirements and failure to manage inventory could adversely affect its business, results of operations, and financial condition.

Changes in government policies

The transformer market faces significant challenges due to uncertainties in regulations and policies, affecting investment choices, market dynamics, and technological progress. Conflicting policies, regulatory hurdles, and project approval delays lead to uncertainty and impede the progress of the industry.

Currency fluctuations

Various global geopolitical as well as economic activities lead to currency rate fluctuations. These can affect the industry's exports and imports, making it challenging to maintain profitability.

Company background

Among India's leading manufacturers of power, auto, IDT, and special-purpose transformers

ATLANTAE is among India's leading manufacturers of power, auto, IDT, and special-purpose transformers, catering to diverse industrial and utility requirements. Established over three decades ago, the company has built a strong presence across the country, supported by advanced manufacturing facilities and a comprehensive product portfolio. It is one of the few domestic manufacturers capable of producing transformers up to 200 MVA capacity and 220 kV class, positioning it among the top players in the high-capacity transformer segment. The company's operations are supported by strong design capabilities, rigorous quality assurance systems, and continuous technological upgrades to meet evolving grid and industrial standards. The company supplies to state electricity boards, utilities, EPC contractors, and industrial clients.

Exhibit 124: Key milestones

Financial Year	Details
2006-07	❖ Produced and supplied its first 50 MVA 132/66 kV Power Transformer to Gujarat Energy Transmission Corporation Limited
2008-09	❖ Acquired the Anand Unit – II
2009-10	❖ Received an order to supply 6.3 MVA transformers, designed for operation at 3,000 meters above sea level, under extreme temperatures of -35°C to 40°C
2010-11	❖ Manufactured its first transformer for a testing laboratory
	❖ Supplied 1500 KVA Testing Transformer to UL India Private Limited
2013-14	❖ Produced its first 100 MVA, 220/66 kV copper-wound Power Transformer and supplied to Gujarat Energy Transmission Corporation Limited
2017-18	❖ Supplied a 9 MVA, 33/6.4/0.695 kV, testing transformer to an institute in Bangalore
	❖ Supplied the first 160 MVA, 220 / 66 kV copper wound power transformer, 150 MVA, 220 / 132 kV Auto Power Transformer, and 100 MVA, 132 /66 kV Wound Auto Transformer to Gujarat Energy Transmission Corporation Limited
2018-19	❖ Supplied 4000 MVA EHV class Transformer
	❖ Started the Bangalore Unit
2019-20	❖ Dynamic S.C. test performed on 40 MVA, 132 / 33 kV Power Transformer
2020-21	❖ Dynamic Short Circuit test performed on 60 MVA, 220 / 33 kV Power Transformer
2021-22	❖ Secured first major order for 60 / 80 MVA, 220 / 33 kV power transformers to Andhra Pradesh Solar Power Corporation Private Limited
	❖ Dynamic Short Circuit test performed on 100 MVA, 220 / 33 kV Power Transformer and supplied 9 units to Haryana Vidyut Prasaran Nigam Limited
	❖ Secured an order for a 30 MVA Testing Transformer for testing purposes
	❖ Dynamic Short Circuit test performed on 17 MVA, 33 / 4*0.8 kV Aluminium Foil Winding Inverter Duty Transformer
2022-23	❖ Dynamic Short Circuit test performed on 100 MVA, 220 / 66 kV Power Transformer
	❖ Highest rating Dynamic S.C. test performed on 160 MVA, 220 / 66 kV Power Transformer
2023-24	❖ Dynamic Short Circuit test performed on 160 MVA, 220 / 66 kV Power Transformer, and supplied three units to Punjab State Transmission Corporation Limited
	❖ Dynamic Short Circuit test performed on 160 MVA, 220 / 132 kV Auto Transformer and supplied three units to Rajasthan Rajya Vidyut Prasaran Nigam Limited
	❖ Dynamic Short Circuit test performed on 160 MVA, 220 / 132 kV Auto Transformer and supplied five units to Uttar Pradesh Power Transmission Corporation Limited

Source: Company

Three fully functional manufacturing facilities (total annual capacity of ~16,740 MVA), with two more to be operational in FY26 (additional annual capacity of ~46,000 MVA)

Manufacturing capacity of up to ~63 GVA

- **Anand Unit 1:** Mainly used for the manufacturing of large rating transformers from 50 MVA to 200 MVA, having an HV voltage rating up to 220 kV. Typically, large rating power and auto transformers are manufactured in this plant.
- **Anand Unit 2:** Mainly used to manufacture power transformers from 10 MVA to 40 MVA, 132 kV, and produce inverter duty transformers for the solar park customers and special purpose transformers for its customers.
- **Bangalore Unit:** Mainly used to manufacture power transformers up to 16 MVA 110 kV. The company uses this plant to have an edge on logistic costs for customers in southern India.
- **Vadod Unit:** The company has set up a new plant in Vadod, Gujarat, with a manufacturing capacity of 30,540 MVA to manufacture power transformers, generator transformers, and special duty transformers up to 400 kV.
- **Ankhi Unit:** The company had formed a JV with Baoding (10:90) to manufacture transformers up to 765 kV in a unit set up in Ankhi, Gujarat. ATLANTAE acquired Baoding's 90% stake and cleared BTW's debt, making it a wholly owned subsidiary. This acquisition adds 15,780 MVA of incremental capacity to the company.

Exhibit 125: ATLANTAE's total manufacturing capacity and utilization % (in MVA)

Facility	FY22			FY23			FY24			FY25			FY26E
	Installed capacity	Actual Production	Capacity Utilisation (%)	Installed capacity	Actual Production	Capacity Utilisation (%)	Installed capacity	Actual Production	Capacity Utilisation (%)	Installed capacity	Actual Production	Capacity Utilisation (%)	Installed capacity
Gujarat Unit - I	7,440	4,376	58.8	7,440	4,073	54.7	7,440	5,836	78.4	9,360	10,926	116.7	9,360
Gujarat Unit - II	6,660	3,922	58.9	6,660	5,423	81.4	6,660	4,615	69.3	6,660	5,447	81.8	6,660
Karnataka	720	785	109.0	720	1,008	140.0	720	120	16.7	720	80	11.1	720
Vadod Unit													30,540
Ankhi Unit													15,780
Total	**14,820**	**9,082**	**61.3%**	**14,820**	**10,504**	**70.9%**	**14,820**	**10,571**	**71.3%**	**16,740**	**16,453**	**98.3%**	**63,060**

Source: Company, MOFSL

Product portfolio

ATLANTAE supplies a wide range of power, as well as auto transformers, inverter-duty transformers, furnace transformers, generator transformers, and special-duty transformers. The company is also in the process of further expanding the portfolio to supply higher-kV transformers up to 765 kV, with the majority of required permissions already received. The company further plans to move up into the manufacturing of transformers up to 1200 kV with an estimated capex of INR500m in its Ankhi unit.

Product offerings as of date:

- **Auto transformers:** ranging from 66 kV to 220 kV
- **Power transformers:** ranging from 11 kV to 220 kV
- **Inverter duty transformers:** ranging from 0.6 kV to 33 kV
- **Generator transformers:** ranging from 3.3 kV to 220 kV
- **Furnace transformers:** ranging from 0.43 kV to 66 kV
- **Special duty transformers:** ranging from 0.43 kV to 132 kV

Exhibit 126: Transformer products and the range of manufacturing mix

ATLANTAE – product mix		
		
Auto Transformer	Inverter-Duty Transformer	Furnace Transformer
		
Power Transformer	Generator Transformer	Special-Duty Transformer

Source: Company

ESG initiatives



Environment

- The company adheres strictly to all laws and regulations related to the protection of human health, safety, and the environment.
- The company regularly conducts emissions tests, ensuring compliance with environmental standards, and all waste is disposed of through approved agents authorized by the pollution control board.
- The company is dedicated to eco-friendly product development, creating transformers using sustainable materials and practices that align with the growing global demand for environmentally conscious solutions. It implements energy-efficient manufacturing practices to reduce its carbon footprint.

Social

- The company maintains high standards of workplace safety and ensures that its equipment and working conditions promote a healthy and secure environment for its employees.
- Company policies are specifically designed to attract, nurture, and integrate talented individuals while promoting skill enhancement.
- The company has implemented emergency evacuation plans, which are prominently displayed across all its facilities, and conducts regular training sessions, mock drills, and educational programs to prepare its employees for emergency and evacuation scenarios.
- The company also supports external learning opportunities, including workshops and courses, along with providing educational resources to further employees' professional development.
- Its CSR initiatives are designed and implemented to make an impact on society, particularly in the areas of education, public health, infrastructure, and community engagement.

Governance

- **Risk management policy:** The company has established a sustainable program leading to integrated and harmonized risk reporting to relevant stakeholders. In addition, the policy aims to:
  - ❖ Focus on key risks that impact management's major strategic priorities using a top-down and risk-based approach.
  - ❖ Establish a sustainable and lean risk & control governance structure with a major focus on preventative measures and consulting.
  - ❖ Enable well-informed and faster decision-making through an integrated risk reporting to facilitate oversight and management of risks and maintain business continuity.
  - ❖ Assign responsibility where the risks are managed.
- **Whistleblower policy:** The company has established this vigil mechanism policy to encourage its directors and employees to come forward and report their genuine concerns about any unethical behavior, or any actual or suspected fraud, or any violation of the Code of Conduct or policy that comes to their notice without any fear of punishment or unfair treatment.

SWOT analysis

S – STRENGTH

- Strong pan-India presence
- Diverse manufacturing footprint
- Huge manufacturing capacities



W – WEAKNESS

- Not much presence in the export market
- Dependency on limited customers (especially state utilities) for the contracts



O – OPPORTUNITY

- Rising spending in the power sector
- Entry into the export markets
- Green energy and grid modification



T – THREATS

- Intensifying competition
- Raw material price volatility
- Changes in regulations and compliance risks



Management Team



Niral Krupeshbhai Patel (Chairman & Managing Director)

Niral Krupeshbhai Patel is the Chairman and Managing Director of the company. He holds a bachelor's degree in engineering (computer branch) from the University of Pune, a diploma degree in electrical engineering from MSBTE, and a master's degree in business administration from Hult International Business School. His key responsibilities include managing relationships with customers and suppliers, implementing strategies, and overseeing budgets. He has 22 years of experience in the transformer manufacturing sector.



Krupeshbhai Narharibhai Patel (Wholetime Director)

Krupeshbhai Narharibhai Patel is a Wholetime Director of the company. He holds a diploma in mechanical engineering from The Maharaja Sayajirao University of Baroda. He joined the company in 2002 and has since played a vital role in its growth and success. Currently, his key responsibilities include CSR initiatives focused on education and providing strategic direction in areas like land acquisition, capital expenditure, government relations, and organizational development. He has 23 years of experience in the transformer manufacturing industry.



Amish Krupeshbhai Patel (Wholetime Director)

Amish Krupeshbhai Patel is a Wholetime Director of the company. He holds a bachelor's degree in business administration from Sardar Patel University. He has been associated with the company since 2022 and is also affiliated with Neptune Realty Private Limited. Currently, his key responsibilities include identifying high-potential land parcels and collaborating with project managers and contractors. He has 17 years of combined experience in real estate, investment, and acquisitions.



Tanmay Surendrabhai Patel (Wholetime Director)

Tanmay Surendrabhai Patel is a Wholetime Director of the Company. He holds a diploma in electrical engineering from the Maharashtra State Board of Technical Education. He has been a part of the company since 2002. Currently, his key responsibilities include procurement of raw materials, components, and supply chain logistics. He has 22 years of expertise in the transformers, electrical, and manufacturing sectors.



Akshaykumar Banshilal Mathur (Chief Executive Officer)

Akshaykumar Banshilal Mathur is the CEO of the company. He has been associated with the company since Aug'15. He holds a B.Tech degree in electronics and communication from Kakatiya University and a master's degree in business administration from the University of Jodhpur. He was previously associated with Voltamp Transformers Limited. He has around 11 years of work experience in the field of strategic management.



Mehul Sureshbhai Mehta (Chief Financial Officer)

Mehul Sureshbhai Mehta is the CFO of the company. He has been associated with the company since Mar'05. He holds a bachelor's degree in commerce and a P.G. diploma in business administration. He also holds a diploma in business management, an advanced diploma in management, and a master's degree in business administration from ICFAI University, Dehradun. He was previously associated with ABG Cement Limited. He has around 19 years of work experience in the field of finance.

Financials and valuations

Consolidated Income Statement									(INR m)
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Net Sales	**5,252**	**3,912**	**6,257**	**8,739**	**8,676**	**12,442**	**17,058**	**23,923**	**33,758**
Change (%)	18.4	-25.5	59.9	39.7	-0.7	43.4	37.1	40.2	41.1
Raw Materials	4,258	3,087	4,705	6,384	6,352	9,164	11,992	16,818	23,732
Gross Profit	**994**	**826**	**1,552**	**2,355**	**2,323**	**3,278**	**5,066**	**7,105**	**10,026**
Employee Cost	114	92	126	169	216	294	461	646	911
Other Expenses	460	415	553	782	921	1,048	1,501	2,033	2,701
Total Expenditure	**4,832**	**3,594**	**5,383**	**7,335**	**7,489**	**10,506**	**13,954**	**19,497**	**27,344**
% of Net Sales	92.0	91.9	86.0	83.9	86.3	84.4	81.8	81.5	81.0
EBITDA	**421**	**318**	**873**	**1,403**	**1,187**	**1,936**	**3,104**	**4,426**	**6,414**
Change (%)	23.6	-24.4	174.5	60.7	-15.5	63.1	60.4	42.6	44.9
Margin (%)	8.0	8.1	14.0	16.1	13.7	15.6	18.2	18.5	19.0
Depreciation	28	35	49	51	59	63	266	438	519
EBIT	**392**	**284**	**825**	**1,352**	**1,128**	**1,873**	**2,838**	**3,988**	**5,896**
Interest	233	216	215	276	300	342	601	727	800
Other Income	17	23	20	28	45	63	120	220	250
PBT Before EO Exp	**177**	**90**	**630**	**1,104**	**873**	**1,593**	**2,357**	**3,481**	**5,346**
EO Items	0	0	0	0	0	0	0	0	0
PBT After EO Exp	**177**	**90**	**630**	**1,104**	**873**	**1,593**	**2,357**	**3,481**	**5,346**
Tax	49	30	77	229	239	407	602	889	1,365
Rate (%)	27.9	33.5	12.2	20.7	27.4	25.5	25.5	25.5	25.5
MI & P/L of Asso. Cos	0	0	0	-1	2	0	0	0	0
Reported PAT	**127**	**60**	**553**	**875**	**635**	**1,187**	**1,755**	**2,592**	**3,980**
Change (%)	20.0	-53.1	826.4	58.2	-27.4	86.8	47.9	47.7	53.6
Adjusted PAT	**127**	**60**	**553**	**875**	**635**	**1,187**	**1,755**	**2,592**	**3,980**
Change (%)	20.0	-53.1	826.4	58.2	-27.4	86.8	47.9	47.7	53.6
Margin (%)	2.4	1.5	8.8	10.0	7.3	9.5	10.3	10.8	11.8

Consolidated Balance Sheet									(INR m)
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Share Capital	143	143	143	143	143	143	154	154	154
Reserves	669	728	662	1,538	2,173	3,356	9,101	11,693	15,673
Net Worth	**812**	**871**	**805**	**1,681**	**2,316**	**3,499**	**9,254**	**11,846**	**15,827**
Minority Interest	0	0	0	0	0	0	0	0	0
Loans	598	482	759	731	486	1,410	1,204	1,704	1,204
Deferred Tax Liability	9	14	11	15	14	21	21	21	21
Capital Employed	**1,418**	**1,368**	**1,575**	**2,427**	**2,816**	**4,930**	**10,479**	**13,571**	**17,052**
Gross Fixed Assets	516	670	705	727	959	1,135	4,183	5,033	5,883
Less: Depreciation	142	175	223	254	311	371	637	1,075	1,594
Net Fixed Assets	**375**	**471**	**482**	**473**	**649**	**764**	**3,546**	**3,958**	**4,290**
Capital WIP	**66**	**13**	**1**	**28**	**119**	**1,128**	**0**	**0**	**0**
Investments	5	5	8	9	12	9	9	9	9
Curr. Assets	**3,359**	**3,060**	**3,657**	**5,100**	**4,815**	**6,761**	**11,897**	**16,548**	**22,556**
Inventory	1,001	713	1,224	1,869	2,389	2,151	3,700	5,516	8,247
Debtors	2,011	1,936	1,995	2,601	1,798	3,517	4,478	6,543	9,232
Cash & Bank Balance	212	284	188	351	307	660	3,343	3,987	4,337
Loans & Advances	121	115	0	0	0	0	0	0	0
Other Current Assets	13	12	250	279	322	432	376	502	740
Current Liab. & Prov.	**2,386**	**2,181**	**2,574**	**3,183**	**2,779**	**3,732**	**4,973**	**6,944**	**9,804**
Creditors	2,205	1,962	2,347	2,794	2,383	3,101	4,209	5,885	8,324
Other Liabilities	135	199	196	352	346	567	723	1,002	1,387
Provisions	47	21	30	38	50	64	41	57	92
Net Current Assets	**972**	**879**	**1,083**	**1,917**	**2,036**	**3,029**	**6,924**	**9,604**	**12,753**
Application of Funds	**1,418**	**1,368**	**1,575**	**2,427**	**2,816**	**4,930**	**10,479**	**13,571**	**17,052**

Financials and valuations

Ratios									
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Basic (INR)	1.8	0.8	7.7	12.2	8.9	16.6	22.8	33.7	51.8
Adjusted EPS	**1.8**	**0.8**	**7.7**	**12.2**	**8.9**	**16.6**	**22.8**	**33.7**	**51.8**
Growth (%)	8.1	-53.1	826.4	58.2	-27.4	86.8	37.7	47.7	53.6
Cash EPS	2.2	1.3	8.4	12.9	9.7	17.5	26.3	39.4	58.5
Book Value	11.3	12.2	11.2	23.5	32.4	48.9	120.4	154.1	205.8
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (incl. Div. Tax.)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)									
P/Sales	18.7	25.2	15.7	11.3	11.3	7.9	6.2	4.4	3.1
P/E (standalone)	772.7	1,649.3	178.0	112.6	155.0	83.0	60.3	40.8	26.6
Cash P/E	632.3	1,043.9	163.6	106.4	141.9	78.8	52.3	34.9	23.5
EV/EBITDA	235.0	310.1	113.4	70.4	83.1	51.2	33.4	23.4	16.0
EV/Sales	18.8	25.2	15.8	11.3	11.4	8.0	6.1	4.3	3.0
Price/Book Value	121.3	113.0	122.3	58.6	42.5	28.1	11.4	8.9	6.7
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profitability Ratios (%)									
RoE	15.7	6.9	68.7	52.0	27.4	33.9	19.0	21.9	25.1
RoCE	20.8	14.9	47.1	45.1	30.2	29.2	21.0	23.1	26.8
RoIC	23.6	17.5	52.5	51.9	32.8	32.7	29.7	31.0	34.6
Turnover Ratios									
Debtors (Days)	140	181	116	109	76	103	96	100	100
Inventory (Days)	70	66	71	78	100	63	79	84	89
Creditors. (Days)	153	183	137	117	100	91	90	90	90
Asset Turnover (x)	3.7	2.9	4.0	3.6	3.1	2.5	1.6	1.8	2.0
Fixed asset T/O (x)	10.2	5.8	8.9	12.0	9.0	11.0	4.1	4.8	5.7
Leverage Ratio									
Net Debt/Equity (x)	0.5	0.2	0.7	0.2	0.1	0.2	-0.2	-0.2	-0.2

Consolidated Cash Flow Statement									(INR m)
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
PBT before EO Items	**177**	**90**	**553**	**875**	**634**	**1,187**	**1,755**	**2,592**	**3,980**
Add : Depreciation	28	35	49	51	59	63	266	438	519
Interest	141	140	215	276	300	342	601	727	800
Less : Direct Taxes Paid	-53	-48	-27	-174	-231	-418	0	0	0
(Inc)/Dec in WC	171	-175	853	717	101	672	1,211	2,037	2,798
Others	1	-19	71	209	222	363	-120	-220	-250
CF from Operations	**123**	**372**	**7**	**520**	**883**	**864**	**1,291**	**1,500**	**2,251**
(Inc)/Dec in FA	-144	-88	-24	-68	-322	-1,130	-3,048	-850	-850
Free Cash Flow	**-21**	**284**	**-16**	**451**	**561**	**-266**	**-1,757**	**650**	**1,401**
(Pur)/Sale of Investments	0	0	-1	-1	-3	3	0	0	0
Others	-35	-56	45	-109	-31	-308	1,248	220	250
CF from Investments	**-179**	**-144**	**20**	**-178**	**-356**	**-1,436**	**-1,800**	**-630**	**-600**
(Inc)/Dec in Net Worth	71	0	0	0	0	0	4,000	0	0
(Inc)/Dec in Debt	123	-89	195	-28	-245	924	-206	500	-500
Less : Interest Paid	-140	-141	-215	-276	-300	-342	-601	-727	-800
Dividend Paid	0	0	0	0	0	0	0	0	0
Others	0	0	-8	-9	-10	-9	0	0	0
CF from Fin. Activity	**54**	**-230**	**-28**	**-313**	**-556**	**573**	**3,192**	**-227**	**-1,300**
Inc/Dec of Cash	**-2**	**-3**	**-0**	**29**	**-29**	**1**	**2,683**	**643**	**351**
Add: Beginning Balance	7	5	3	2	31	2	660	3,343	3,987
Other Bank Balances	207	282	186	320	304	657	0	0	0
Closing Balance	**212**	**284**	**188**	**351**	**307**	**660**	**3,343**	**3,987**	**4,337**

GE Vernova T&D India

BSE Sensex	S&P CNX
78,494	24,354

CMP: INR4,140 TP: INR4,750 (+15%) Buy

Leveraging both domestic and export opportunities!

GE Vernova T&D India Ltd (GVTD) is a key player offering full-stack solutions across transformers, GIS, switchgears, substation automation, HVDC, and FACTS solutions across the entire T&D value chain. The company's strong parentage provides a technological edge across both LCC- and VSC-based technologies for upcoming HVDC projects. Recent HVDC wins, ongoing capacity expansion, and its ability to capitalize on the growing exports market—both through the parent and independently—bode well for healthy revenue growth going forward. With an order book of INR144b as on Dec'25, and expected order inflow growth CAGR of 29% over FY25-28, we expect 34%/49%/50% CAGR in revenue/EBITDA/PAT over FY25-28. The company is well hedged against rising RM prices through variable pricing contracts, and an improving share of exports in the order book will help sustain higher margins in the coming years. The stock currently trades at 67.3x/51.6x P/E on FY27/FY28 estimates. We initiate coverage on the stock with a Buy rating and a TP of INR4,750 based on DCF implying 58x Mar'28E P/E. Key risks to our thesis would come from lower-than-expected growth in base orders, margin pressure, higher competition, and delays in execution ramp-up across HVDC projects.

Sector-level transmission ordering to remain strong in the next few years

We expect sector-level ordering to remain strong over the next few years, driven by continued focus on renewable projects and the need for a T&D network, despite the weakness seen during FY26 vs FY25. With the continued addition of renewable capacity over the coming years, there will be a strong need for advanced solutions to enhance grid stability, including HVDC, STATCOMs, and digital solutions. GVTD has offerings across these areas and is well-positioned to benefit from both base orders and HVDC orders.

Growing faster than the market

Over the last three years, GVTD's order book has expanded at 64% CAGR from FY23-9MFY26. This was driven by order inflows of INR58b/INR108b in FY24/25 and INR62b in 9MFY26. Within this, domestic order inflows increased from INR18b in FY23 to INR37b/75b/52b in FY24/25/9M26. This will also be followed by recent HVDC order win which company can book in 4QFY26/FY27. Based on domestic order inflows announced by players in FY25, GVTD held a market share of 5%, which we expect to sustain going forward, supported by recent HVDC order wins and improvement in base orders from FY27 onwards. We expect GVTD's order inflows to expand at 29% CAGR over FY25-28.

Technology-driven solutions strengthen GVTD's competitive position

The company is leveraging GE Vernova's global technology to provide technology-driven grid solutions for the Indian market. Its offerings include HVDC systems, FACTS Flex/STATCOM for grid stability, digital substations, the GridBeats suite, GridOS grid software, wide-area monitoring systems, and SF_6-free g^3-based GIS/GIL/circuit breakers. These solutions combine equipment, software, and analytics, allowing the company to address complex digital and green grid projects and, in our view, strengthen its competitive position relative to most domestic peers.

Stock Info

Bloomberg	GVTD IN
Equity Shares (m)	256
M.Cap.(INRb)/(USDb)	1060 / 11.4
52-Week Range (INR)	2286 / 1015
1, 6, 12 Rel. Per (%)	10/45/185
12M Avg Val (INR M)	1985
Free float (%)	49.0

Financials Snapshot (INR b)

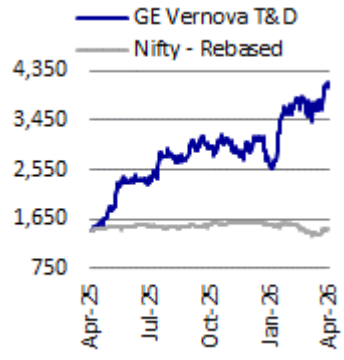
Y/E MARCH	FY26E	FY27E	FY28E
Sales	61.9	79.2	103.9
EBITDA	16.3	20.7	27.0
Adj PAT	12.0	15.7	20.5
EPS (INR)	46.7	61.5	80.2
EPS Gr. (%)	96.5	31.7	30.5
BV/Sh (INR)	104.0	152.5	215.9
Ratios			
RoE (%)	53.9	47.9	43.5
RoCE (%)	54.4	48.3	43.8
Valuations			
P/E (x)	88.7	67.3	51.6
P/BV (x)	39.8	27.1	19.2
EV/EBITDA (x)	63.9	49.8	37.9
Div. Yield (%)	0.2	0.3	0.4

Shareholding Pattern (%)

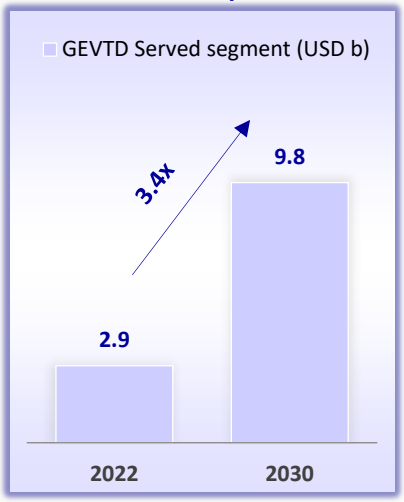
As On	Dec-25	Sep-25	Dec-24
Promoter	51.0	51.0	51.0
DII	23.3	25.2	28.4
FII	18.5	16.2	12.1
Others	7.3	7.7	8.6

FII includes depository receipts

Stock's performance (one-year)



GVTD's served segments likely to reach USD9.8b by 2030



Started benefiting from HVDC opportunities

GVTD has presence across both VSC- and LCC-based technologies and was recently awarded a major HVDC VSC order for the Khavda-South Olpad link from AESL (2,500 MW, ±500 kV terminal), while the developer tender for the Barmer-South Kalamb HVDC project is expected soon. The company was also awarded the HVDC refurbishment work from PGCIL. With a limited pool of qualified global competitors, GVTD is well-positioned in the emerging HVDC market. The company's addressable market for HVDC projects stands at around USD9b over FY28-30.

Ability to participate in data center-related offerings

GVTD has worked on several data center projects in India, particularly with CtrlS, Capitaland, NTT, and KPTCL, and offers GIS, project solutions, and grid automation solutions for this segment. Most of its offerings have been at the 220kV level, while the company is also eyeing a move towards the 400kV level. It is also qualified for global data center projects through group companies, as a large opportunity emerges from US-driven investments planned in data centers and AI factories.

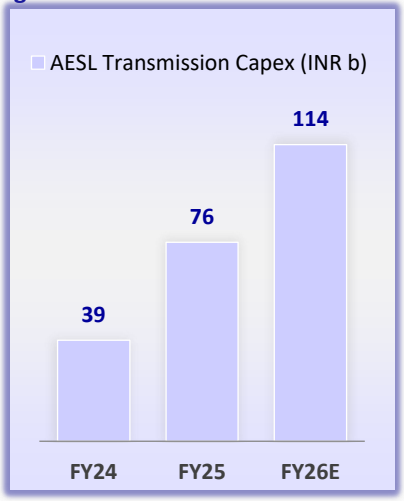
Export share is fairly strong at 33% of revenue

The company's exports have expanded at a ~35% CAGR over FY21-FY25, accounting for ~30% of total orders in FY25, while export sales also increased its share in overall revenue to 28%/33% in FY25/9MFY26. This was supported by export wins through the parent entity and other markets across Europe, the Middle East, and South Asia. Export orders from GE Vernova group entities have increased over the last two years and are now an important contributor to the company's export mix. As of FY25, ~60-65% of export orders were routed through GE Vernova group entities. To support this, GVTD has approved and proposed higher limits for key export-linked transactions with GE Vernova group entities. The company expects exports to contribute ~30-35% of revenue over the medium term, broadly in line with the current mix.

Potential benefits can continue from strong global parent commentary

GE Vernova Global's strategy, driven by strong AI/data center-led demand, is increasing the need for high-voltage equipment and creating incremental order opportunities for GVTD amid global capacity constraints. The parent's USD11b capex and R&D push in HVDC can be leveraged by GVTD through the localization of upgraded designs at its facilities. In addition, the global entity's Asia-for-Asia localization strategy could position India as a key supply hub, supported by GVTD's investments in HVDC and transformer capacities.

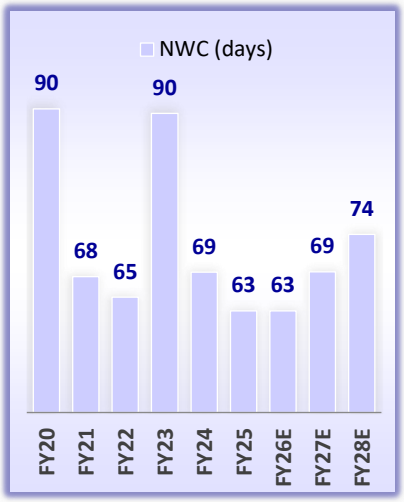
Adani Energy Solutions' transmission capex – 49% growth in FY26E



Ongoing capex to support growth in domestic and international segments

The company is expanding its capacity through a capex worth INR10.4b across: 1) HVDC valves and controls, worth INR1.4b investment, which will be ready by FY27, and 2) transformers and reactors at Vadodara, along with AIS/GIS products at Hosur and Padappai and new lines for air core reactors and bushings at Hosur, with a capex of INR8b over FY26-28. These investments aim to support rising domestic demand from HVDC corridors and STATCOM projects, while also serving the export markets. We believe these investments can potentially generate incremental revenues of INR40-50b by FY29, supported by an asset turnover of nearly 5-6x and capacity utilization of 85%.

Working capital cycle likely to be at comfortable levels



Improving margin trend

GVTD's margins have expanded from 3.7% in FY23 to 27.1% in 9MFY26, fueled by: 1) a change in the revenue mix towards a higher share of product revenues, 2) improved pricing of products as the demand-supply environment remains in favor of companies, 3) an increasing share of high-margin export revenues in the overall revenue mix, and 4) cost cutting measures. Going forward, as pricing remains firm in domestic markets and the share of high-margin exports increases, we expect EBITDA margins to remain strong at ~26% over FY26-28.

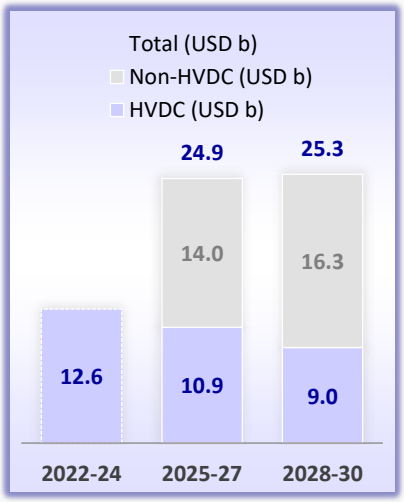
Strong order book to support growth in financials

With an order book of INR144b as on Dec'25, excluding the recent HVDC order win, we expect execution growth to remain strong at 34% CAGR over FY25-28. We expect margins to remain robust at ~26% over the next three years, followed by moderation as incremental supplies come into the industry. This is anticipated to translate into a PAT CAGR of 50% over the same period. The company's balance sheet remains strong, with the entire capex of INR9.4b funded through internal accruals. Comfortable working capital and strong profitability are likely to support robust return ratios, with RoE/RoCE reaching 43.5%/43.8% by FY28.

Financial outlook

We factor in order inflows of INR181b/INR117/INR231b in FY26/27/28 including one HVDC win every alternate year. This will result in revenue/EBITDA/PAT CAGR of 34%/49%/50% over FY25-28, with EBITDA margins estimated at 26.3%/26.2%/26% for FY26/FY27/FY28. With an improving revenue mix, strong margins, and a comfortable working capital, we expect RoE/RoCE to reach 43.5%/43.8% by FY28.

Investment in Indian electrification is accelerating; HVDC to form 40% of market



Valuation and recommendation

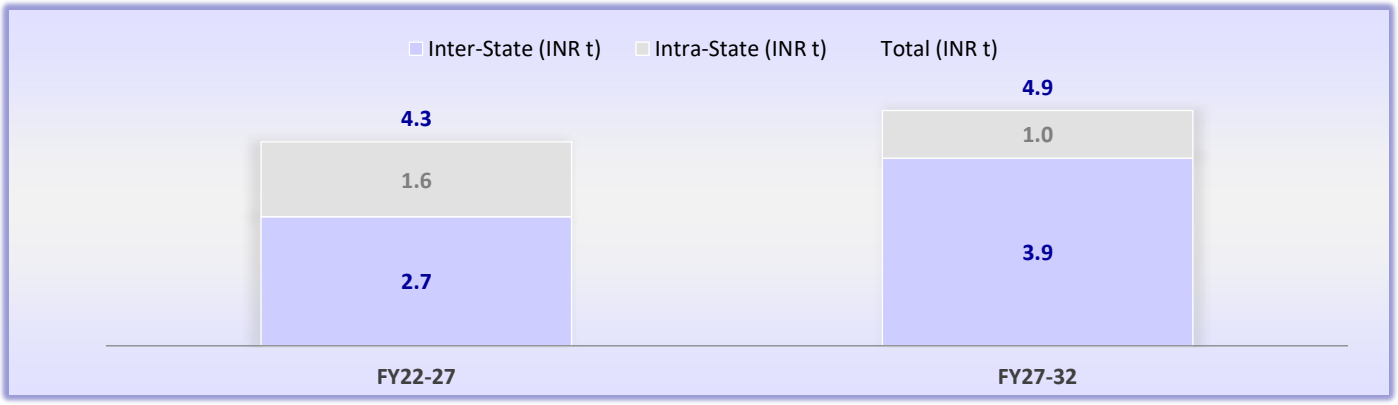
GVTD is currently trading at 67.3x/51.6x FY27E/FY28E EPS. We initiate coverage on the stock with a Buy rating and a TP of INR4,750 premised on DCF and implied 58x P/E multiple on Mar'28E estimates. This is in line with its peers in the HVDC transformer range.

Key risks and concerns

Key risks to our thesis would come from lower-than-expected growth in base orders, margin pressure, higher competition, and delays in execution ramp-up across HVDC projects.

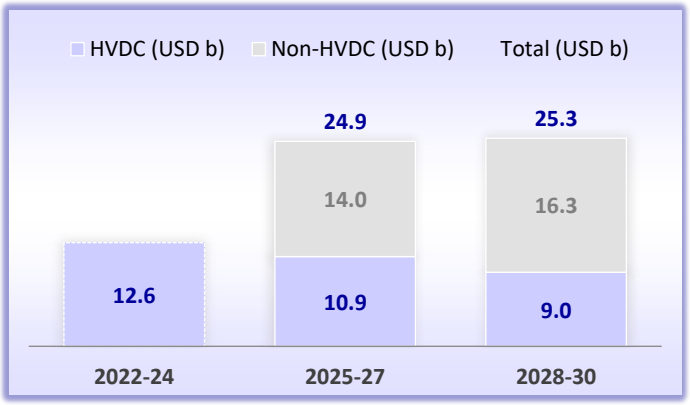
STORY IN CHARTS

Expected capex across inter- and intra-state transmission projects potentially translating into yearly ordering of INR1t (INR t)

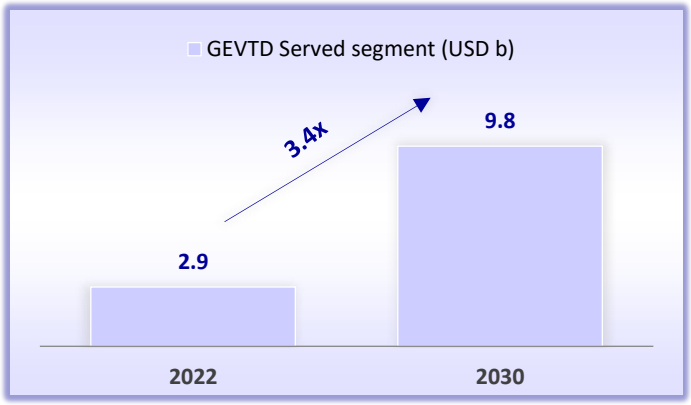


Source: CEA, MOFSL

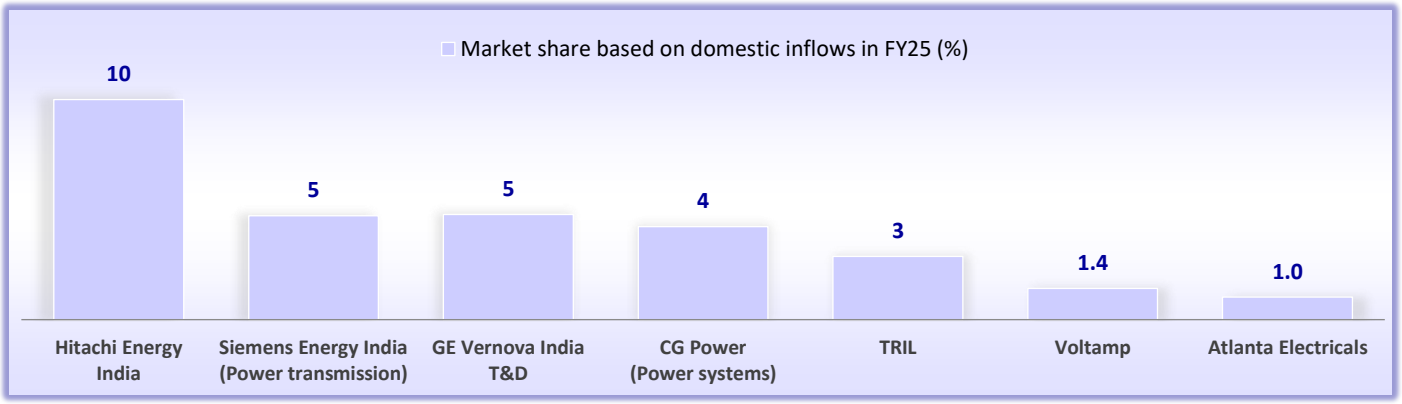
Investment in Indian electrification is accelerating; HVDC to account for 40% of the market



GVTD's served segments are estimated to reach USD9.8b by 2030

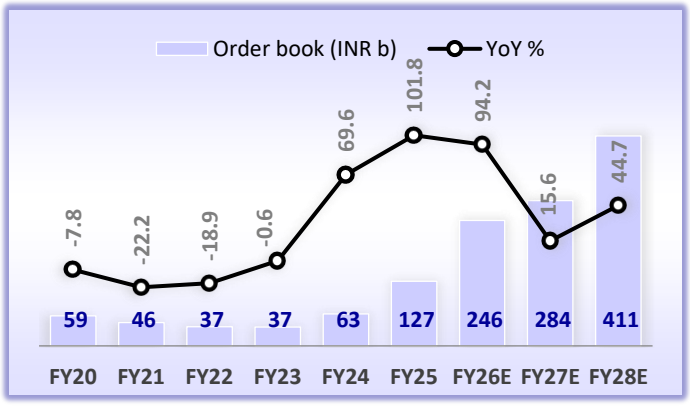


Market share of domestic players based on FY25 domestic order inflows as a % of capital outlay of total tenders awarded

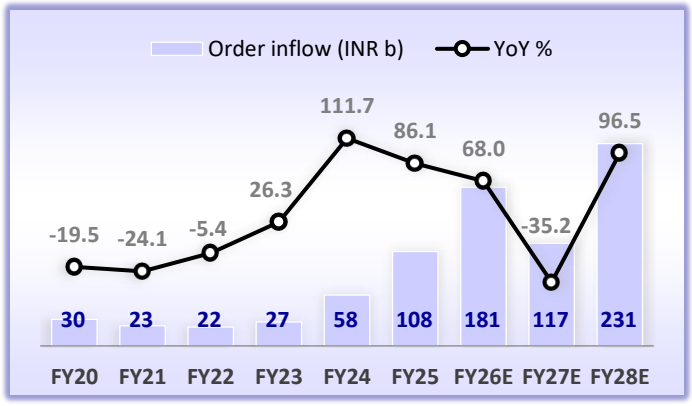


Source: Company, MOFSL

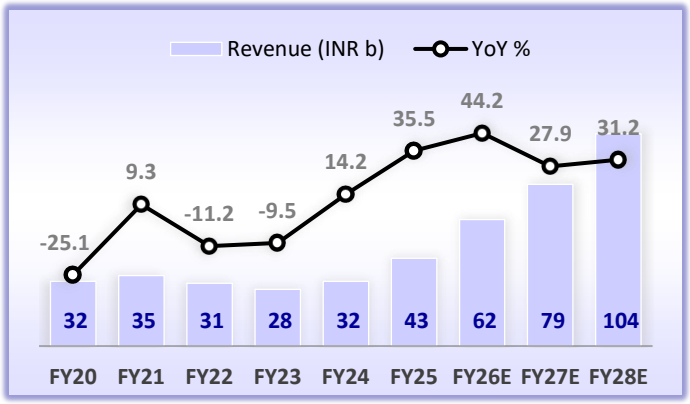
We expect the order book to clock 48% CAGR over FY25-28E



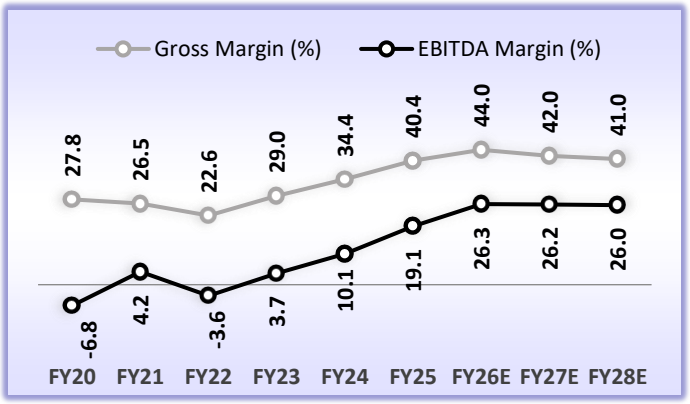
We expect order inflows to grow at 29% CAGR over FY25-28



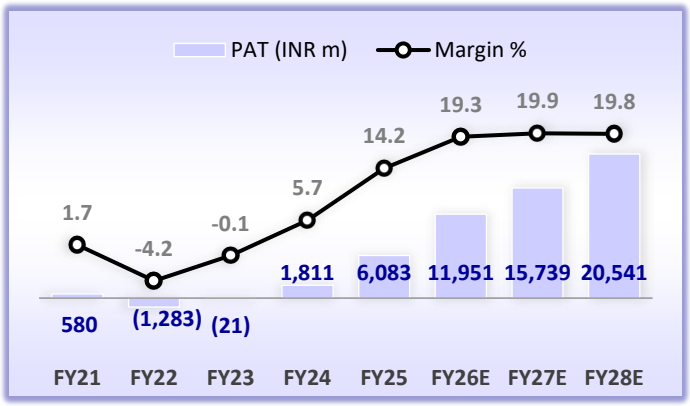
We expect revenue to clock a 34% CAGR over FY25-28



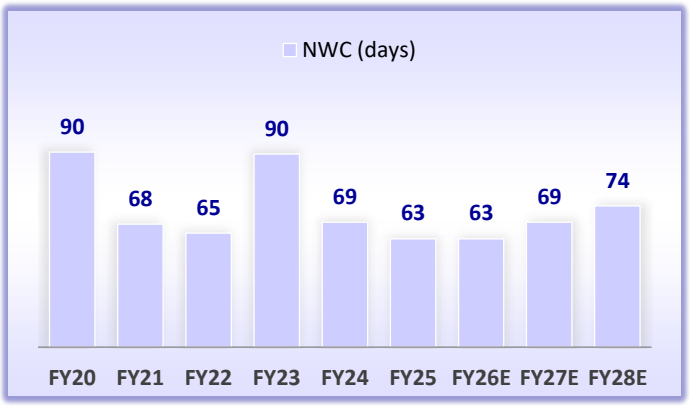
EBITDA margin to remain at strong levels of mid-20s



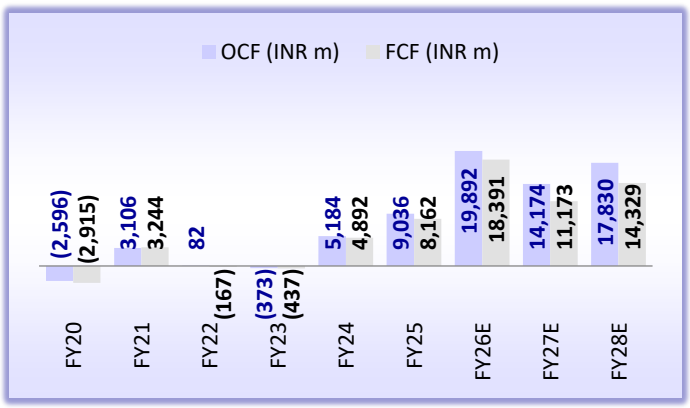
We expect PAT to expand at a CAGR of 50% over FY25-28



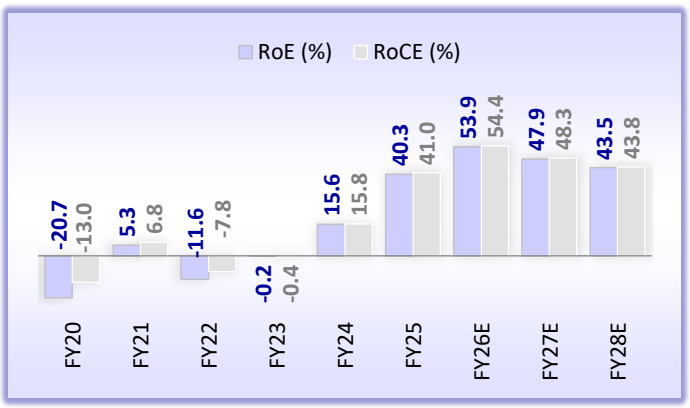
Working capital cycle likely to be at comfortable levels



We expect OCF and FCF to improve going forward (INR m)



RoE and RoCE to remain at strong levels



Domestic transmission pipeline: Potential beneficiary of a large addressable market

GVTD well placed to benefit from a large addressable market

With the continued addition of renewable capacity over the next few years, there will be a strong need for advanced solutions to enhance grid stability, including HVDC, STATCOMs, and digital solutions. The company, with its portfolio spanning HVDC, transformers, reactors, GIS/AIS, and STATCOMs, is well-positioned to participate in this growth, supported by a large and sustained transmission capex plan, rising spending by key utilities, and a visible pipeline of HVDC, GEC II, and STATCOM projects.

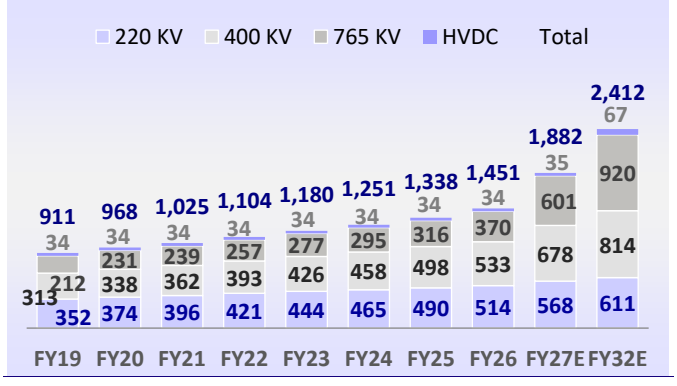
India's National Electricity Plan (NEP FY23-32) has outlined an ambitious transmission investment plan of ~INR9t, which includes expanding the transmission line network at 220 kV and above from about 506,513 ckm as of FY26 to ~649,000 ckm by FY32. The plan also targets an increase in transformation capacity at 220 kV and above from around 1,451 GVA as of FY26 to ~2,412 GVA by FY32, along with the addition of 33.3GW of HVDC capacity. Within this plan, demand for 400kV/765kV transformers is likely to remain strong, as it envisages 7%/16% CAGR over FY26-32in 400kV/765kV substation capacity from current levels.

Exhibit 127: Transmission lines and sub-station capacity addition by 2031-32

Transmission System Type / Voltage Class	Unit	At the end of 2021-22 (31.03.2022)	Likely addition during 2022-27	Likely at the end of 2026-27 (31.03.2027)	Likely addition during 2027-32	Likely at the end of 2031-32 (31.03.2032)
Transmission lines						
HVDC (± 320 kV/ 500 kV/800 kV Bipole)	ckm	19,375	80	19,455	15,432	34,887
765 kV	ckm	51,023	36,558	87,581	27,138	1,14,719
400 kV	ckm	1,93,978	34,618	2,28,596	20,989	2,49,585
230/220 kV	ckm	1,92,340	43,431	2,35,771	13,228	2,48,999
Total Transmission lines	**ckm**	**4,56,716**	**1,14,687**	**5,71,403**	**76,787**	**6,48,190**
Sub-stations						
765 kV	MVA	2,57,200	3,43,500	6,00,700	3,19,500	9,20,200
400 kV	MVA	3,93,113	2,84,970	6,78,083	1,35,745	8,13,828
230/220 kV	MVA	4,20,637	1,47,860	5,68,497	42,610	6,11,107
Total Substations	**MVA**	**10,70,950**	**7,76,330**	**18,47,280**	**4,97,855**	**23,45,135**
HVDC						
Bi-pole link capacity	MW	30,500	1,000	31,500	32,250	63,750
Back-to-back capacity	MW	3,000	0	3,000	0	3,000
Total HVDC	**MW**	**33,500**	**1,000**	**34,500**	**32,250**	**66,750**

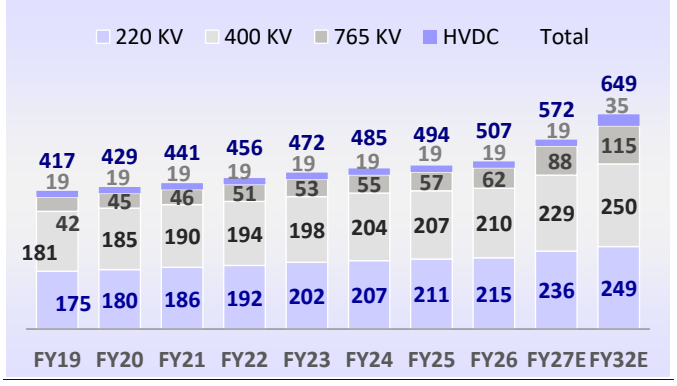
Source: CEA, MOFSL

Exhibit 128: Transformation capacity (220 kV & above) to grow at 9% CAGR over FY26- FY32 (figures in GVA)



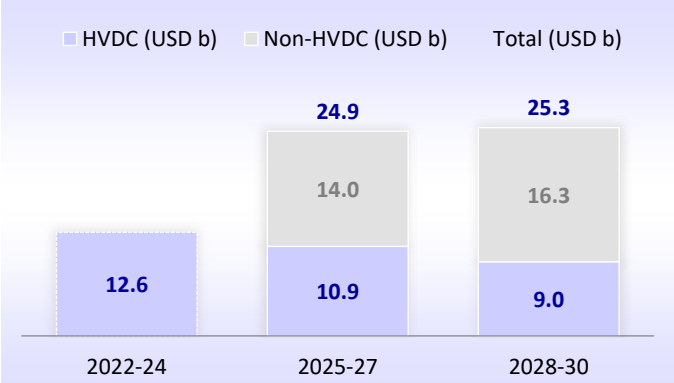
Source: CEA, MOFSL

Exhibit 129: Transmission line network (220 kV & above) to grow at 4% CAGR over FY26-FY32 ('000 ckm)



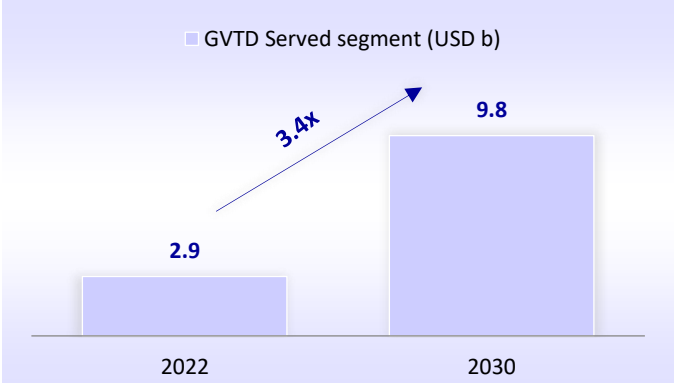
Source: CEA, MOFSL

Exhibit 130: Investment in Indian electrification is accelerating; HVDC to account for 40% of the market



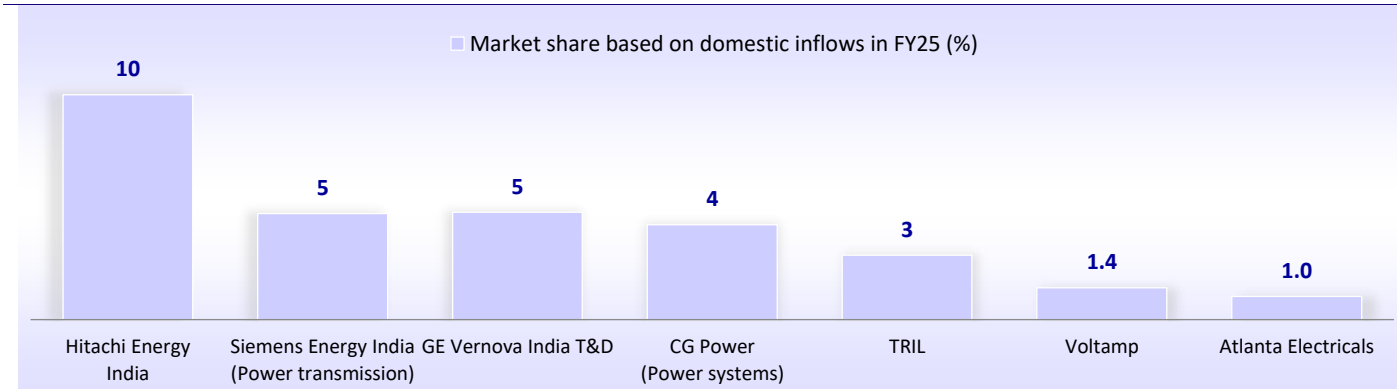
Source: Company, MOFSL

Exhibit 131: GVTD's served segments estimated to reach USD9.8b by 2030



Source: Company, MOFSL

Exhibit 132: Market share of domestic players based on FY25 domestic inflows as a % of capital outlay of total tenders awarded

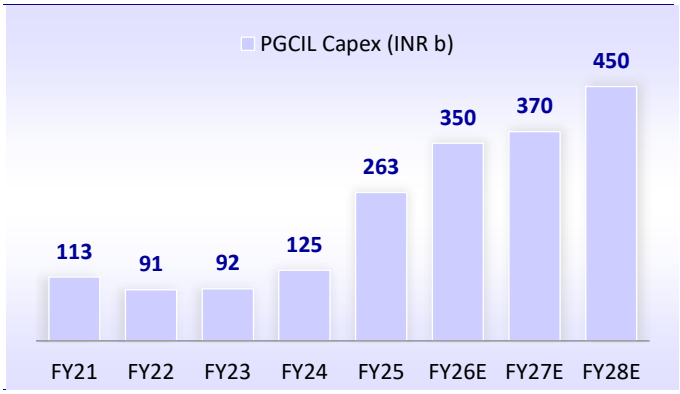


Source: Industry, MOFSL

Capex ramp-up by PGCIL and private developers supports a strong demand environment

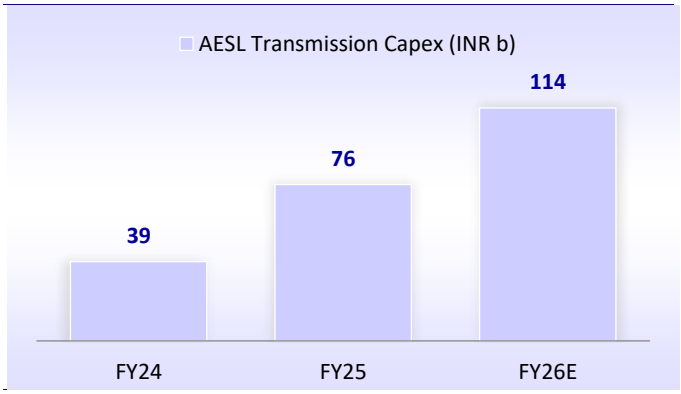
Building on this INR9.2t transmission capex plan, PGCIL and leading private developers are set to account for a large share of the spending. PGCIL is stepping up capex and will play a key role in India's transmission expansion, with plans to spend about INR3.1t through FY32, largely for its core transmission business. Annual capex is guided to rise from ~INR263b in FY25 to ~INR450b by FY28E (a ~20% CAGR), mainly for new lines, HVDC corridors, renewable-energy evacuation, and cross-border links. Private developers are also increasing investments, led by Adani Energy Solutions, whose transmission capex was about INR76b in FY25 and is expected to rise to around INR114b in FY26. Given its role as an approved supplier of HVDC equipment, transformers, reactors, GIS, and STATCOMs to both PGCIL and private developers, the company is well placed to benefit from this capex ramp-up.

Exhibit 133: PGCIL capex has 20% CAGR over FY25-28E; the company also increased its FY26/FY27 capex guidance



Source: Company, MOFSL

Exhibit 134: Adani Energy Solutions' transmission capex saw 49% growth in FY26E



Source: Company, MOFSL

Exhibit 135: Domestic order inflows from PGCIL and Adani Energy Solutions over the past three years

Period	Customer/Project		Segment/Scope
Dec'25	AESL Projects Limited	❖	Establishment of 2500 MW, ± 500 kV HVDC VSC Terminal Station (2x1250 MW) from KPS 3 (Khavda) to South Olpad
Dec'25	PGCIL	❖	Refurbishment of 2×500 MW HVDC Chandrapur back-to-back link
4QFY25	PGCIL	❖	Secured order for 765 kV Power Transformers and Shunt Reactors
4QFY25	PGCIL	❖	Secured order for the installation of a 400 kV GIS in the PGCIL South Olpad substation
4QFY25	Adani Group	❖	Secured order for 400 kV GIS for a substation in Gujarat
3QFY25	PGCIL	❖	Secured order for the supply of HVS products for various 765 kV PGCIL projects
2QFY25	PGCIL	❖	Secured order to establish Regional Load Dispatch centers for the Northern region and nine State Transmission constituencies with SCADA/EMS Technologies
2QFY25	PGCIL	❖	Secured order to establish Regional Load Dispatch centers for the Eastern region and six State Transmission constituencies with SCADA/EMS Technologies.
2QFY25	PGCIL	❖	Secured contract for 765 kV Power Transformers and Shunt Reactors to be supplied, installed, and commissioned in various Ultra High Voltage Substations across India
1QFY25	PGCIL	❖	Secured orders from PGCIL for the supply of 765 kV Shunt Reactors for reactive power compensation at various transmission system projects in India
1QFY25	Adani Energy Solutions	❖	Secured orders for 765kV and 400kV GIS Bay Extension at Khavda
1QFY25	PGCIL	❖	Secured order to establish Regional and Load Dispatch centers across the North Region for Grid Controller India and nine State Transmission constituencies with SCADA/EMS Technologies.
4QFY24	PGCIL	❖	Secured orders for the supply of 765 kV/400kV Shunt Reactors for various transmission system projects in India
4QFY24	PGCIL	❖	Secured orders to build a State Transmission Asset Management Centre in Odisha, India, for OPTCL
4QFY24	PGCIL	❖	Secured orders for the supply of 765 kV Circuit Breaker Package in Rajasthan for PGCIL
4QFY24	PGCIL	❖	Secured orders for supply of 765kV/400kV/220kV CT/CVT & WTS in Rajasthan for PGCIL
3QFY24	PGCIL	❖	765 kV Power Transformers and Shunt Reactors for various transmission system projects
3QFY24	PGCIL	❖	Supply of 765 KV Current Transformers,765 KV Capacitive Voltage Transformers for various 765 KV Substations, in a major renewable energy zone (REZ) in Rajasthan for PGCIL
3QFY24	PGCIL	❖	Supply & commissioning of Control & Relay Panels and Substation Automation for 765 kV substation at Badhla 3 and Ramgarh 3 for PGCIL
3QFY24	Adani Energy Solutions	❖	Secured order for the construction of 765 KV GIS Substation at Khavda PS1 (KPS1-Augmentation) without Civil work and GIS supply
3QFY24	Adani Energy Solutions	❖	Supply & commissioning of Control & Relay Panels and Substation Automation for 3 no's 400kV Solar Pooling Sub Stations at Khawda for Adani Green Energy Ltd.
2QFY24	PGCIL	❖	Turnkey contract for 8 bays of 400 kV substation for Power System Scheme-4 (PSS-4) & 1 bay extension at Sholapur, Maharashtra
2QFY24	PGCIL	❖	Upgradation of bus bar schemes in 15 substations of 400, 220 & 132 kV at Northern Region Transmission System II & III
2QFY24	Adani Energy Solutions	❖	Construction of 765/400 kV GIS at Narendra & 765 kV Bay Extension at Pune
1QFY24	PGCIL	❖	Supply of 765 kV GIS & 400 kV GIS with Bus Duct for PGCIL at Raigarh and Kotra
1QFY24	PGCIL	❖	220 kV GIS for PGCIL at Raipur

Source: Company, MOFSL

Green energy corridor II strengthens the renewable-linked opportunity pipeline

NEP's transmission capex represents the total system requirement, within which GEC-II forms a funded and identified subset for renewable energy evacuation at the intra-state level. The scheme targets the integration of ~19 GW of renewable energy capacity and involves ~INR121b of transmission investments, largely focused on substation creation and capacity expansion. Given its portfolio across high-voltage transformers, GIS/AIS substations, and grid automation, GVTD is well placed to benefit from GEC II-linked investments.

Exhibit 136: State-wise intra-state transmission system under Green Energy Corridor Phase-II

State	RE capacity addition envisaged (MW)	Target for transmission lines (ckm)	Target for sub-stations (MVA)	Estimated cost of transmission system (INR b)
Gujarat	5,100	2,470	7,460	37
Himachal Pradesh	317	62	761	5
Karnataka	2,639	938	1,225	10
Kerala	452	224	620	4
Rajasthan	2,478	659	2,191	9
Tamil Nadu	4,000	624	2,200	7
Uttar Pradesh	4,000	2,597	15,280	48
Total	**18,986**	**7,574**	**29,737**	**121**

Source: CEA, MOFSL

We expect GVTD to account for a healthy market share in the fast-growing HVDC market

GVTD has presence across both VSC- and LCC-based technologies and was recently awarded a major HVDC VSC order for the Khavda–South Olpad link from AESL (2,500 MW, ±500 kV terminal), while the developer tender for the Barmer–South Kalamb HVDC project is expected soon. The company was also awarded HVDC refurbishment work from PGCIL. With a limited pool of qualified global competitors, GVTD has a strong position in the emerging HVDC market. The company's addressable market for HVDC projects stands at around USD9b over FY28-30. Under NEP 2032, around 8-10 new HVDC projects (~33 GW), across both VSC and LCC technologies, are lined up for bidding over the coming years, creating a significant HVDC opportunity. GVTD is one of only two players in India (the other being Hitachi Energy) that have both VSC and LCC HVDC technologies.

Exhibit 137: Multiple HVDC projects create a significant opportunity for GVTD

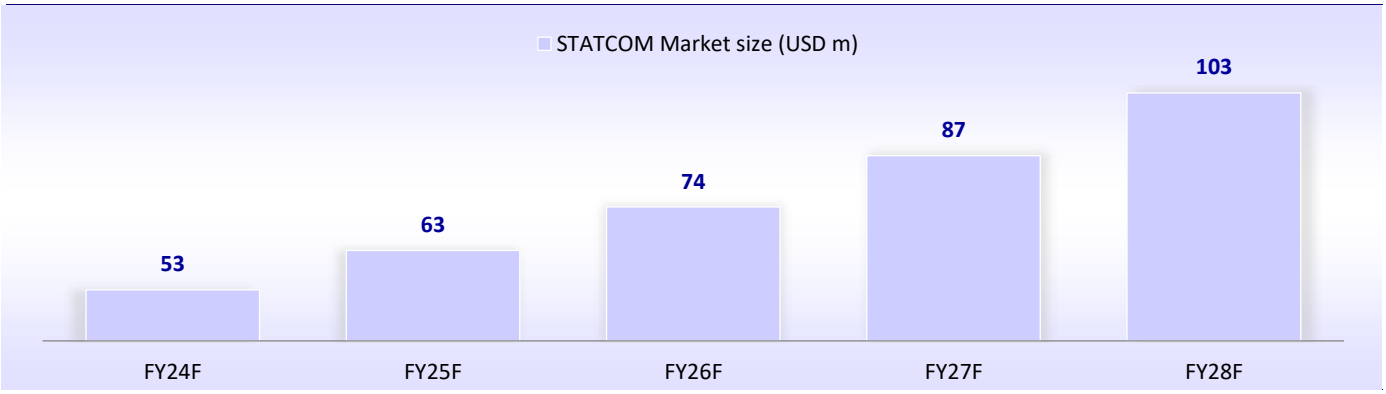
Capacity	Project	Developer	Supplier	Technology	Estimated Cost (INR b)	Anticipated commissioning
6 GW	Bhadla-Fatehpur	AESL Projects Ltd	Hitachi Energy and BHEL	LCC	250	2028-29
2.5 GW	Khavda-South Olpad	AESL Projects Ltd	GVTD	VSC	120	2028-29
6 GW	Khavda-Nagpur	PGCIL	Hitachi Energy and BHEL	LCC	248	2028-29
6 GW	Bikaner-Begunia	NA	To be awarded	LCC	NA	2029-30
6 GW	Barmer-South Kalamb	NA	To be awarded	LCC	250	2029-30
500 MW	India-Sri Lanka	NA	To be awarded	VSC	99	2031-32
250 MW	Paradeep-Port Blair	NA	To be awarded	VSC	380	2031-32
6 GW	Lakadia-Alephata	NA	To be awarded	LCC/VSC	NA	NA
2 GW	India-Singapore	NA	To be awarded	VSC	NA	NA

Source: CEA, Industry, MOFSL

Well placed to benefit from rising grid-stability investments (STATCOM)

Rising renewable penetration is driving strong demand for grid-stability solutions such as STATCOMs. The national transmission plan includes a healthy pipeline of STATCOM installations, with several projects under commissioning and implementation, many of which are targeted for CY26–27 in key renewable hubs such as Rajasthan, Gujarat, and Andhra Pradesh. While FY26 has seen a lull in new STATCOM orders, the company expects activity to pick up from next year, with an addressable market of USD1b. Although the company is yet to win or execute major STATCOM projects in India, it benefits from the proven STATCOM capabilities of its global parent and from ongoing capacity additions in advanced grid technologies.

Exhibit 138: Indian STATCOM market likely to expand at 18% CAGR from USD53m in FY24 to USD103m by FY28, supported by grid modernization and policy initiatives



Source: Maia Research, CareEdge Research, Industry Sources, MOFSL

Exhibit 139: STATCOM projects envisaged in the NEP

Capacity		Project	Status	Anticipated commissioning
± 2x300 MVAR	❖	Fatehgarh-III	Under Construction	2025-26
± 2x300 MVAR	❖	Ramgarh	Under Construction	2025-26
± 2x300 MVAR	❖	Bikaner-IV	Under Bidding	2026-27
± 2x300 MVAR	❖	Siwani	Under Bidding	2026-27
± 2x300 MVAR	❖	Barmer-I	Under Bidding	2026-27
± 300 MVAR	❖	Navsari New	Under Bidding	2026-27
± 300 MVAR	❖	Khavda PS-I Bus Section-I	Under Bidding	2026-27
± 300 MVAR	❖	Khavda PS-I Bus Section-II	Under Bidding	2026-27
± 300 MVAR	❖	Khavda PS-III Bus Section-I	Under Bidding	2026-27
± 300 MVAR	❖	Khavda PS-III Bus Section-II	Under Bidding	2026-27
± 200 MVAR	❖	Boisar-II Bus Section-I	Under Bidding	2026-27
± 200 MVAR	❖	Boisar-II Bus Section-II	Under Bidding	2026-27
± 400 MVAR	❖	Jamnagar	Under Bidding	2026-27
± 300 MVAR	❖	Kurnool-IV	Planned	2026-27
± 300 MVAR	❖	Ananthpur-II	Planned	2026-27

Source: CEA, MOFSL

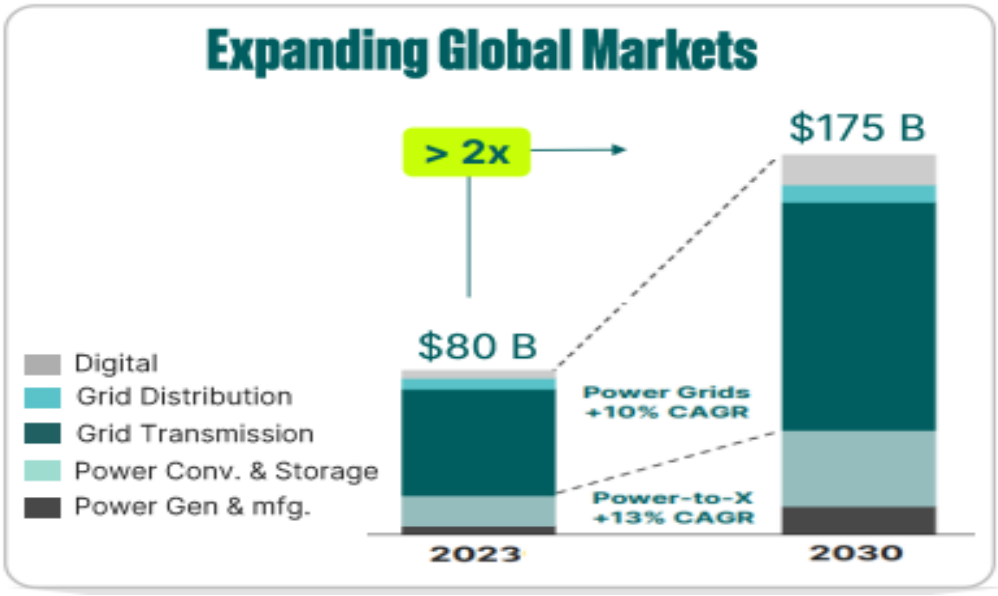
Export market: Opportunities remain strong across key markets, as well as from its parent

Established market presence

Global spending across power grids, transmission, distribution, and power conversion is expected to more than double from USD80b in CY23 to USD175b by CY30, with grid transmission expanding at a ~10% CAGR and power-to-X solutions at ~13% CAGR, creating a favorable backdrop for exports. Apart from continued investments in growing renewable power capacity globally, the rapid expansion of AI infrastructure and hyperscale data centers globally is emerging as a major demand driver for high-capacity transformers.

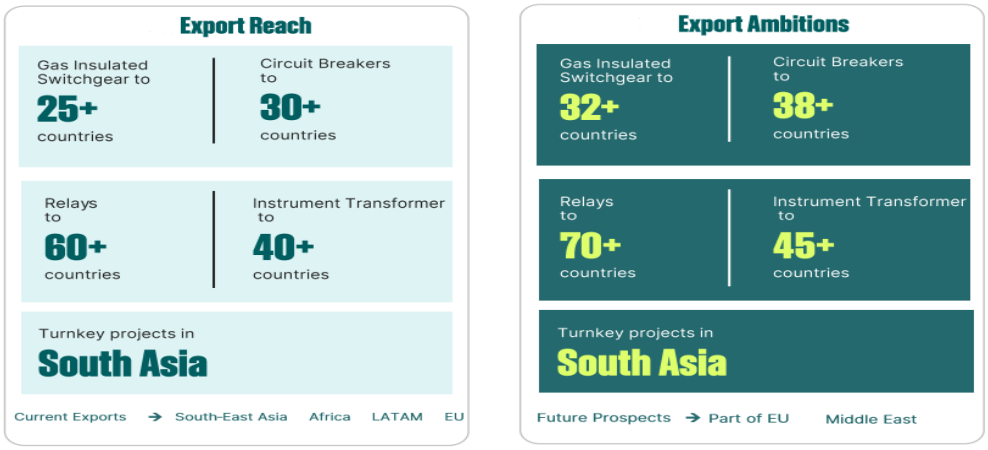
- The company's exports have expanded at a ~35% CAGR over FY21-FY25, accounting for ~30% of total orders in FY25, while export sales also increased its share in overall revenue to 28%/33% in FY25/9MFY26. This growth has been supported by export wins from the parent entity and other markets across Europe, the Middle East, and South Asia. The Indian entity is preferred due to its low cost of manufacturing in India. Export orders from GE Vernova group entities have increased over the last two years and now represent a significant portion of the company's export mix. As of FY25, ~60-65% of export orders were routed through GE Vernova group entities. To support this growth, GVTD has approved and proposed higher limits for key export-linked transactions with group entities. The company expects exports to contribute ~30-35% of revenues over the medium term, broadly in line with the current mix.
- The company intends to further expand its export reach across products and geographies, leveraging GE Vernova's global customer base and technology and India's cost-competitive manufacturing base, which we believe should support deeper penetration in European and Middle Eastern grid markets over time.

Exhibit 140: Strong global demand providing attractive export opportunities to GVTD



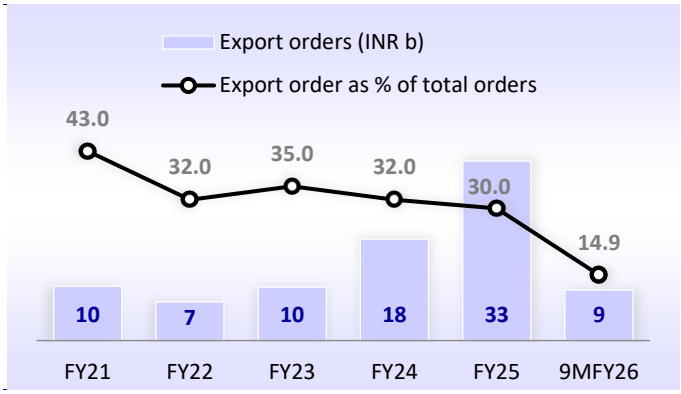
Source: Company, MOFSL

Exhibit 141: Expanding export reach across products and geographies



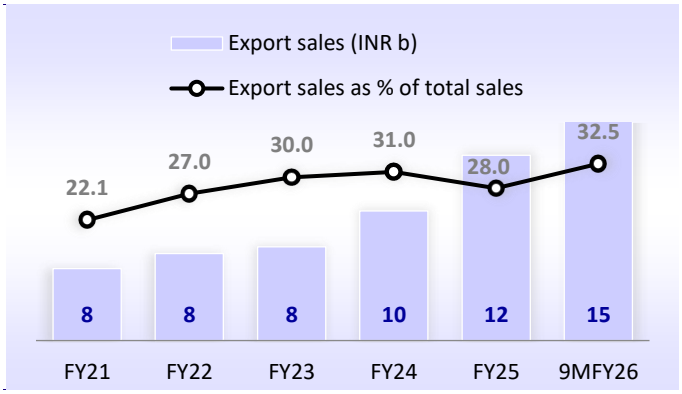
Source: Company, MOFSL

Exhibit 142: Export order inflows have scaled up rapidly, reaching ~30% of total orders in FY25



Source: Company, MOFSL

Exhibit 143: Share of exports is gaining momentum in overall sales over the years



Source: Company, MOFSL

Strong traction in international orders routed through GE Vernova subsidiaries

Export orders from GE Vernova group entities have increased over the last two years and are now an important contributor to the company's export mix. As of FY25, ~60-65% of export orders were routed through GE Vernova group entities. To support this growth, GVTD has approved and proposed higher limits for key export-linked transactions with group entities. In Mar'24, shareholders approved material related-party transactions with Grid Solutions SAS and Grid Solutions Middle East FZE for the sale and purchase of goods, materials, and project-related services of up to INR6.5b and INR3.5b, respectively. In the FY25 AGM notice, the company has obtained shareholder approval for an increase in these limits to INR22b for Grid Solutions SAS (INR20.5b for sales and INR1.5b for purchases) and INR9b for Grid Solutions Middle East FZE, while also doubling the cash-pool lending limit to LM Wind Power Blades (India) Pvt Ltd from INR5b to INR10b. This is for a large export project routed through GE Vernova group entities, with the bid already submitted and the outcome expected by 4QFY26.

Exhibit 144: Export-linked related-party transactions proposed for shareholder approval

Related party	Nature of transaction	Old limit (Mar'24 postal ballot)	Latest proposed limit (69th AGM notice)
Grid Solutions Middle East FZE (Dubai)	Sale and purchase of goods/materials, incl. project-related services	INR3.5b	INR9b
Grid Solutions SAS (France)	Sale and purchase of goods/materials and services, incl. project-related and business support services	INR6.5b	INR22b (INR20.5b sales; INR1.5b purchases)
LM Wind Power Blades (India) Pvt Ltd	Inter-corporate deposits/cash-pool lending	INR5b	INR10b

Source: Company, MOFSL

Exhibit 145: Export orders received from parent entities over the last two years

Announcement	Parent entity	Export orders	Export value
FY25	Grid Solutions SAS (France) and Grid Solutions ME FZE (Dubai)	Supply and supervision of HV products	INR22b
3QFY25	Portugal	Supply of HVS products	NA
3QFY25	Spain	Supply of 220 kV GIS	NA
2QFY25	Grid Solutions SAS, France	Supply and supervision of HV Products	EUR100m
2QFY25	Grid Solutions Middle East FZE, Dubai	Supply and supervision of HV Products	EUR55m
2QFY25	Grid Solutions Middle East FZE, Dubai	Supply and supervision of HV products	EUR26m
2QFY25	Grid Solutions SAS, France	Supply and supervision of HV products	EUR64m
3QFY24	UK Grid Solutions	Supply of HVDC converter transformer	GBP74M (INR7.8b)

Source: Company, MOFSL

Exhibit 146: Parent entity's commentary and its implications for the Indian entity

Theme	Parent commentary	Implications for GVTD
AI/ Data centers	Management is seeing strong demand for grid and data-center equipment, supported by ~USD80b of announced investments by four major US tech companies; accordingly, >USD2b electrification orders were linked to data centers in CY25 (3x YoY).	Expansion in data-center and AI investments is expected to drive incremental demand for high-voltage substations and transformers. Management indicated that Indian factories can support global requirements when overseas capacity is constrained, creating opportunities for GVTD across domestic and export markets.
Parent capex and R&D expansion (CY25-28)	Company committed ~USD11bn cumulative investment through CY28	The parent's multi-year capex and R&D plan will fund new HVDC, substation, and digital grid technologies. GVTD can adopt these upgraded designs, localize them in its plants, and improve its competitiveness in Indian tenders and nearby export markets.
Asia-for-Asia localization	Management focusing on regional manufacturing and supply chain localization in Asia	Within this strategy, GVTD is investing ~INR1.4b in HVDC valves and ~INR8b in expanding transformers, reactors, and AIS/GIS capacity, positioning it as a key hub for domestic and export demand.

Source: Company, MOFSL

Capex: Ongoing capacity expansion plan

Capex of INR9.4b already lined up

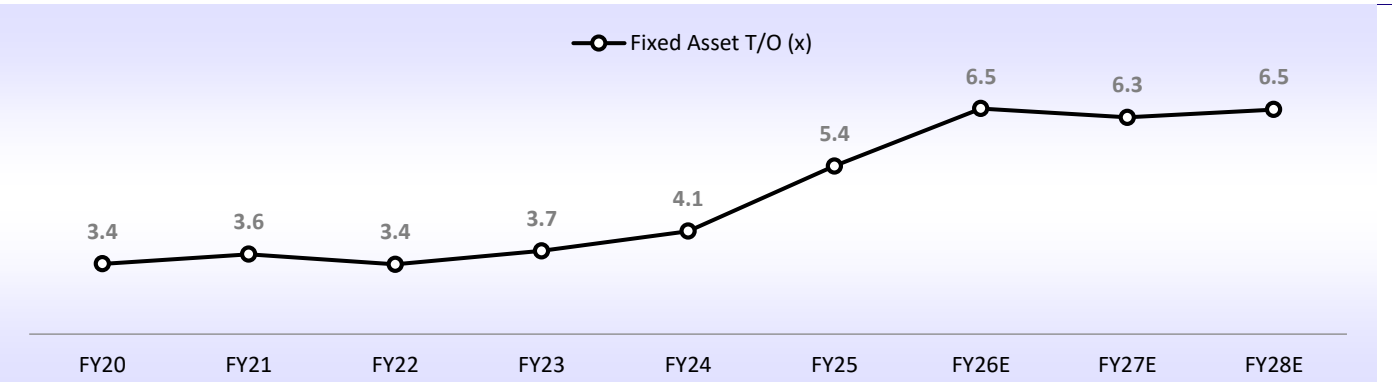
The company is expanding its capacity with a capex worth INR9.4b across: 1) HVDC valves and controls, worth INR1.4b investment, which will be ready by FY27, and 2) transformers and reactors at Vadodara, along with AIS/GIS products at Hosur and Padappai and new lines for air core reactors and bushings at Hosur, with a capex of INR8b over FY26-28. These investments aim to support rising domestic demand from HVDC corridors and STATCOM projects and serve export markets.

Exhibit 147: Capex announcements by GVTD over the past 1-1.5 years

Announcement	Purpose	Capex (INR m)
2QFY26	❖ Expanding existing capacities for Transformers & Reactors at Vadodara facility, increasing capacity by more than 50%	8,060
	❖ Establishing new manufacturing lines for Air Core Reactors at the existing facility at Hosur	
	❖ Establishing new manufacturing lines for Bushing at the existing facility at Hosur	
	❖ Expanding existing capacities for GIS and AIS products at Hosur and Padappai facilities, expanding capacity up to 25%	
14-May-25	❖ New manufacturing line at its existing facility in Chennai (Pallavaram) for LCC HVDC valves, and VSC STATCOM valves for HVDC and FACTS systems	1,400
	❖ New engineering and test lab in Noida	
Nov'24	❖ For debottlenecking the capacities to increase capacity utilization levels	800-900
Total		**10,360**

Source: Company, MOFSL

Exhibit 148: Fixed asset T/O to improve on optimum utilization levels



Source: Company, MOFSL

Wide range of products and technology solutions

Range of product offerings

GVTD's product offerings are comparable with global peers across core T&D segments, including high-voltage equipment, substations, HVDC, FACTS, grid automation, and digital solutions. This supports participation in large grid and renewable projects and supports order visibility.

Its offerings include: 1) Power transmission, which provides core high-voltage equipment like transformers, reactors, and GIS/AIS switchgear used in substations and transmission lines, 2) Grid automation, which adds the digital layer in and around substations through relays, control panels, SCADA, and asset performance tools, 3) Grid systems integration, which delivers turnkey substations, HVDC, STATCOM projects, and FACTS solutions and related services, helping customers integrate more renewable power and keep the grid stable, and 4) Electrification software, which provides control-center platforms and smart-grid capabilities that help utilities monitor, control, and optimize their networks.

Exhibit 149: GVTD's different product offerings in its respective business line

Business line	Products
Power transmission	❖ Power transformers (220/400/765 kV)
	❖ HVDC transformers
	❖ Generator transformers
	❖ Shunt reactors (incl. 765 kV)
	❖ Gas-insulated switchgear (GIS) bays & modules
	❖ Air-insulated switchgear (AIS) panels & bays
	❖ High-voltage circuit breakers
	❖ Disconnectors/isolators
	❖ Current transformers (CTs)
	❖ Capacitive/voltage transformers (CVTs/VTs)
	❖ Bushings, surge arresters, and other HV components
Grid automation	❖ Relays/C&R Panels
	❖ SCADA
	❖ Communications
	❖ Asset Performance Management
	❖ Intelligent Digital Substation
Grid systems integrations	❖ Turnkey Substation Project Office
	❖ HVDC Substation
	❖ STATCOM Projects
	❖ Service and Spares
	❖ FACTS
Electrification software	❖ Digital Control Centre Platform
	❖ Assembly & Integration
	❖ Smart grid & Test Lab Facilities

Source: Company, MOFSL

Exhibit 150: Product offerings across key T&D players

Products	GVTD	Siemens Energy	BHEL (Power segment)	Hitachi Energy	CG Power & Industrial Solutions
Industrial steam turbines	✗	✓	✓	✗	✗
Industrial generators	✗	✓	✓	✗	✓
Turbine/Generator service program and maintenance solution	✗	✓	✓	✗	✓
Digital control solutions and services	✓	✓	✓	✓	✗
Flexible AC transmission systems (FACTS)	✓	✓	✓	✓	✗
High-voltage direct current (HVDC)	✓	✓	✓	✓	✗
High-voltage refurbishment solutions	✓	✓	✓	✓	✓
High-voltage substations	✓	✓	✓	✓	✓
Power transformers & reactors	✓	✓	✓	✓	✓
Traction transformers	✓	✓	✓	✓	✓
Gas Insulated Switchgear (GIS)	✓	✓	✓	✓	✓
Air Insulated Switchgear (AIS)	✓	✓	✓	✓	✓
Instrument transformers	✓	✓	✓	✓	✓
Grid services	✓	✓	✓	✓	✓
Decarbonization & energy efficiency solutions	✓	✓	✓	✓	✗

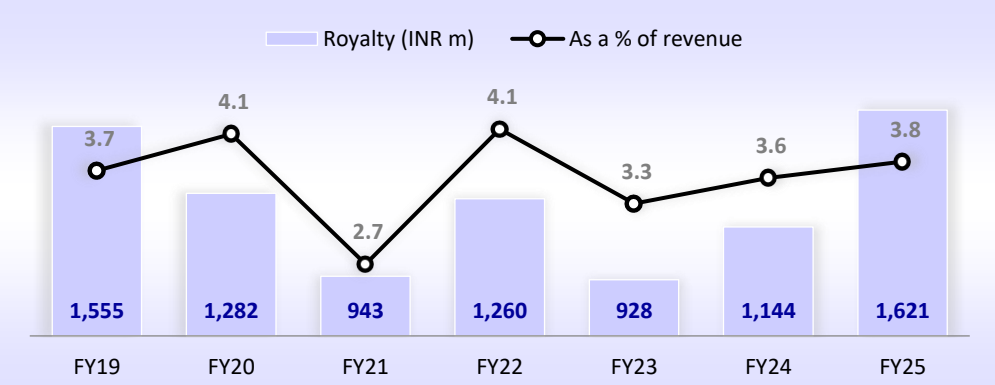
Source: Company, MOFSL

Technology-driven solutions enhance its offerings

GVTD is leveraging global technology from GE Vernova to bring advanced, digital, and green grid solutions to the Indian market. It has access to almost the full global T&D portfolio - HVDC (LCC and VSC), STATCOM/FACTS, GIS/AIS, transformers, relays, SCADA, digital substations, grid software, and lifecycle services – which it can either manufacture and execute locally or source and deliver in partnership with the parent. This access reduces time-to-market for new technologies, allows India to adopt proven global solutions with local execution, and offers the company a wider toolbox than most domestic peers when bidding for projects.

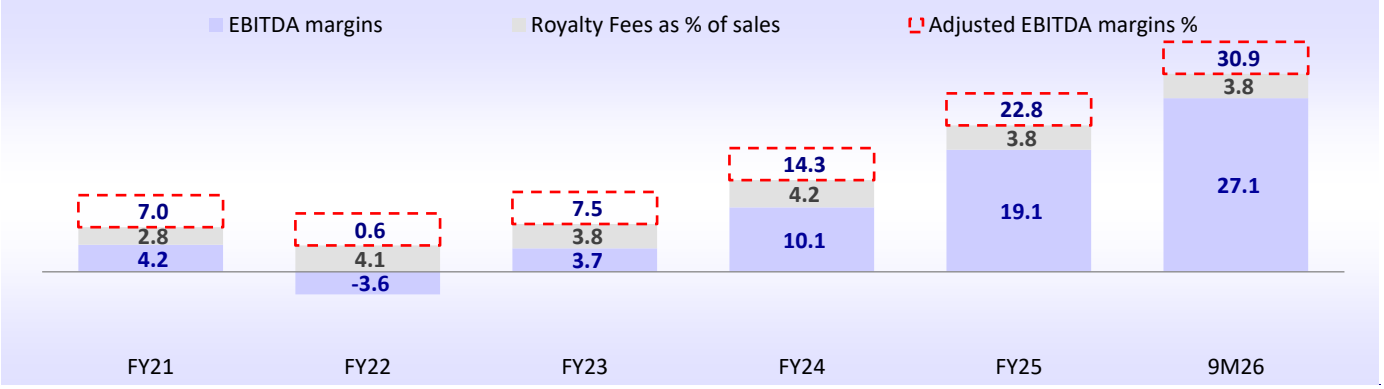
This is reflected in the portfolio it now offers to India, which includes HVDC systems, FACTSFlex/STATCOM, GridBeats (including EnergyAPM, DIP.net, and DGA900+), GridOS, digital substations, wide-area monitoring tools, and SF_6-free switchgear. These offerings cover both hardware and software and support customers on grid stability, digital automation, asset monitoring, and decarbonization.

Exhibit 151: Royalty and tech fees paid by GVTD to its parent remain at ~3-4% of net sales



Source: Company, MOFSL

Exhibit 152: GVTD's margins adjusted with royalty, IT, and group management fees have reached ~30% mark in 9MFY26 with reported EBITDA margins reaching ~27% supported by increased export momentum



Source: Company, MOFSL

Exhibit 153: GE Vernova's capabilities in T&D available to GVTD

Business Lines	Products/ Technology	GE Vernova	GE Vernova T&D India
Power Transmission	Power Transformers	✓	✓
	Reactors	✓	✓
	HVDC Transformers	✓	✓
	GIS Equipment	✓	✓
	Circuit Breakers	✓	✓
	Current Transformers	✓	✓
	Capacitive voltage transformers	✓	✓
	AIS Wave Trap	✓	✓
	Instrument Transformer	✓	✓
	Disconnectors (Switches)	✓	◇
	Surge arrester	✓	◇
	Generator circuit breaker	✓	◇
	Bushings	✓	◇
	Capacitor	✓	◇
	Air core reactors	✓	◇
Grid Automation	Relays / C&R Panels	✓	✓
	SCADA	✓	✓
	Communications	✓	✓
	Asset Performance Management	✓	✓
	Intelligent Digital Substation	✓	◇
Grid Systems Integrations	Turnkey Substation Project office	✓	✓
	HVDC Substation	✓	◇
	STATCOM Projects	✓	◇
	Service and Spares	✓	✓
	Flexible alternating current transmission systems (FACTS)	✓	◇
Electrification Software	Digital Control Centre Platform	✓	✓
	Assembly & Integration	✓	✓
	Smart grid & Test Lab Facilities	✓	✓

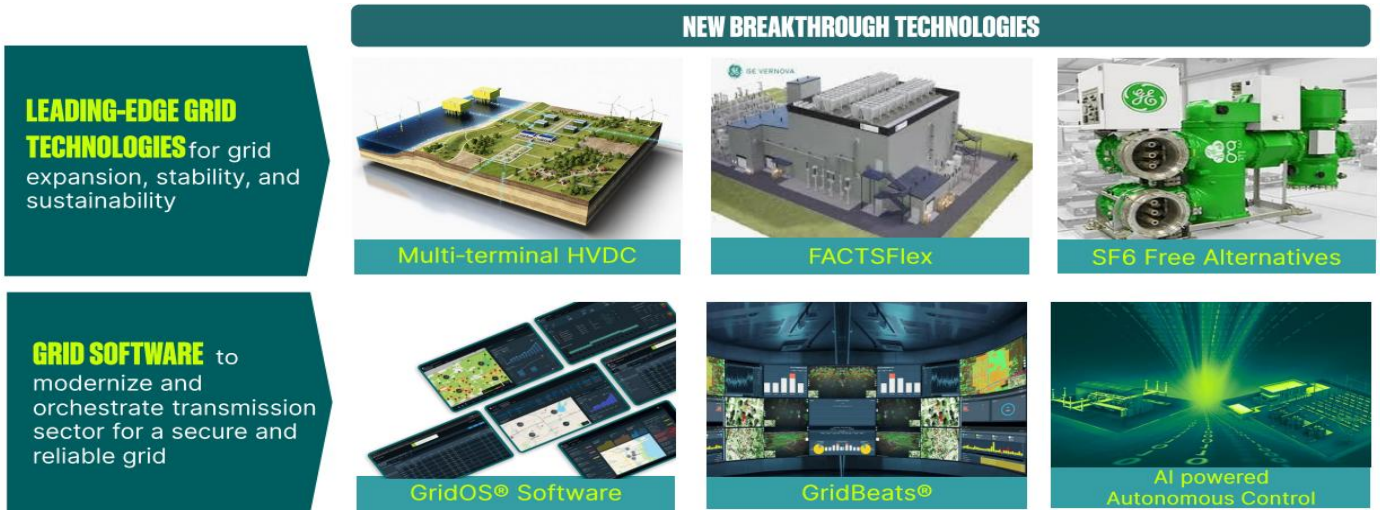
✓ Existing manufacturing and execution Capabilities at GE Ver T&D India Limited, under trademark and Royalty agreement with GE VERNOVA

◇ Procured from GE Vernova on case to case basis

✓ Projects executed in consortium with GE Vernova due to customer qualification criteria

Source: Company, MOFSL

Exhibit 154: New breakthrough technologies enhancing GVTD's grid solutions portfolio



Source: Company, MOFSL

Approval for higher related party transactions

GVTD's related -party transactions (RPTs) continue to remain at controlled levels. The company has also taken approval for a RPT order intake of INR30b from UK Grid Solutions Ltd, a fellow subsidiary of GE Vernova group (parent entity). This arrangement enables GVTD to access international markets, optimize manufacturing capabilities, and leverage specialized parent entity's technology and expertise. The company has also mentioned that whenever a similar large opportunity arises, the company will go back to shareholders for further related party approvals.

Exhibit 155: GVTD's related-party transactions (INR m)

Related Party Transactions (INR m)	FY21	FY22	FY23	FY24	FY25
Revenue from operations					
Grid Solutions SAS, France	2,008	966	1,342	2,281	2,324
UK Grid Solutiond Ltd, Uni	721	688	565	819	838
GE Grid Solutions, S.A., Spain			53	157	644
GE Grid Solutions LLC, USA	155	208	280	416	611
GE Grid Solutions, S.A. de C.V., Mexico	117	38	197	236	411
GRID Solutions S.p.A., Italy	0	123	150	416	359
Grid Solutions Portugal, Lda., Portugal	183	237	95	489	319
GE Digital Services Europe, France		3	29	163	201
GE High Voltage Switchgear (Suzhou), China	113	96	124	140	182
GE Grid Australia Pty Ltd, Australia	324	199	637	350	181
Grid Solutions Middle-East (FZE), UAE				12	165
GE Grid Solutions Pte Ltd, Singapore	217	105	157	241	162
GE Power India Ltd, India		154	57	213	157
Grid Solutions Transmissao de Energia Ltda, Brazil	81	93	130	196	117
Others	1,896	1,587	403	1,008	1,182
Total	**5,816**	**4,495**	**4,221**	**7,135**	**7,854**
Purchase of Raw Materials					
GE Grid Solutions (UK) Ltd, United Kingdom	137	87	362	412	492
Grid Solutions SAS, France	352	285	320	261	357
GE Vernova Industrial of PR LLC, Puerto Rico		0	52	139	176
UK Grid Solutiond Ltd, United Kingdom	155	142	170	140	141
GE Vernova Electrification Software International LLC, USA					106
Grid Solutions Transmissao de Energia Ltda, Brazil	62	126	38	32	96
GE Power Management S.L., Spain	72	67	78	79	81
GE Grid (Switzerland) GmbH, Switzerland	110	47	44	40	47
GRID Solutions S.p.A., Italy	128	46	20	18	12
Grid Solutions Enerji Endustrisi A.S., Turkey	437	164	50		
Others	725	298	168	48	69
Total	**2,177**	**1,261**	**1,302**	**1,168**	**1,575**
Technology license fee					
General Electric Technology GmbH. Switzerland	231	242	172	334	637
UK Grid Solutiond Ltd, United Kingdom	143	138			
Grid Solutions SAS, France	19				
Total	**393**	**379**	**172**	**334**	**637**
Trade mark fees					
General Electric Company, USA	283	261	227	252	
GE Infrastructure Technology LLC, USA					350
Total	**283**	**261**	**227**	**252**	**350**

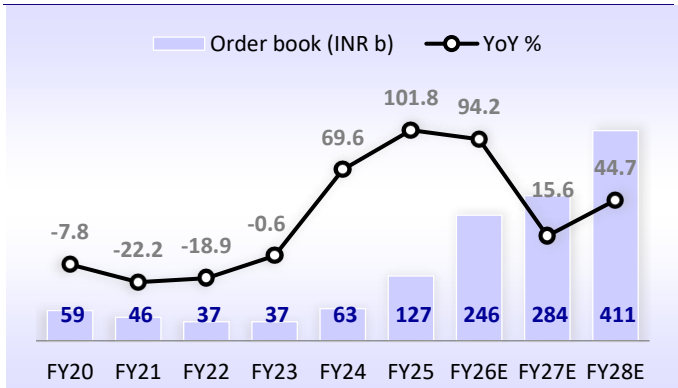
Source: Company, MOFSL

Financial outlook

Order book to expand on inflows of HVDC contracts

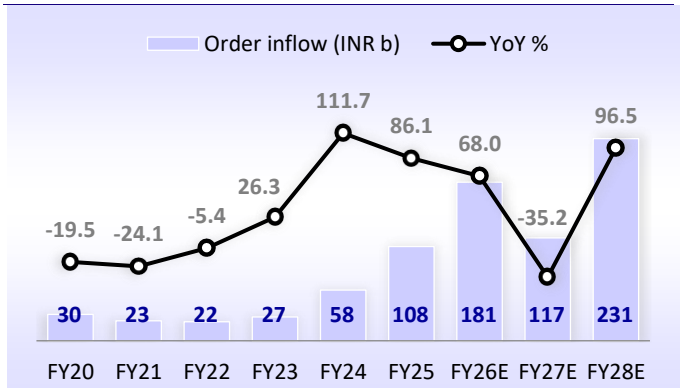
GVTD's order book stood at INR144b as of Dec'25. Inflows during 3QFY26 stood at INR29.4b (+41% YoY). This figure excludes the Adani Khavda HVDC project, which will be booked in 4QFY26 on achieving the defined commercial milestone. We build in at least one HVDC order win every alternate year, which is expected to be a key driver of order book expansion and corresponding inflows from exports too. We, thus, expect GVTD's order book to expand at a CAGR of 48% over FY25-28.

Exhibit 156: Order book to expand at 48% CAGR over FY25-28



Source: Company, MOFSL

Exhibit 157: Inflows to expand at 29% CAGR over FY25-28

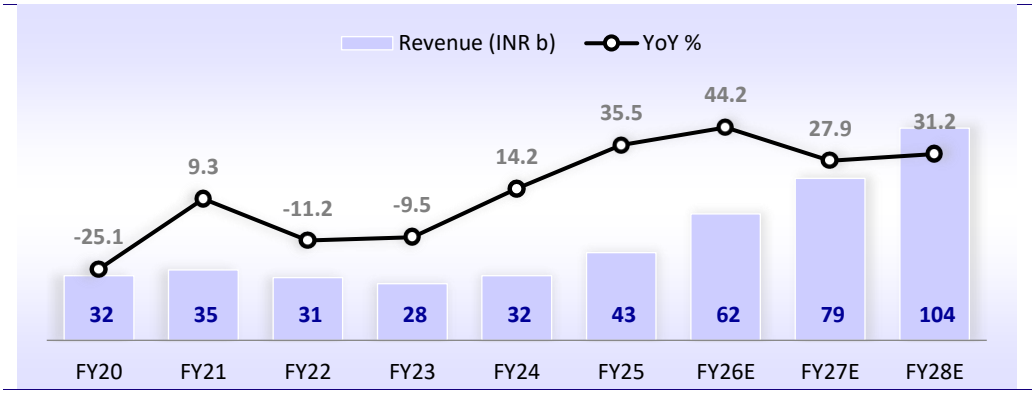


Source: Company, MOFSL

Revenue likely to register a CAGR of 34% over FY25-28

HVDC projects typically have significantly longer execution cycles compared to conventional orders, given their scale, complexity, and phased commissioning structure. As a result, while such wins enhance overall revenue visibility and support steady execution ramp-up, they are likely to elongate the company's book-to-bill ratio and spread revenue recognition over a longer horizon. We thus expect overall revenue to record a 34% CAGR over FY25-28.

Exhibit 158: Revenue to clock a CAGR of 34% over FY25-28E

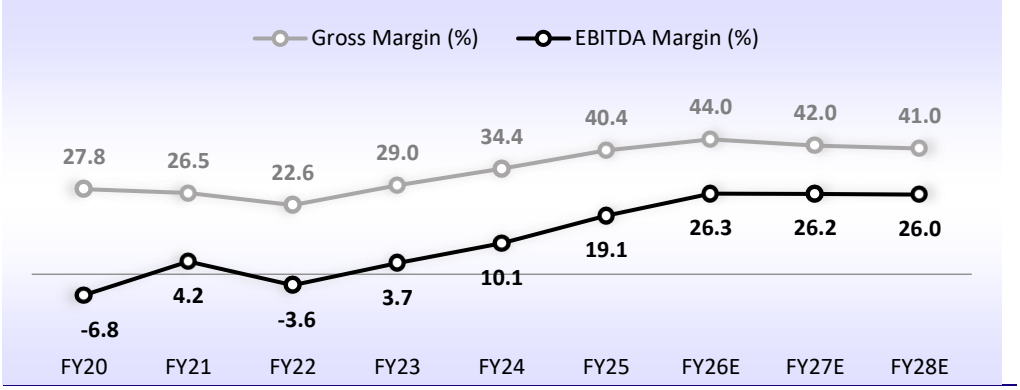


Source: Company, MOFSL

Margins have reached mid-20s and are expected to sustain

GVTD's margin profile has improved over the years, supported by: 1) greater volumes, which increased nearly 39% YoY in 3QFY26, driving operating leverage benefits, 2) better pricing through disciplined underwriting, coupled with the gradual phasing out of legacy low-margin backlog, aiding margin normalization, 3) improved productivity on the back of strong control over operating costs and timely execution, leading to enhanced operational efficiencies, and 4) increased share of exports in overall execution, which relatively carry superior margins. Supported by these factors, we expect margins to remain in a strong range of ~26% over FY26-28. The company has already reached ~27% margin levels in 9MFY26.

Exhibit 159: EBITDA margin to scale as operational efficiencies start to kick in over time

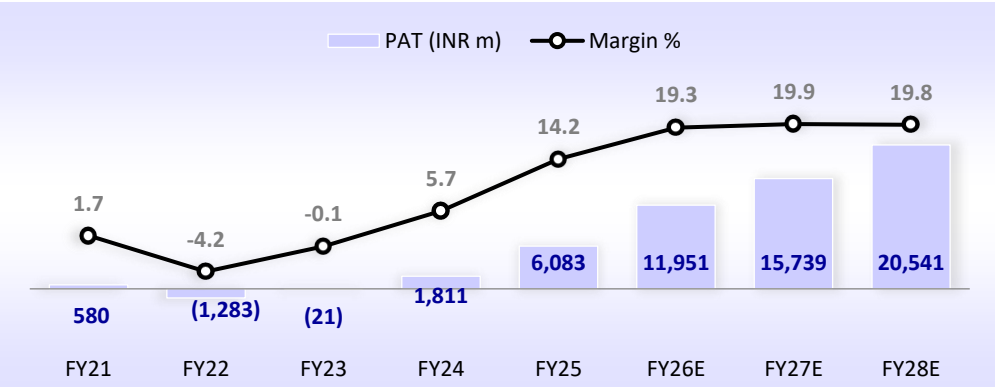


Source: Company, MOFSL

PAT to improve due to a better revenue mix and margin expansion

With an improved execution momentum, driven by capacity expansions, and a significant expansion in margins, supported by optimum utilization of upcoming facilities, we expect PAT to clock a CAGR of 50% over FY25-28.

Exhibit 160: We expect PAT to expand at a 50% CAGR over FY25-28

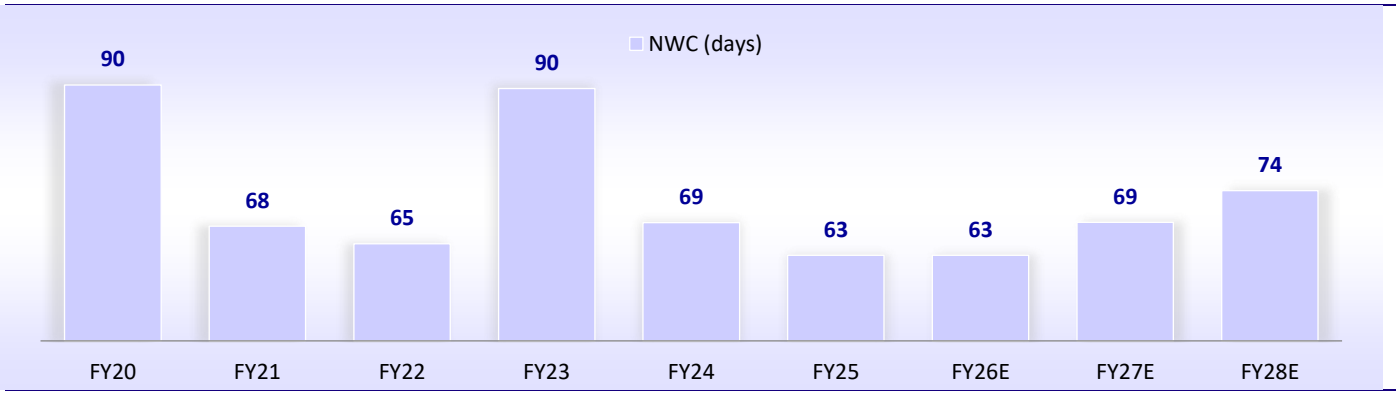


Source: Company, MOFSL

Working capital to move up on the longer gestation of HVDC

GVTD has demonstrated strong control over its working capital, improving from 90 days in FY20 to 63 days in FY25. This improvement has been driven by better management of the inventory cycle and faster collection of receivables. The company maintains limited exposure to state utilities, with a larger share of orders coming from central utilities and private customers, where execution efficiency and working capital discipline are stronger. However, we expect NWC to inch up as HVDC orders begin to contribute to execution, given their longer lead times and higher inventory requirements.

Exhibit 161: NWC to move up due to the contribution of longer gestation HVDC in revenues

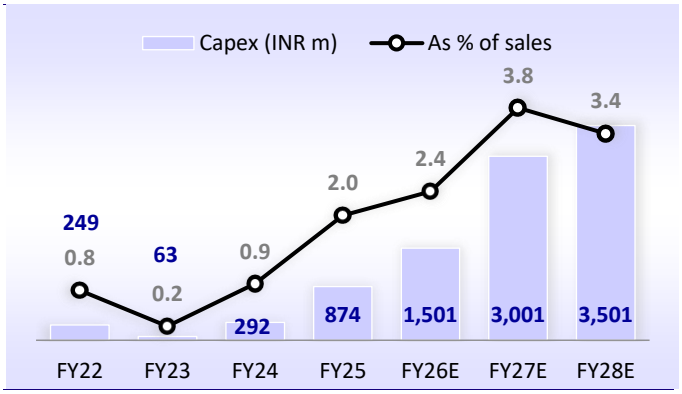


Source: Company, MOFSL

Capex to increase on announced expansions

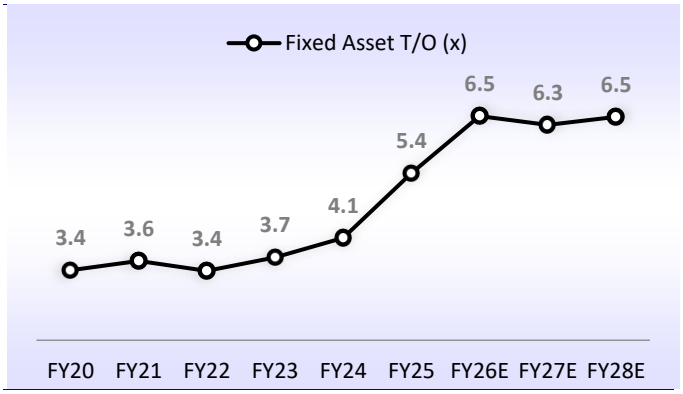
The company has laid down an investment plan of INR9.4b across expanding current capacities for transformers and rectifiers, as well as towards setting up new manufacturing lines in existing facilities for transformer components such as bushings, air core reactors, and HVDC valves.

Exhibit 162: Capex as % of sales to move up going forward on announced expansion plans



Source: Company, MOFSL

Exhibit 163: Fixed asset to turnover ratio to improve on better utilization of capacities

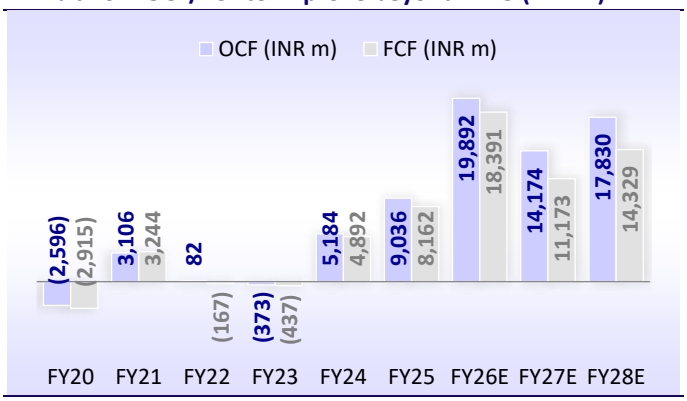


Source: Company, MOFSL

Return ratios to remain strong

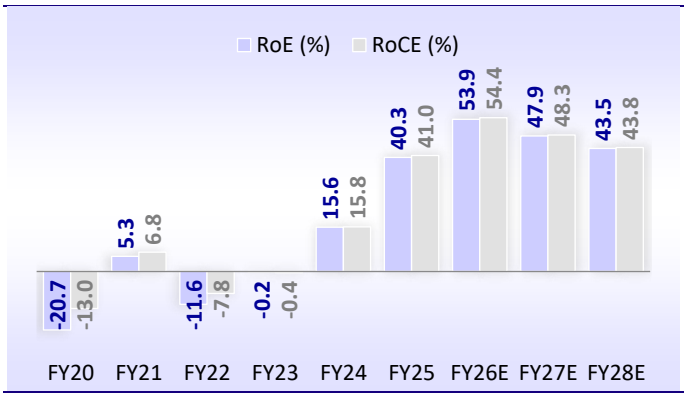
We expect GVTD's OCF/FCF position to improve going forward, due to an increased share of HVDC in overall execution. This will help sustain RoE/RoCE at strong levels of more than 40%.

Exhibit 164: OCF/FCF to improve beyond FY25 (INR m)



Source: Company, MOFSL

Exhibit 165: RoE/RoCE to remain robust



Source: Company, MOFSL

Valuation and view: Initiate coverage with a Buy rating

GVTD is currently trading at 67.3x/51.6x P/E on FY27E/FY28E earnings. We initiate coverage on the stock with a Buy rating and a TP of INR4,750 based on DCF-methodology implying 58x P/E on Mar'28 earnings. This is in line with its peers in the higher kV transformer range.

Exhibit 166: Key financials of domestic transmission equipment manufacturers

Companies	Revenue (INR b)			CAGR	EBITDA (INR b)			CAGR	EBITDA Margin (%)			PAT (INR b)			CAGR
	FY26E	FY27E	FY28E	FY25-28	FY26E	FY27E	FY28E	FY25-28	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY25-28
GE Vernova T&D	**61.9**	**79.2**	**103.9**	**34**	**16.3**	**20.7**	**27.0**	**49**	**26.3**	**26.2**	**26.0**	**12.0**	**15.7**	**20.5**	**50**
Hitachi Energy	79.8	104.3	142.1	**31**	12.4	17.9	27.0	**65**	15.6	17.2	19.0	9.8	13.6	20.1	**80**
Siemens Energy*	78.3	94.9	133.4	**29**	15.1	20.1	28.6	**43**	19.3	21.1	21.5	11.0	15.0	21.6	**46**
CG Power	123.9	157.0	199.2	**26**	16.2	21.7	30.2	**32**	13.1	13.8	15.1	11.8	15.1	20.6	**28**
Atlanta Electricals	17.1	23.9	33.8	**39**	3.1	4.4	6.4	**49**	18.2	18.5	19.0	1.8	2.6	4.0	**50**
Voltamp#	22.0	25.2	29.6	**15**	3.9	4.6	5.4	**14**	17.8	18.1	18.2	3.6	4.1	4.9	**14**
TRIL#	25.9	35.1	44.1	**30**	4.2	5.6	7.0	**29**	16.0	15.9	15.9	2.8	3.5	4.4	**27**

Source: Company, Bloomberg, MOFSL

Note: *For Seimens Energy India, FY26E/FY27E/FY28E indicate data for periods Sep'25/Sep'26E/Sep'27E year-ends

# indicates Bloomberg estimates

Exhibit 167: Relative valuation of domestic transmission equipment manufacturers

Companies	CMP	Mcap	EPS (INR)			P/E (X)			ROE (%)		
	(INR)	(INR b)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
GE Vernova T&D	**4,140**	**1,060**	**46.7**	**61.5**	**80.2**	**88.7**	**67.3**	**51.6**	**53.9**	**47.9**	**43.5**
Hitachi Energy	28,920	1,290	220.0	304.5	451.1	131.4	95.0	64.1	19.0	20.9	23.7
Siemens Energy*	3,019	1,075	30.9	42.2	60.7	97.7	71.6	49.8	25.1	25.7	27.0
CG Power	775	1,220	7.5	9.6	13.1	103.3	80.5	59.2	20.4	18.2	21.3
Atlanta Electricals	1,375	106	22.8	33.7	51.8	60.3	40.8	26.6	19.0	21.9	24.5
Voltamp#	10,139	103	355.4	405.5	481.3	28.5	25.0	21.1	20.9	20.4	20.7
TRIL#	322	97	9.1	12.2	14.5	35.6	26.4	22.2	19.6	21.3	21.0

Source: Company, Bloomberg, MOFSL

Note: *For Seimens Energy India, FY26E/FY27E/FY28E indicate data for periods Sep'25/Sep'26E/Sep'27E year-ends

# indicates Bloomberg estimates

Sensitivity analysis assumptions

Base case: We expect inflows to ramp up with atleast one HVDC win every alternate year leading to margins to sustain at strong levels of ~26%

Bear case: In the bear case, we assume that the margins may contract to ~24% by FY28 on weaker scale efficiencies, suboptimal capacity utilization, and limited absorption of fixed costs.

Bull case: In the bull case, we assume margins may expand to ~28% by FY28, supported by improved scale efficiencies, favorable product mix, and better absorption of fixed costs.

Exhibit 168: Sensitivity analysis: Bear, Base, and Bull case valuations

	Bear case	Base case	Bull case	Rationale
Assuming change in margin performance and optimum utilization of capacities	Margin underperformance to 23.5% driven by higher costs	Margins expected to remain at strong levels of 26%	Margin outperformance to 27.5% led by operating leverage and higher export share	
PAT (INR m)	18,666	20,541	21,791	❖ 8% sensitivity of Mar'28 earnings
Valuation multiple (x)	50	58	60	
Core business valuation (INR b)	**933**	**1,196**	**1,307**	
Price per share - rounded off (INR)	**3,650**	**4,750**	**5,100**	

Source: MOFSL

Key risks and concerns

Export dependency

With ~30–35% of revenue coming from exports to the US, Europe, and the GCC, GVTD depends more on demand and capex trends in overseas markets. If grid spending slows, projects are delayed, or priorities change at the parent (GE Vernova Inc.) or key customers, it could impact export orders, plant utilization, and growth in high-margin products made in India.

Currency risk

The higher export share increases exposure to INR movements against USD, EUR, and GCC-linked currencies. Even though the company uses hedging, unexpected exchange-rate changes between order award and execution can still affect realized sales and margins, especially on long-duration or fixed-price contracts.

Supply chain risk

The company depends on domestic and overseas suppliers for key raw materials and components (such as copper, CRGO steel, insulation materials, and control/electronic parts). Disruptions from geopolitical events, logistics issues, supplier concentration, or sharp input-cost swings mainly affect material availability, pricing, and delivery timelines, which can squeeze margins if not fully passed through to customers.

Risk of delay in T&D spending

The company's growth is closely linked to power transmission and distribution capex by central utilities (like PGCIL), state utilities, and private players. Any delay in tendering, approvals, tariff decisions, or funding for T&D projects can slow new order inflows and project execution, leading to lumpiness in revenues, lower capacity utilization, and pressure on margins.

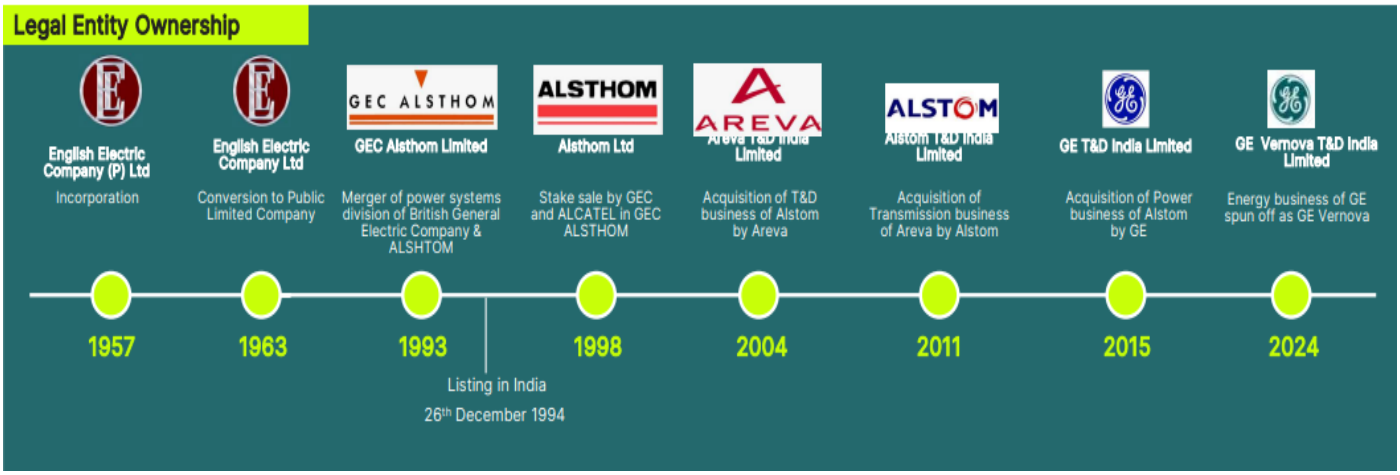
Operational and execution risk

The company executes large, complex, and long-duration projects such as substations, HVDC, and grid-stability systems. Challenges in engineering, project management, site readiness, subcontractor performance, quality, or safety can cause cost overruns, schedule slippages, and liquidated damages, which, in turn, can hurt project-level margins and cash flows.

Company background

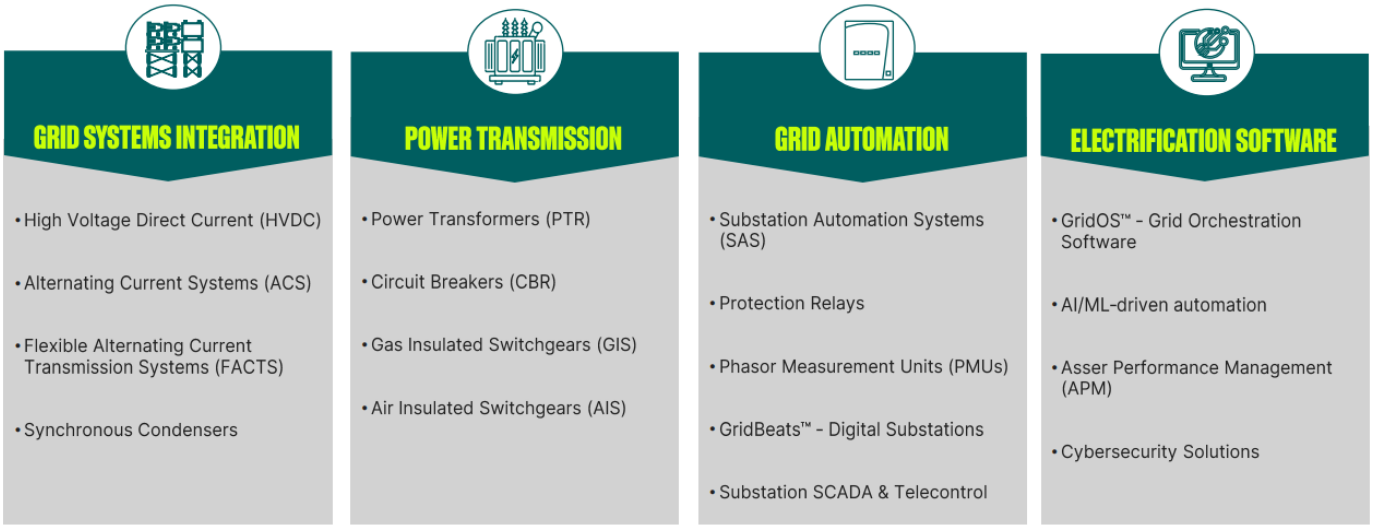
GVTD is a listed entity of GE Vernova's electrification segment in India. With over 65 years of presence in the country, the company is a leading player in the power transmission and distribution business. It provides a versatile and robust range of solutions for connecting and evacuating power from generation sources to the grid, along with a wide range of products, including power transformers, circuit breakers, gas-insulated switchgear, instrument transformers, substation automation, digital software solutions, turnkey substation solutions, FACTS, HVDC, and maintenance support. Headquartered in Noida, Uttar Pradesh, the company operates five manufacturing facilities across Padappai, Pallavaram, Hosur, Maneja, and Noida, providing a strong pan-India manufacturing footprint. Furthermore, the company offers EPC and turnkey solutions for HVDC & AC transmissions, which are carried out at its facility and corporate office in Noida.

Exhibit 169: Major events in the company's history



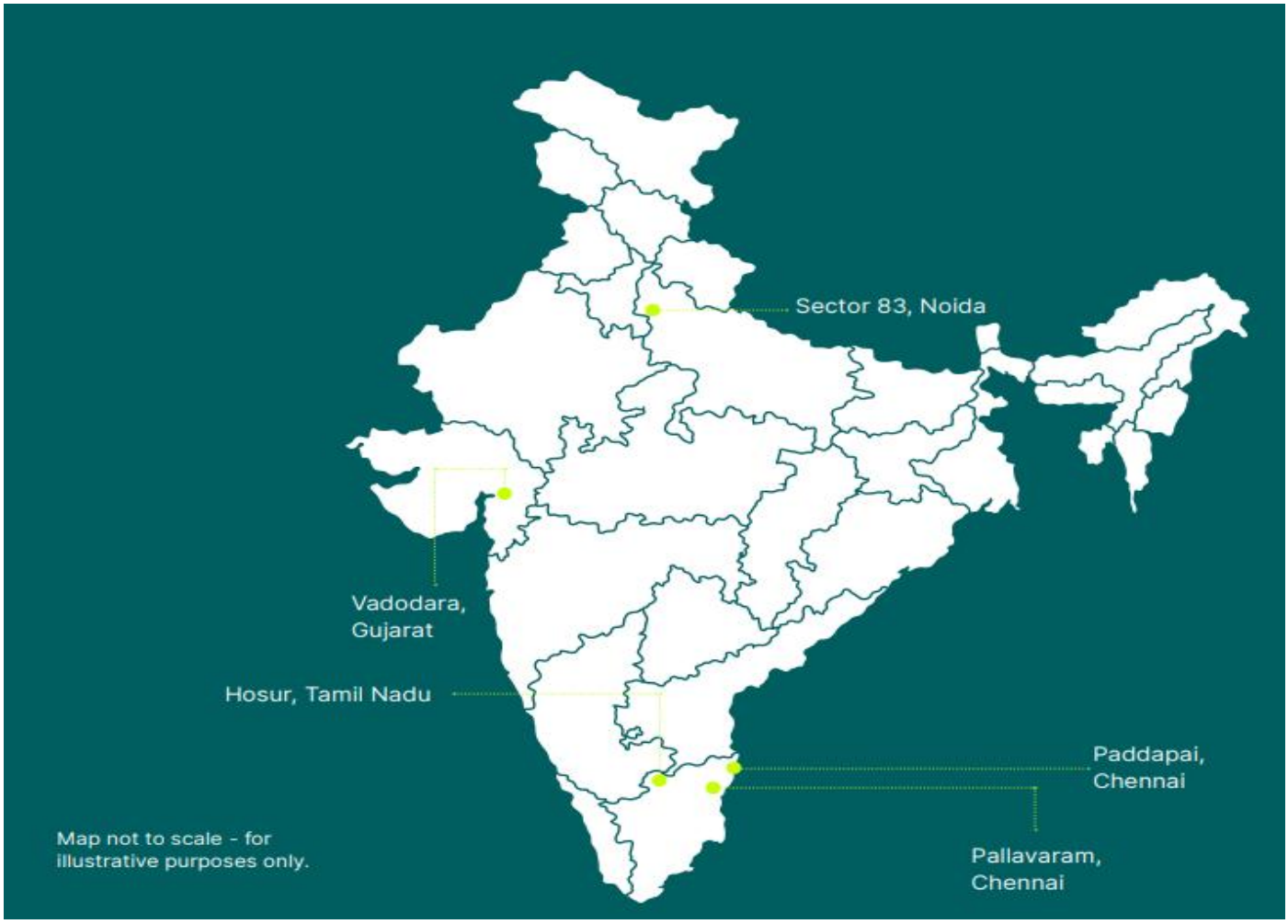
Source: Company, MOFSL

Exhibit 170: Segment-wise product portfolio



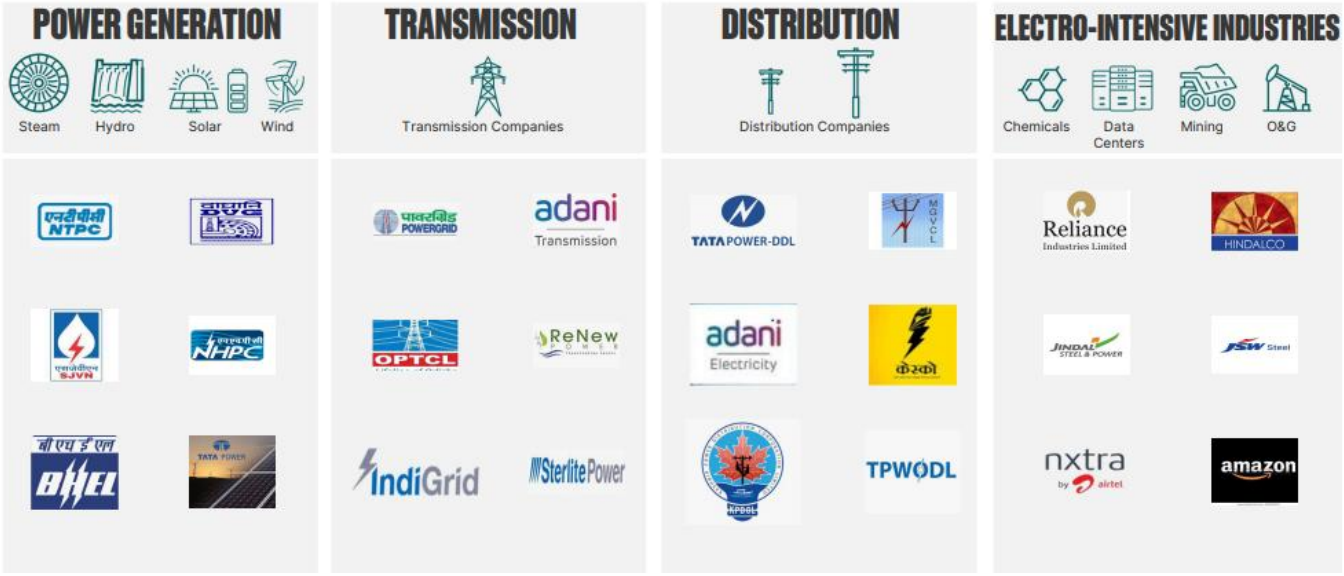
Source: Company, MOFSL

Exhibit 171: The company operates five strategically located manufacturing sites across India



Source: Company, MOFSL

Exhibit 172: Key customers



Source: Company, MOFSL

ESG initiatives



Environment

GVTD is closely aligned with GE Vernova's global 'Electrify, Decarbonize, Conserve, Thrive' strategy. The company focuses on reducing its footprint and supporting energy transition through its products and solutions.

- **Energy, GHG, and low-carbon technologies**: The company is improving energy efficiency and GHG performance through rooftop solar, LED lighting, fuel substitution, and process optimization, reducing energy and emission intensity in line with its ambition to become **carbon-neutral (Scope 1 and 2) by 2030.** It is also transitioning away from SF_6 by expanding SF_6-free 'g^3' technology in high-voltage products and strengthening SF_6 handling, recovery, and treatment.
- **Water consumption**: Water conservation remains a key priority, with the company monitoring water withdrawal, consumption, and discharge, and improving water intensity by recycling and reusing treated wastewater for gardening and other non-process uses.
- **Waste management**: Waste management focuses on segregation, recycling, and safe disposal, with hazardous waste and e-waste routed only through authorized recyclers.

Social

- The company's social focus spans employees, communities, and its value chain, with safety and inclusion at the core. It offers an equitable, merit-based workplace with competitive benefits and health coverage. In FY25, it maintained zero fatalities and zero lost-time injuries, supported by 100% health and safety training and strong EHS processes.
- **Diversity and equal opportunity policies** aim to increase women's representation across the workforce and leadership, while structured learning programs on technical, behavioral, ethics, and human rights topics build capability and support retention.
- Community investments focus on education, healthcare, and local development around operating locations, while supplier engagement includes clear expectations on quality, EHS, and ethical conduct, with a growing emphasis on local and MSME sourcing.

Governance

- GVTD has a strong corporate governance framework aligned with Indian regulations and GE Vernova's global standards, overseen by a balanced board led by an independent chairman and supported by committees for audit, risk management, nomination and remuneration, stakeholders' relationship, CSR, assets, and sustainability.
- The company operates under comprehensive policies and follows a zero-tolerance approach to bribery, corruption, and harassment, while providing confidential, retaliation-free channels for reporting concerns.
- An enterprise risk management framework and strong internal controls support regulatory compliance, ethical conduct, and transparent disclosures.

SWOT analysis

S – STRENGTH

- Diversified business segments, well-positioned to capitalize on strong industry tailwinds
- Comprehensive product & solutions portfolio
- Strong parentage and technology leadership
- Company is debt free

W – WEAKNESS

- High dependence on power transmission capex and a few large customers (e.g. PGCIL)
- Exposure to tender-driven utility business, where competitive bidding often limits pricing power and margins
- Working capital and execution risk

O – OPPORTUNITY

- Large-scale grid expansion to integrate India's targeted renewable and green corridor capacity
- Rising exports and 'Make in India' positioning it as a global manufacturing hub
- Capacity expansion in HVDC and advanced grid equipment to address larger and more complex projects

T – THREATS

- Policy and regulatory changes that delay or alter transmission and renewable projects
- Intense competition from multinational and large domestic OEMs pressuring margins
- Supply chain, commodity price and project-execution risks affecting profitability



Management Team



Mr. Rathindra Nath Basu (Chairman & Independent Director)

Mr. Rathindra Nath Basu is a seasoned leader in the power and energy sector, currently serving as the Chairman and Independent Director of the company. With a distinguished career covering the full spectrum of the power sector value chain, Mr. Basu has played a pivotal role in transforming the energy landscape across India and South Asia. He is an alumnus of St. Xavier's College and holds B. Tech (Electronic) from the University of Calcutta. He has also completed the Advanced Management program from INSEAD, France.



Mr. Sandeep Zanzaria (Managing Director & CEO)

Mr. Sandeep Zanzaria brings over 36 years of experience in India's T&D sector. He has played a key role in shaping strategy and growth initiatives for the Grid Solutions business across the Asia Pacific region. He joined ALSTOM T&D in 2004, where he held several leadership roles, including Commercial Head and Unit MD for the Projects Business. In 2017, he joined GVTD, where he led the commercial strategy for the Grid Solutions business in South Asia. He holds a degree in Electrical Engineering from Maulana Azad College of Technology, Bhopal. He has also completed senior leadership development programs from the Indian School of Business (ISB), Hyderabad, and GE's Management Development Center in Crotonville, USA.



Mr. Sushil Kumar (Wholetime Director & Chief Financial Officer)

Mr. Sushil Kumar has rich experience of 25 years in finance, having worked with organizations such as GE, Alstom, Areva, and Schneider. He has been associated with the company for the past 15 years and has held responsibilities across various finance domains, including CFO, Commercial Finance, Turnkey Business, Strategy, and Business Planning. He started his career as an audit manager at M/s A. F. Ferguson & Co., where he spent three years before moving to the power industry. He is a Chartered Accountant and an alumnus of the Shri Ram College of Commerce, University of Delhi.



Ms. Neera Saggi (Independent Director)

Ms. Neera Saggi brings over 40 years of diverse experience across both public and private sectors. As a member of the Indian Administrative Service (IAS), she held key roles across various domains, including ports, SEZs, export promotion, textiles, district administration, and rural development, working closely with multiple stakeholders across government and industry. She has completed a Master of Business Administration from Slovenia (Sponsored by GOI – UNDP); a Master's in English Literature from Delhi University, and a Bachelor of Arts (Hons.) from Gauhati University. She also attended the Effective Governance program conducted by IIM Ahmedabad in association with the Kennedy School of Governance.



Mr. Sanjay Sagar (Independent Director)

Mr. Sanjay Sagar brings more than four decades of experience, with the last two spent in the energy sector. He served as Joint Managing Director and CEO of JSW Energy Ltd. from 2012 to 2017, during which the company successfully entered hydro power generation and doubled its overall generation capacity. Under his stewardship, the company's profitability increased almost sevenfold.

Financials and valuations

Standalone - Income Statement (INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	**31,587**	**34,524**	**30,660**	**27,732**	**31,679**	**42,923**	**61,884**	**79,179**	**1,03,862**
Change (%)	-25.1	9.3	-11.2	-9.5	14.2	35.5	44.2	27.9	31.2
Raw Materials	22,807	25,385	23,742	19,698	20,779	25,567	34,655	45,924	61,279
Employee Costs	4,205	4,019	4,098	3,538	3,738	3,999	4,518	5,384	6,647
Other Expenses	6,726	3,668	3,909	3,480	3,973	5,171	6,435	7,125	8,930
Total Expenditure	**33,737**	**33,072**	**31,748**	**26,716**	**28,489**	**34,736**	**45,607**	**58,433**	**76,856**
% of Sales	106.8	95.8	103.6	96.3	89.9	80.9	73.7	73.8	74.0
EBITDA	**-2,150**	**1,452**	**-1,089**	**1,016**	**3,190**	**8,187**	**16,277**	**20,746**	**27,006**
Margin (%)	-6.8	4.2	-3.6	3.7	10.1	19.1	26.3	26.2	26.0
Depreciation	784	657	579	554	502	473	482	606	785
EBIT	**-2,934**	**795**	**-1,667**	**462**	**2,688**	**7,714**	**15,795**	**20,140**	**26,221**
Int. and Finance Charges	682	594	387	420	283	143	157	173	190
Other Income	595	658	257	339	226	626	717	1,239	1,646
PBT bef. EO Exp.	**-3,021**	**859**	**-1,797**	**381**	**2,631**	**8,197**	**16,354**	**21,206**	**27,677**
EO Items	-536	35	1,102	-114	0	0	-693	0	0
PBT after EO Exp.	**-3,557**	**893**	**-695**	**267**	**2,631**	**8,197**	**15,661**	**21,206**	**27,677**
Total Tax	-531	290	-199	282	820	2,113	4,217	5,468	7,136
Tax Rate (%)	14.9	32.5	28.6	105.6	31.2	25.8	26.9	25.8	25.8
Minority Interest	0	0	0	0	0	0	0	0	0
Reported PAT	**-3,026**	**603**	**-496**	**-15**	**1,811**	**6,083**	**11,444**	**15,739**	**20,541**
Adjusted PAT	**-2,570**	**580**	**-1,283**	**-21**	**1,811**	**6,083**	**11,951**	**15,739**	**20,541**
Change (%)	-220.8	-122.6	-321.3	-98.3	-8,624.5	236.0	96.5	31.7	30.5
Margin (%)	-8.1	1.7	-4.2	-0.1	5.7	14.2	19.3	19.9	19.8

Standalone - Balance Sheet (INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	512	512	512	512	512	512	512	512	512
Total Reserves	10,003	10,715	10,291	10,215	11,917	17,219	26,115	38,548	54,775
Net Worth	**10,515**	**11,227**	**10,803**	**10,727**	**12,429**	**17,731**	**26,627**	**39,060**	**55,288**
Total Loans	4,897	2,213	1,634	2,198	4	0	0	0	0
Deferred Tax Liabilities	-1,502	-1,248	-1,470	-1,340	-1,018	-1,270	-1,270	-1,270	-1,270
Capital Employed	**13,910**	**12,192**	**10,968**	**11,585**	**11,416**	**16,461**	**25,356**	**37,790**	**54,017**
Gross Block	9,279	9,607	9,034	7,570	7,809	8,015	9,515	12,515	16,015
Less: Accum. Deprn.	3,915	4,679	4,545	3,440	3,879	4,298	4,780	5,386	6,170
Net Fixed Assets	**5,364**	**4,928**	**4,489**	**4,130**	**3,930**	**3,717**	**4,735**	**7,129**	**9,845**
Capital WIP	135	225	91	93	111	474	475	476	477
Total Investments	**0**	**0**	**77**	**76**	**76**	**75**	**75**	**75**	**75**
Curr. Assets, Loans&Adv.	**34,535**	**34,290**	**31,547**	**31,156**	**30,710**	**41,075**	**61,709**	**83,384**	**1,13,502**
Inventory	6,495	5,796	6,226	6,439	5,892	7,035	10,765	14,896	20,963
Account Receivables	18,988	19,050	15,627	15,510	14,375	14,689	10,143	14,100	19,919
Cash and Bank Balance	595	602	824	468	1,341	4,728	19,720	27,414	37,239
Loans and Advances	124	112	97	86	1,512	5,871	8,464	10,830	14,206
Other Current Assets	8,333	8,730	8,773	8,654	7,591	8,751	12,617	16,143	21,175
Curr. Liability & Prov.	**26,124**	**27,251**	**25,236**	**23,870**	**23,410**	**28,880**	**41,637**	**53,274**	**69,881**
Account Payables	9,957	11,162	11,110	10,607	8,856	10,259	14,791	18,924	24,824
Other Current Liabilities	11,474	10,598	7,321	7,523	9,393	13,538	19,518	24,973	32,758
Provisions	4,693	5,491	6,805	5,740	5,162	5,083	7,328	9,376	12,299
Net Current Assets	**8,411**	**7,039**	**6,311**	**7,286**	**7,300**	**12,195**	**20,072**	**30,110**	**43,621**
Appl. of Funds	**13,910**	**12,192**	**10,968**	**11,585**	**11,416**	**16,461**	**25,356**	**37,790**	**54,017**

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)									
EPS	**-10.0**	**2.3**	**-5.0**	**-0.1**	**7.1**	**23.8**	**46.7**	**61.5**	**80.2**
Cash EPS	-7.0	4.8	-2.8	2.1	9.0	25.6	48.6	63.8	83.3
BV/Share	41.1	43.8	42.2	41.9	48.5	69.2	104.0	152.5	215.9
DPS	0.0	0.0	0.0	0.0	2.0	5.0	10.0	12.9	16.8
Payout (%)	0.0	0.0	0.0	0.0	28.3	21.0	22.3	21.0	21.0
Valuation (x)									
P/E	-412.4	1,828.0	-826.2	-49,907.3	585.5	174.2	88.7	67.3	51.6
Cash P/E	-593.5	856.7	-1,504.8	1,990.3	458.5	161.7	85.3	64.9	49.7
P/BV	100.8	94.4	98.1	98.8	85.3	59.8	39.8	27.1	19.2
EV/Sales	33.7	30.7	34.6	38.3	33.4	24.6	16.8	13.0	9.8
EV/EBITDA	-494.9	731.0	-974.3	1,045.1	331.9	128.9	63.9	49.8	37.9
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.3	0.4
FCF per share	-11.4	12.7	-0.7	-1.7	19.1	31.9	71.8	43.6	56.0
Return Ratios (%)									
RoE	-20.7	5.3	-11.6	-0.2	15.6	40.3	53.9	47.9	43.5
RoCE	-13.0	6.8	-7.8	-0.4	15.8	41.0	54.4	48.3	43.8
RoIC	-18.7	4.4	-11.2	-0.2	17.8	54.3	141.9	200.5	149.4
Working Capital Ratios									
Fixed Asset Turnover (x)	3.4	3.6	3.4	3.7	4.1	5.4	6.5	6.3	6.5
Asset Turnover (x)	2.3	2.8	2.8	2.4	2.8	2.6	2.4	2.1	1.9
Inventory (Days)	75.1	61.3	74.1	84.7	67.9	59.8	63.5	68.7	73.7
Debtor (Days)	219.4	201.4	186.0	204.1	165.6	124.9	59.8	65.0	70.0
Creditor (Days)	115.1	118.0	132.3	139.6	102.0	87.2	87.2	87.2	87.2
Leverage Ratio (x)									
Current Ratio	1.3	1.3	1.3	1.3	1.3	1.4	1.5	1.6	1.6
Interest Cover Ratio	-4.3	1.3	-4.3	1.1	9.5	53.9	100.3	116.3	137.7
Net Debt/Equity	0.4	0.1	0.1	0.2	-0.1	-0.3	-0.7	-0.7	-0.7

Standalone - Cashflow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	-3,557	893	-695	268	2,631	8,197	16,354	21,206	27,677
Depreciation	784	657	579	554	502	473	482	606	785
Interest & Finance Charges	682	594	387	420	283	143	157	173	190
Direct Taxes Paid	-668	-198	-230	-285	-209	-2,055	-4,217	-5,468	-7,136
(Inc)/Dec in WC	-740	1,262	346	-1,258	946	1,962	7,115	-2,344	-3,686
CF from Operations	**-3,499**	**3,208**	**386**	**-301**	**4,152**	**8,720**	**19,892**	**14,174**	**17,830**
Others	903	-102	-305	-72	1,032	316	0	0	0
CF from Operating incl EO	**-2,596**	**3,106**	**82**	**-373**	**5,184**	**9,036**	**19,892**	**14,174**	**17,830**
(Inc)/Dec in FA	-319	138	-249	-63	-292	-874	-1,501	-3,001	-3,501
Free Cash Flow	**-2,915**	**3,244**	**-167**	**-437**	**4,892**	**8,162**	**18,391**	**11,173**	**14,329**
(Pur)/Sale of Investments	5	-20	-7	91	-4	5	0	0	0
Others	8	5	1,414	2	-1,428	-4,089	0	0	0
CF from Investments	**-306**	**123**	**1,158**	**30**	**-1,724**	**-4,958**	**-1,501**	**-3,001**	**-3,501**
Issue of Shares									
Inc/(Dec) in Debt	4,092	-2,684	-578	564	-2,194	-4	0	0	0
Interest Paid	-514	-414	-231	-306	-238	-20	-157	-173	-190
Dividend Paid	-556	0	0	0	0	-512	-2,549	-3,305	-4,314
Others	-124	-141	-216	-172	-155	-154	-693	0	0
CF from Fin. Activity	**2,899**	**-3,239**	**-1,025**	**86**	**-2,587**	**-691**	**-3,399**	**-3,478**	**-4,504**
Inc/Dec of Cash	**-3**	**-10**	**215**	**-258**	**873**	**3,388**	**14,991**	**7,695**	**9,825**
Opening Balance	500	499	490	708	447	1,319	4,712	19,703	27,398
Other adjustments	99	113	119	18	21	21	16	16	16
Closing Balance	**595**	**602**	**824**	**468**	**1,341**	**4,728**	**19,720**	**27,414**	**37,239**

Hitachi Energy India

BSE SENSEX	S&P CNX
78,494	24,354

Bloomberg	POWERIND IN
Equity Shares (m)	45
M.Cap.(INRb)/(USDb)	1289.3 / 13.9
52-week Range (INR)	29095 / 12603
1, 6, 12 Rel. Per (%)	14/71/117
12M Avg Val (INR m)	3038

Financials &Valuations (INR b)

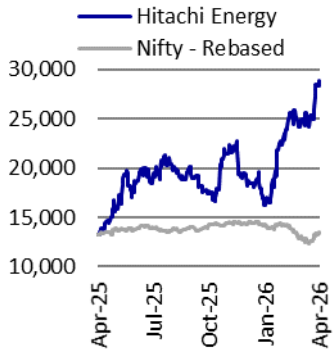
Y/E MARCH	FY26E	FY27E	FY28E
Net Sales	79.8	104.3	142.1
EBITDA	12.4	17.9	27.0
PAT	9.8	13.6	20.1
EPS (INR)	220.0	304.5	451.1
GR. (%)	184.1	38.4	48.2
BV/Sh (INR)	1,217.0	1,532.9	2,003.1
Ratios			
RoE (%)	19.0	20.9	23.7
RoCE (%)	19.6	21.3	24.1
Valuations			
P/E (X)	131.4	95.0	64.1
P/BV (X)	23.8	18.9	14.4
EV/EBITDA (X)	100.6	69.4	45.7
Div Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	71.3	71.3	75.0
DII	7.2	7.9	9.2
FII	10.7	9.7	4.5
Others	10.8	11.1	11.3

FII includes depository receipts

Stock performance (one-year)



CMP:INR28,925 TP: INR27,000 (-7%) Upgrade to Neutral

Remains a market leader

Hitachi Energy India remains a key beneficiary of rising investments across transmission, HVDC, railways, and data center power infrastructure, both domestically as well as on exports. The company has already secured two HVDC orders and anticipates benefiting from upcoming HVDC projects as well. Further, we expect Hitachi Energy to capitalize on the strong demand from international markets, driven by growing renewable energy investments and data center expansions. The company is also scaling up its capacity, including the expansion of traction transformer and high-voltage product facilities at Savli, to capture rising demand from transmission, railways, and data centers. With an order book of ~INR299b as of Dec'25, we expect its revenue/EBITDA/PAT to grow at 31%/65%/80% over FY25-28. The stock currently trades at valuations of 95.0x/64.1x P/E on FY27/28 estimates. We revise our estimates to bake in improved margins as the demand supply situation still remains favorable and improved revenue from existing OB. We revise our fair value to INR27,000 based on 60x on Mar'28E earnings, and upgrade our rating on the stock to Neutral.

Key beneficiary of a large addressable market

Hitachi Energy has emerged as a key beneficiary of the anticipated spending in transmission, railways, and data centers. With a variety of technology-driven solutions addressing transmission, grid stability, railways, data centers, etc., the company has a strong addressable market in these sectors. In India, the addressable market for transmission is estimated at INR9.2t through 2032, alongside a simultaneous requirement to set up 140-200GW of Battery Energy Storage Systems (BESS) by 2040. Additionally, the data center market is likely to grow to 8GW by 2030. Hitachi Energy has a presence across all these segments and is well-positioned to benefit from this uptick in investments.

Benefiting from strong order inflows, especially HVDC projects

Hitachi Energy continues to benefit from strong order inflows, with the order book at ~INR299b as of 31 Dec'25, supported by broad-based growth across transmission, renewables, and industrial electrification. The company secured two domestic HVDC orders over the last year – 6GW Khavda-Nagpur and 6GW Bhadla-Fatehpur – and foresees a healthy pipeline, which includes the 6GW Barmer project likely to be bid in the coming mths. Management also highlights the rising demand from data centers and railways, noting that ~90% of AI-ready data centers remain concentrated in the US and China, which underlines strong growth potential in India, alongside execution of a 220 kV GIS substation for a Pune data center and ongoing capacity expansion at Savli in traction transformers and HV products to capture high-speed rail orders.

Potential to benefit from exports

Exports form ~30% of the total order mix in 3QFY26, above the 25% medium-term target, reflecting a strong ramp-up in Hitachi Energy India's export business. The company is executing projects in Bhutan, Australia, as well as in the allocated markets across Southeast Asia and Southern Africa. It has secured export orders from data center projects and continues to bid for additional opportunities. With the India-EU FTA and India-US trade deal expected to enhance the price competitiveness, management sees strong demand potential

from the EU and US, particularly in the data center power infrastructure. The export strategy is three-pronged: 1) feeder factories in India supplying the global market, 2) country-specific markets aided by local sales tie-ups, and 3) component plants providing parts to overseas units. With this strategy, the company expects exports (excluding UHVDC) to account for ~25-30% of total orders.

Scaling up capacity to capitalize on improving demand

Hitachi Energy is increasing capacity to meet rising demand, supported by a clear capex plan. In Mar'25, the company raised INR25b by way of QIP to be utilized for capacity enhancement, factory expansion, purchase of machinery, safety improvements, and infrastructure upgrades of its BUs. The proposed capex will allow the company to increase its operational efficiency, optimize costs, and increase its total revenue over the years. Key areas where capex is incurred include expansion of traction-transformer facilities and a new high-voltage products facility at Savli, alongside broader upgrades in transformers and HV equipment. Management also reiterated that existing HVDC capacity remains adequate, positioning the company well for the next wave of large HVDC tenders.

Scaling up new areas

Hitachi Energy is scaling up in newer areas such as data centers, BESS, and energy storage, alongside its core utilities, transmission, and HVDC businesses. Management highlighted data centers as one of the key growth driver, noting most AI-ready capacity is currently concentrated in the US and China, with a similar build-out expected in India; data center orders already contribute a high single-digit share of inflows, including select export wins. The company is also increasing its focus on BESS and energy-storage solutions, making these important additions to its traditional grid and HVDC business.

Margin outlook

Hitachi Energy's margins are expected to remain healthy with gradual improvement going forward. Management noted that 70%+ of the order book carries price-escalation clauses, helping offset raw-material volatility (especially copper and CRGO). We expect gross margins to expand by ~350bp over FY25-FY28, supported by a richer mix of products and a higher share of exports and services. We expect other expenses to decline as a percentage of sales, led by operating leverage gains as revenue scales up. Other expenses are higher for Hitachi Energy compared to its peers due to a larger share (~7-8% of total sales) being paid to the parent entity in the form of technology, royalty, and IT fees. With a continued focus on efficiency and higher-margin offerings, we increase our estimates and expect the overall margin profile to remain strong at 15.6%/17.2%/19.0% for FY26/FY27/FY28.

Financial outlook

We revise our estimates to bake in improved execution from HVDC projects and expect Hitachi Energy's revenue/EBITDA/PAT to clock a 31%/65%/80% CAGR over FY25-28. This would enable its RoE and RoCE to expand to ~24% each by FY28. We expect the company's OCF/FCF to remain strong over the next two years.

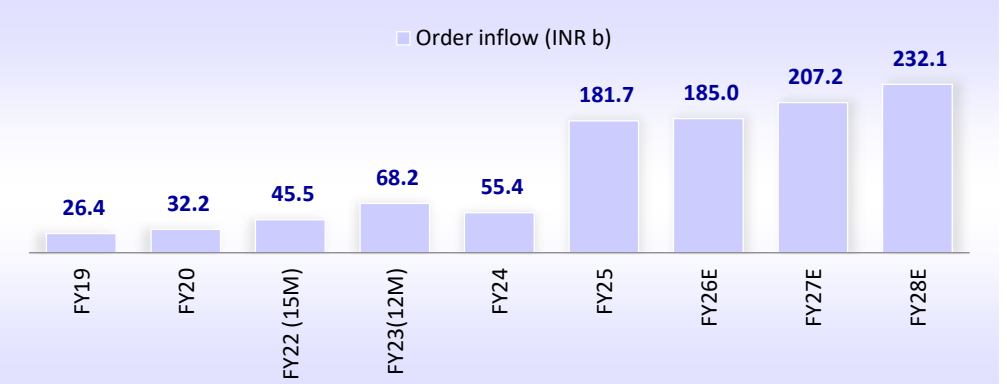
Valuation and recommendation

The stock currently trades at 95.0x/64.1x P/E on FY27/28E earnings. **We revise our fair value to INR27,000 based on 60x on Mar'28E earnings, and upgrade our rating on the stock to Neutral.** We revise our estimates to bake in improved margins and revenue from existing OB as the demand supply situation still remains favorable.

Strong addressable market and order wins

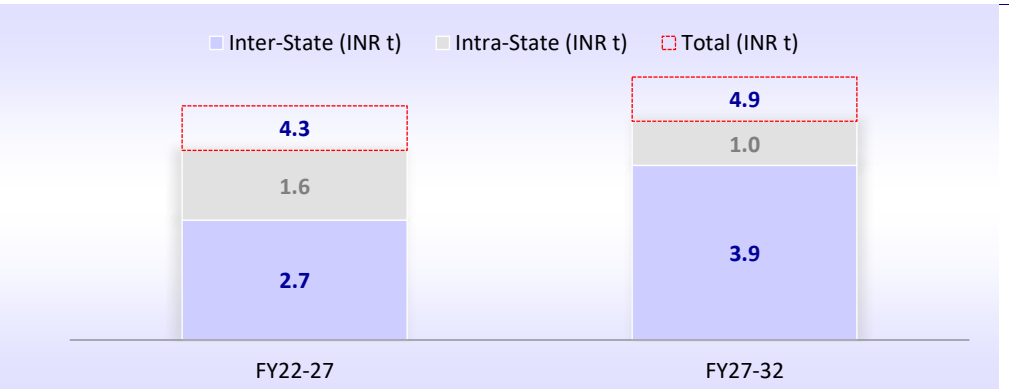
Hitachi Energy's order inflows have clocked a CAGR of ~50% over FY20–25, driven by favorable sector tailwinds and the addition of high-value HVDC projects to its order book. The company has increasingly positioned itself in complex, technology-intensive segments such as HVDC, which enhances the order visibility. Going forward, with Hitachi's expertise in both VSC and LCC based technology, we expect the company to secure at least one HVDC order annually, supported by a strong pipeline of transmission projects linked to renewable integration and inter-regional power transfer. Along with HVDC orders, we also expect company to grow its export order inflows.

Exhibit 173: We expect the company to win one HVDC contract every year going forward



Source: Company, MOFSL

Exhibit 174: INR9.2t transmission capex anticipated in India over FY22-32E potentially translating into an ordering of INR1t every year



Source: CEA, MOFSL

Exhibit 175: Key upcoming HVDC projects in India where Hitachi Energy can participate

Capacity		Project	Developer	Supplier	Technology	Estimated Cost (INR b)	Anticipated commissioning
6 GW	❖	Bhadla-Fatehpur	AESL Projects Ltd	Hitachi Energy and BHEL	LCC	250	2028-29
2.5 GW	❖	Khavda-South Olpad	AESL Projects Ltd	GE Vernova T&D India	VSC	100	2028-29
6 GW	❖	Khavda-Nagpur	PGCIL	Hitachi Energy and BHEL	LCC	248	2028-29
6 GW	❖	Bikaner-Begunia	NA	To be awarded	LCC	NA	2029-30
6 GW	❖	Barmer-South Kalamb	NA	To be awarded	LCC	250	2029-30
500 MW	❖	India-Sri Lanka	NA	To be awarded	VSC	99	2031-32
250 MW	❖	Paradeep-Port Blair	NA	To be awarded	VSC	380	2031-32
6 GW	❖	Lakadia-Alephata	NA	To be awarded	LCC/VSC	NA	NA
2 GW	❖	India-Singapore	NA	To be awarded	VSC	NA	NA

Source: Industry, MOFSL

Exhibit 176: Hitachi Energy's different product offerings in their respective segments

Segments	Solutions
Transformers	❖ Green Transformers - Uses biodegradable ester fluids and works under higher workloads
	❖ Txpert Dry Transformer - Digital Dry transformer with Txpert solution enhances operational reliability
	❖ Rail Electrification - Offers Scott and V-Connected transformers, utilizing green fluids, used in rail electrification
HV products	❖ Offers switchgear, generator circuit-breakers, surge arrestors, instrument transformers, circuit breakers, power quality products, disconnectors, HV service
Grid integration	❖ STATCOM Utility, STATCOM Renewables, SVC industry, Hybrid synchronous condensor, Fixed series compensation, static frequency convertors, Thyristor controlled series compensation
HVDC	❖ HVDC light and HVDC Classic
Grid Automation Solutions	❖ Automation and communication for network control, Lumada platform for asset and work management, distribution automation, hybrid wireless solution, IoT solution for condition monitoring of the network
Rail Solutions	❖ Traction transformer, dry transformer, SCADA, switchgear, and power quality products
E-mobility	❖ Grid e-Motion Fleet
Data centers	❖ Network studies, high-voltage switchgear, power transformers, MV switchgear, cable connections, safety measures, station auxiliaries, electrical and mechanical integration, protection systems, and grounding and lightning protection design.

Source: Company, MOFSL

Exhibit 177: Order wins in FY25/FY26YTD

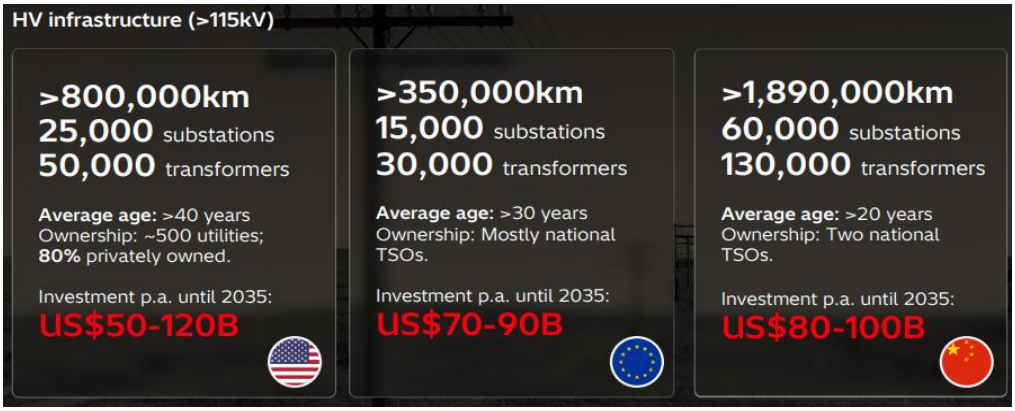
Key segments	Key order wins in FY25	Key order wins in FY26YTD
Transmission	❖ 6x500 MVA ICT, 400kV SR - Adani for Gujarat, TBCB ❖ 400/220kV CTU for a petroleum products company, Dahej ❖ 14x 500 MVA 765 kV bulk transformer requirement by the national transmission utility ❖ 30 units of 80MVAR, 765kV, (1-Ph) reactors for the national transmission utility ❖ 765/400/220kV S/s additions to Lakadia S/s	❖ 30x 500 MVA 765 kV Bulk for national transmission utility ❖ Automation solutions for state transmission companies, HVDC connections, etc.
Renewables	❖ 400kV AIS substation order in Siyambar, Rajasthan	❖ Project wins in the Grid Integration business with leading renewable players, including 220/33 kV Solar & Wind PSS for customer site (Matrix-2) in Gujarat, along with 220/33 kV AIS substations too, in a southern state
Renewables, solar	❖ Renew-400/33KV AIS SS_400 MW Solar -NTPC & 200 MW DVC-SECI VIII-NEEMBA-Fatehgarh ❖ 2X400/33kV AIS s/s & Ebos_202.5MWp/150MW for solar projects in Fatehgarh & Bhopalgarh ❖ 300Mvar Statcom - Anantapur II ❖ 72 x 33kV Harmonic Filter, Khavda	❖ 400kV GIS in Tiroda ❖ Capacitor banks for Bikaner & Barmer statcom projects ❖ 220kV AIS Station for 250MW Solar–BESS Project at Bidar; 420kV GIS & 220kV PASS for multiple projects
Renewables, wind	❖ 220/33kV AIS SS for 700MW Wind Farm Kankagiribad, Karnataka	❖ 2 X 700MW, 400KV AIS Station at Nanded and Attapadi; ❖ 2 X 640MW, 400kV AIS Station at Hebbatum and Madikere
Industries	❖ 7x220kV Substation for captive renewable generation by a cement major	❖ 220/33kV GIS SS for a semiconductor manufacturer in Chennai ❖ 400/33kV GIS Station for Green Steel Plant at Paradip with remote end 400kV GIS Extn at Ersama Sub Station; ❖ 400/220kV GIS Station for 360 KTPA ❖ Aluminum Plant expansion at Mahan; ❖ 220kV AIS Station at Jajpur for greenfield steel plant ❖ Wins for transformer business, including multiple high-capacity 765 kV ICTs and reactors for key captive projects in Western India
Automation	❖ Kanpur-400/200 kV Digital S/s CRP SAS Retrofit of Existing SS ❖ Automation of 5 S/s in the northern state grid with CRP SAS ❖ Automation of Chitradurga 765kV S/s	❖ CRP SAS for Techno Electric-PowerGrid, Kurnool
Data centers	❖ 55X3150 kVA & 2X630 kVA, 33kV ELDS for a leading data center and software company ❖ 2x90 MVA 220/33kV Transformer for facility in Hyderabad; 51 x 2000kVA, 33kV dry type transformers	
Rail	❖ 761 x LOT6500 Main Transformer for 3 Phase Locomotive Engine ❖ ICF67 MEMU - 120 units of traction transformers ❖ 128 units of traction transformers	❖ 6x100 MVA, 132 kV Scott & 2x100 MVA, 220 kV Scott Trafos for the central railway ❖ Locomotive transformers for Indian Railways; EMU Transformers for Vande Bharat
Transport/ Metro Rail	❖ Multiple transformer orders for deployment in the Bangalore Metro	❖ Won projects with leading Metros for Electrical Multiple Unit (EMU) Traction Transformers
Others	❖ **HVDC:** Marinus Link, Australia - HVDC Light Voltage Source Converter ❖ **Thermal:** 18X400 kV GIS order from traditional power plants, Orissa ❖ **Ports:** 400/230 KV GIS S/S at the port in Jaigadh, Maharashtra	❖ **Service:** Upgrade 400kV GIS Bay at Malerkotla ❖ **Energy/Power:** Wins in Grid Automation business, including the CRP-SAS 400kV system for a 2x800MW thermal plant, with a key power business, and the CRP SAS project for a 765 kV substation of a leading energy player in India. A compact, mobile 400kV substation in Kutch, Gujarat, for one of India's leading conglomerates.

Source: Company, MOFSL

Export share continuously rising

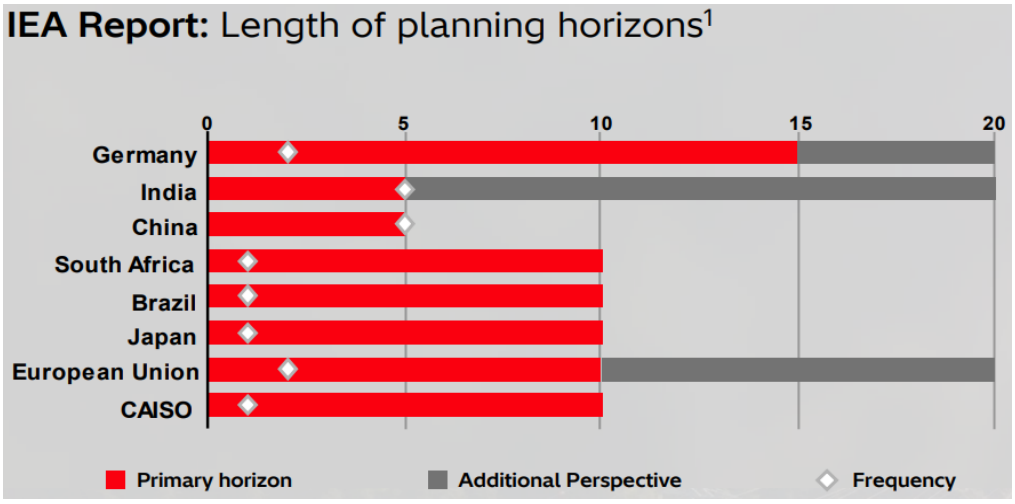
Hitachi Energy India is witnessing a steady build-up in export opportunities, driven by rising global demand for transmission infrastructure. Large global OEMs increasingly operate feeder factories across multiple geographies, using India as a key production base to supply regional and global markets, thereby enabling Indian players to integrate into global supply chains and scale up exports. Further, the rapid expansion of AI infrastructure and hyperscale data centers worldwide is becoming a significant demand driver for high-capacity transformers. This trend positions Hitachi Energy as a preferred supplier for both domestic and export markets.

Exhibit 178: Investments planned until 2035 in the US, Europe, and South Korea



Source: IEA, Hitachi, MOFSL

Exhibit 179: Globally, investment planning horizons have expanded, and large investments are anticipated in the energy space over the next 10-15 years



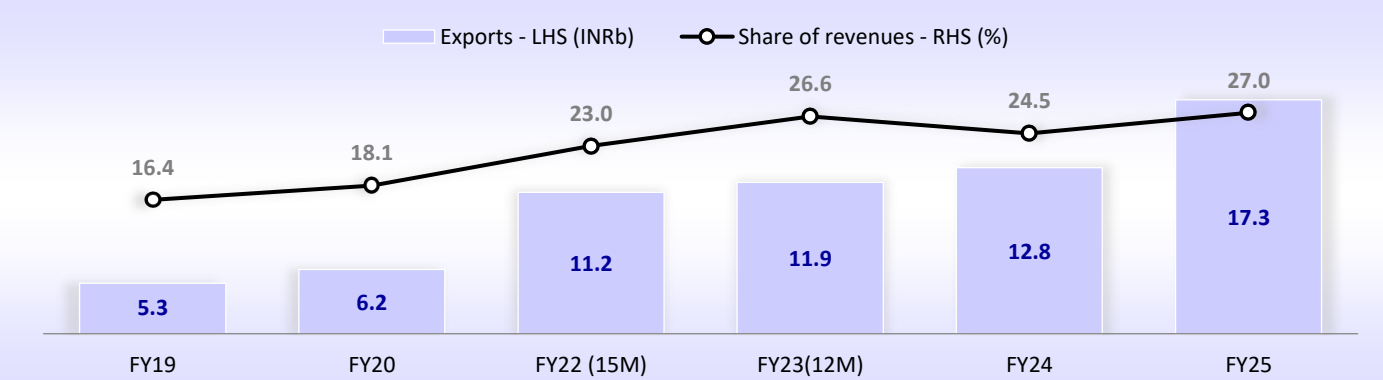
Source: IEA, Hitachi, MOFSL

Exhibit 180: Hitachi (Global)'s outlook on the global transmission sector and management commentary on Indian entities

Key Area	Region		Outlook / Management comments
Renewables	Global	❖	Share of Renewable Energy in Global power generation will move from 28% in CY22 to 50% by CY35.
	India	❖	Share of Renewable Energy in India's power generation will move from 22% in CY22 to 50% by CY35.
	India	❖	Countries without oil, gas, or coal are investing in renewables to reduce their dependence on imports. India is a good example - they openly state that as long as they have enough wind and solar, they can reduce imports.
Data centers	Global	❖	AI-enabled data centers are expected to grow ~3x by 2030, reaching a total installed base of ~125 GW. This will lead to an incremental power demand that is likely to require more than 750 large transformers to support the necessary transmission infrastructure.
Energy	Global	❖	The company now expects Power Grid's growth to extend beyond 2030 to 2035 (vs. the earlier outlook until 2030), implying a sustained 10-year growth cycle. This is driven by continued momentum in the Energy business, supported by strong demand for transmission upgrades and renewable integration. The TAM for Hitachi Energy Global is projected to grow at ~7% CAGR from USD251b in FY25 to USD350b by FY30, followed by ~5% CAGR over FY30-FY35 to ~USD450b.
Energy	Global	❖	While total global energy demand is expected to rise only modestly by ~15–20%, electricity demand is set to surge disproportionately (>70%), indicating a structural shift toward electrification (EVs, data centers, clean energy). This implies massive expansion needs in power generation, grids, and equipment like transformers, making electricity infrastructure the key bottleneck and investment theme.
Capex	Global and India	❖	To meet the growing demand, Hitachi Energy Global is investing ~USD9b into manufacturing, engineering, digital, R&D & partnerships across all major markets. This includes ~USD250m investment by the Indian entity.
Revenue	ASEAN, India	❖	Hitachi Global reported ASEAN and India revenue to be up 17% YoY in 3QFY26, whereas Hitachi Energy India reported revenue growth of 29%. This indicates that Hitachi India outperformed the broader ASEAN region, reflecting better execution amidst favorable market dynamics.

Source: Company, MOFSL

Exhibit 181: The share of exports is continuously moving up for the company which can potentially provide an upside to margin as execution scales up



Source: Company, MOFSL

Exhibit 182: Key orders won in exports over FY25-9MFY26

Key export order wins in FY25	Key export order wins in FY26YTD
❖ Cegelec Morocco-POLE 26 Senegal Project	❖ Common Apparatus & Devices, Capacitors & Filters, USA
❖ Quebec, Canada-800 KV CT for Hydro- HE Canada	❖ Common Apparatus & Devices, Capacitors & Filters, Sweden
❖ Ministry of Electricity, Iraq- 145 kV GIS HE, Iraq	❖ 420 kV, 123 kV & 72.5kV Circuit Breakers for Dynamic Balancing Reserve projects, Hungary
❖ Damco Energy Greece-420 kV GIS- HE Greece	❖ 36 Nos. DTB for KPTL Guyana Power
❖ EEM: 145 KV GIS- HE Portugal	❖ 245kV & 72.5kV Disconnectors for GPL, Guyana
❖ Marinus Link Pty Ltd selected Hitachi Energy to supply a HVDC project in Australia	❖ Grid Automation Products, Australia
❖ C&P system, Yanbu-PGGI- Hitachi Energy Sweden	❖ 114 Nos IMB 800kV CTs to Canadian utilities
❖ 145 kV GIS for REE Red Electrica-26 PGHV-Hitachi Energy Spain	❖ 12 Nos 800 kV Breakers to Ukrainian utilities
❖ Azerbaijan Navahi S/S- 330kV AIS package-PGHV-Prime Azerbaijan	❖ 17 Nos. 245kV PASS and 8 Nos. 145kV PASS to Thailand
❖ 145kV GIS for Electran Data Center-PGHV- Hitachi Energy Spain	❖ 132 KV AIS package to Babek, Azerbaijan
❖ 330 kV Circuit Breaker for Central West Orana Project of ACJV	❖ Power Quality Products to Transco in Dubai
❖ 70 kV, 170 kV & 500 kV AIS Equipment, PLN Indonesia	
❖ 800 kV Current Transformers for Hydro Quebec, Canada	
❖ 420 kV Circuit Breaker for HOPS, Croatia	
❖ 245 kV & 145 kV AIS Equipment for Sangachal, Azerbaijan	
❖ 145kV DTB for Google Data Center in Thailand	
❖ 72.5kV DTB for Aboitiz Group Philippines	
❖ 420 kV, 245kV & 72.5kV Circuit Breakers for Lawaamer, Chemaia, Morocco, Turkey	
❖ 245 kV & 72.5 kV AIS Equipment for Eurl Hamdi project of Sonelgaz, Algeria	
❖ 420 kV & 123 kV AIS Equipment for NAF - KM - 2024 project of MAVIR, Hungary	
❖ GIS I&C Services - orders from Greece & Singapore	

Source: Company, MOFSL

Hitachi Energy is continuously expanding capacities to meet increased demand

Hitachi Energy is continuously investing in expanding its manufacturing footprint, including scaling up global feeder factories in India to support parent demand across international markets. The company has undertaken multiple capacity additions over the past few years such as new facilities for high-voltage equipment, operating mechanisms, and advanced power systems while continuing to invest in transformers, switchgear, and grid automation. With planned capex across FY26-29 focused on capacity enhancement, automation, and infrastructure upgrades, the company is well positioned to cater to increasing demand, while maintaining optimal asset turnover levels over the medium term.

Exhibit 183: The company is investing in expanding global feeder factories to cater to the parent's demand in other countries

Facility	Requirements
Global feeder factory for switchgear at Vadodara	❖ Established in 2020 for supplying modules to Hitachi Energy group factories ❖ Continuously expanding - New manufacturing facilities for Operating mechanism & 550kV Dead Tank Breakers
Additional requirements from Indian factories	❖ Global market allocation for Dead Tank Breakers, PASS, Instrument Transformers & Disconnectors

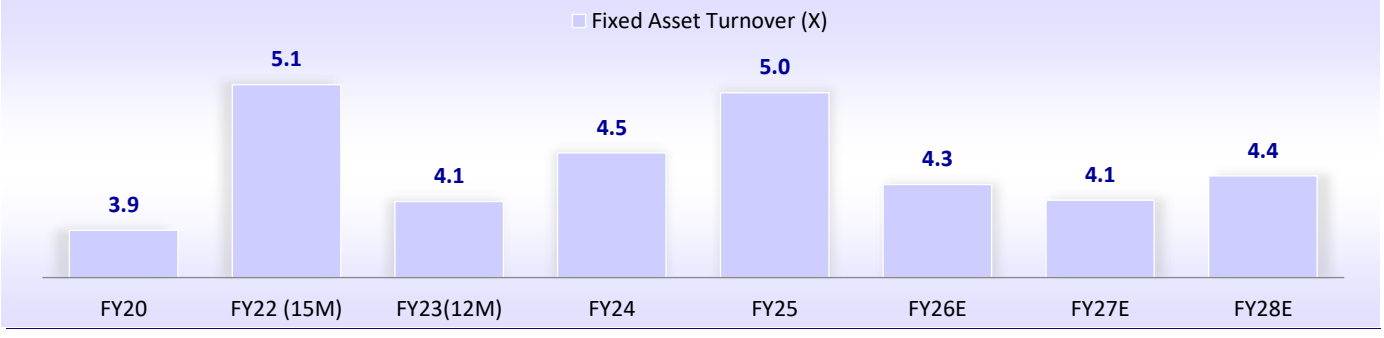
Source: Company, MOFSL

Exhibit 184: Hitachi Energy's expansion in the last three years; the company plans to further incur capex on expansion by using the proceeds of QIP

Timeline	Product	Functions
May, 2022	❖ Resin-impregnated paper bushings up to 400kV voltage level	❖ Resin-impregnated paper bushings offer an improvement over traditional oil-based alternatives by preventing moisture ingress, oil leakage, and reducing the risks of fire in case of failure.
Aug, 2022	❖ Greenfield project in Doddaballapur for High Voltage Power Quality products, such as advanced capacitor units and other products	❖ These products find application in power utilities, industries, renewables, and transportation segments to improve efficiency and reduce energy waste.
Aug, 2022	❖ Production of the operating mechanism of the circuit breaker in Maneja, Vadodara	❖ To cater to the increasing demand from global and local customers for operating mechanisms like FSA and BLG (industry standards of drives), which have a wide range of applications in various circuit breakers all over the world.
FY23	❖ Launched the advanced power system factory in Chennai for HVDC Light, HVDC Classic, and STATCOM with the MACHTM control and protection system	❖ To cater to the rising number of high-voltage transmission projects in India and export to support global HVDC installations.
Oct, 2024	❖ Announced a capex of INR20b towards a large power transformers factory, traction transformers, interrupters, upgraded testing capabilities for specialty transformers, and relocation of the bushings factory	❖ To cater to the increasing demand for energy, develop transmission infrastructure, and support the modernization of the Indian railway network.
FY26	~INR7.6b	❖ Towards capacity enhancement, factory expansion, purchase of machinery, safety improvements, and infrastructure upgrades of its business units, namely (i) Grid automation, (ii) Grid integration, (iii) High voltage products, and (iv) Transformers
FY27	~INR7.2b	
FY28	~INR2.7b	
FY29	~INR2.6b	

Source: Company, MOFSL

Exhibit 185: Fixed asset T/O ratio to remain at optimum levels (X)

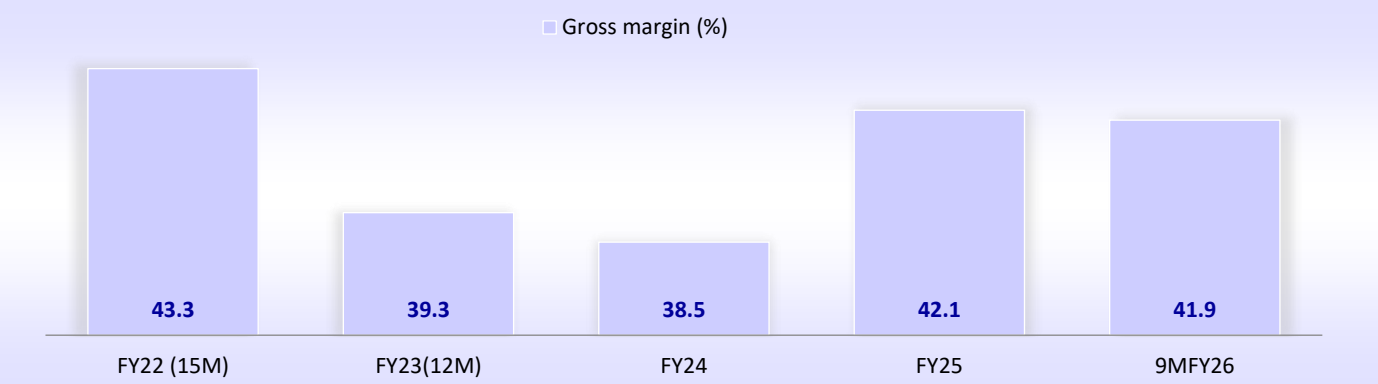


Source: Company, MOFSL

Margins to remain strong over the next few years as execution scales up

Hitachi Energy's gross margins have recovered over the last two years to ~42% levels on improved execution and pricing discipline. We expect pricing power for transformer players to remain for next 1-2 years as the demand is still stronger than the upcoming supplies. We expect company to gain from operating leverage too. Payments to group companies in form of royalty, IT and group management fees remains in the range of ~7-8% of total sales for the company . Adding back these costs, the margins have reached around 22-23%. We expect margins to improve further on sustained pricing power and operating leverage benefits.

Exhibit 186: Gross margin have improved from FY23 on improved pricing and improved revenue mix



Source: Company, MOFSL

Exhibit 187: Hitachi Energy's total payment to group companies stood around 7-8% of sales in the last three years (INR m)

Hitachi Energy	CY2019	CY2020	FY2022	FY2023	FY2024	FY2025
Total payment to group companies (INR m)	2,876	3,498	4,273	3,038	3,840	5,000
Total sales (INR m)	32,361	34,204	48,840	44,685	52,375	63,849
Royalty, tech, trademark, IT, and GM fee (% of sales)	**8.9**	**10.2**	**8.7**	**6.8**	**7.3**	**7.8**

Source: Company, MOFSL

Exhibit 188: Hitachi Energy's payments to group entities over the last five years indicate that royalty, IT fees, and group management fees have increased to the parent (INR m)

Break-up of royalty and technology fee	CY2019	CY2020	FY2022	FY2023	FY2024	FY2025
Hitachi Energy, Switzerland	-	645	1,976	1,462	1,902	2,545
ABB Schweiz AG, Baden, Switzerland	1,296	810				
Total	**1,296**	**1,455**	**1,976**	**1,462**	**1,902**	**2,545**
Break-up of trademark fee						
Holding Company	353					
Hitachi Energy Ltd.		433				
Total	**353**	**433**	**-**	**-**	**-**	**-**
Break-up of information technology and group management expenses						
Hitachi Energy Ltd.	1	-	728	477	636	856
Hitachi Energy Technology Services	-	216	517	431	570	816
Hitachi Energy Holdings, Zurich	-	361	626	393	747	1,188
ABB India Limited, Bangalore (India)	246	587	430	160	31	NA
ABB Information Systems Ltd., Zurich (Switzerland)	558	360	266	163	54	NA
Other fellow subsidiaries	295	260	399	364	359	300
Total	**1,100**	**1,784**	**2,966**	**1,989**	**2,397**	**3,160**

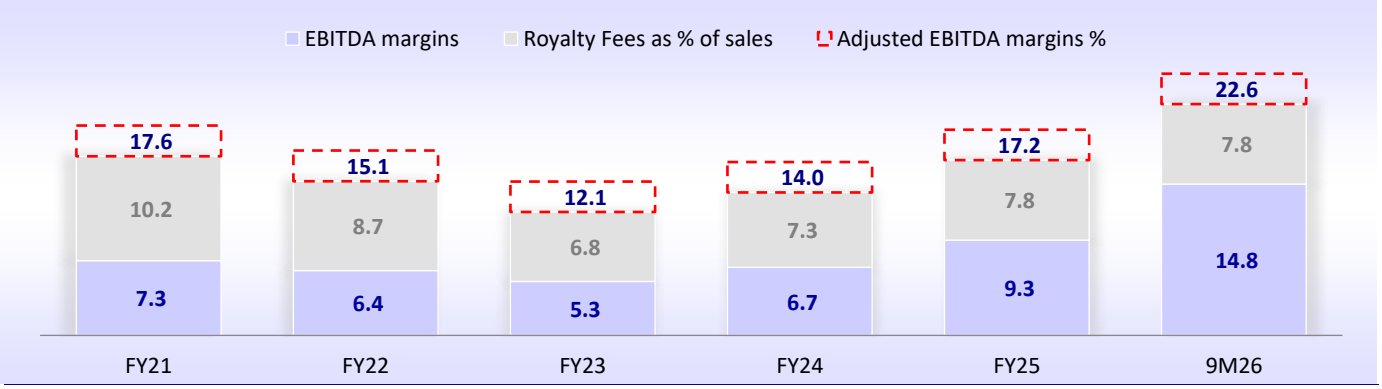
Source: Company, MOFSL

Exhibit 189: Hitachi Energy's margins are expected to surpass the global entity's margins going forward (vs. the global entity's BBG consensus). The company has already reached 13.4% EBIT margin level in 9MFY26.

Hitachi Energy India	FY23	FY24	FY25	FY26E	FY27E	FY28E
EBIT margin (%)	3.5	4.9	7.9	14.2	15.6	17.5
Hitachi Global - Green Energy and Mobility	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
EBIT margin (%)	5.7	7.9	10.2	12.1	13.0	13.6
India vs. Global	**-220 bp**	**-300 bp**	**-230 bp**	**210 bp**	**260 bp**	**390 bp**

Source: Company, Bloomberg, MOFSL

Exhibit 190: Hitachi Energy's margins adjusted with royalty, IT, and group management fees have crossed the 20% mark in 9MFY26 with reported EBITDA margins reaching ~15%



Source: Company, MOFSL

Change in estimates for Hitachi energy to bake in higher execution and higher margin

We increase our revenue estimates to bake in higher execution from HVDC as well as export projects. Both HVDC projects will start contributing to revenues from FY27 onwards and will see a sharp scale up from FY28 onwards. We also bake in margin improvement to take into account better margins in HVDC projects as current projects are bagged at better margin than the legacy projects which company had earlier. We also take into account the operating leverage benefits which will play out as volumes increase. Currently, adjusted margins of Hitachi Energy (adj. with payment to the parent) are still lower than the adjusted margins of GE Vernova and Siemens energy and has a scope to improve further on account of improved revenue mix. This results in sharp revision in our FY27/28 estimates.

Exhibit 191: We increase our estimates to bake in higher execution and improved margins from HVDC and exports

(INR M)	FY26E			FY27E			FY28E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	79,789	77,689	2.7	1,04,330	94,993	9.8	1,42,057	1,16,832	21.6
EBITDA	12,421	11,939	4.0	17,945	15,674	14.5	26,991	19,277	40.0
EBITDA (%)	15.6	15.4	20 bps	17.2	16.5	70 bps	19.0	16.5	250 bps
Adj. PAT	9,812	9,381	4.6	13,579	11,368	19.5	20,121	13,705	46.8
EPS (INR)	220.0	210.3	4.6	304.5	254.9	19.5	451.1	307.3	46.8

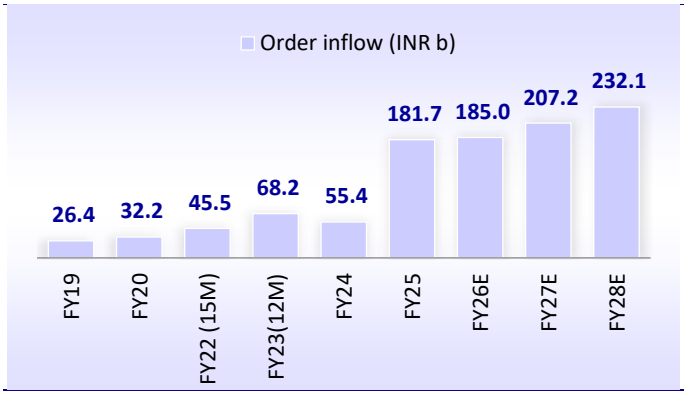
Source: MOFSL

Financial outlook

Order inflows to remain strong going forward

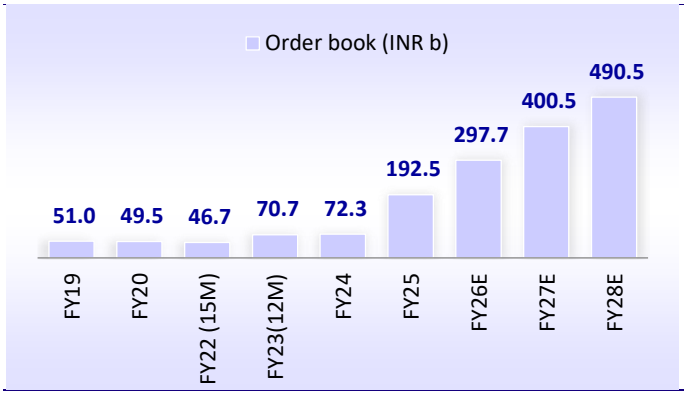
Going forward, we expect the Hitachi Energy to secure at least one HVDC order annually, supported by a strong pipeline of transmission projects linked to renewable integration and inter-regional power transfer. We thus expect overall order book to grow at a CAGR of 37% over FY25-28 and reach ~INR490b by FY28.

Exhibit 192: We expect strong order inflows in HVDC



Source: Company, MOFSL

Exhibit 193: Order book to be buoyant over FY26E-28E

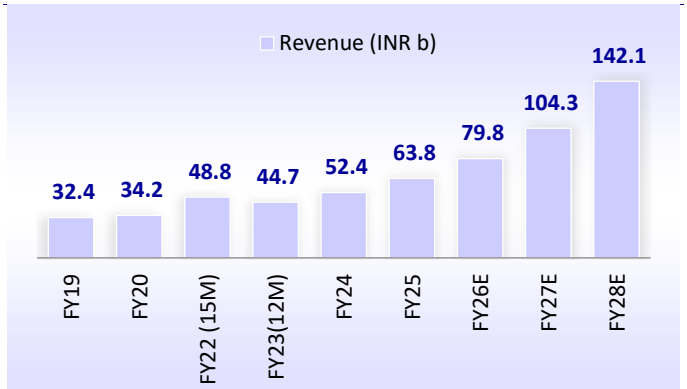


Source: Company, MOFSL

Steady revenue growth with Improving margins

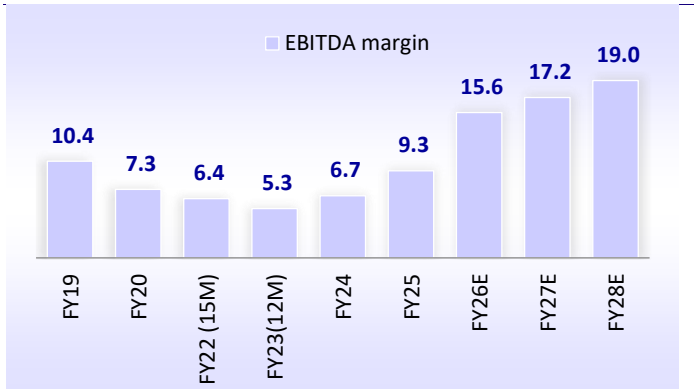
While order inflows are expected to remain robust, we increase our estimates and forecast revenue to grow at a steady CAGR of ~31% over FY25-28, factoring in improved execution from recently awarded HVDC projects. EBITDA margins, too, are likely to see continued improvement, supported by favourable pricing dynamics and operating leverage, with margins expected to sustain above mid-teen levels. Notably, EBITDA margins have already reached 16.6% in 3QFY26, indicating early traction.

Exhibit 194: We expect a 31% revenue CAGR over FY25-28



Source: Company, MOFSL

Exhibit 195: We expect margins to improve further

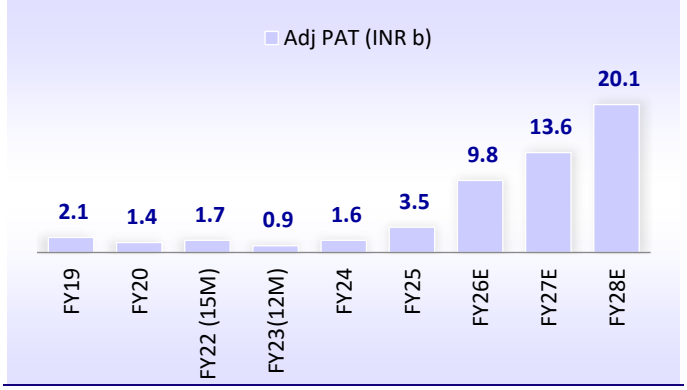


Source: Company, MOFSL

Profitability to remain strong

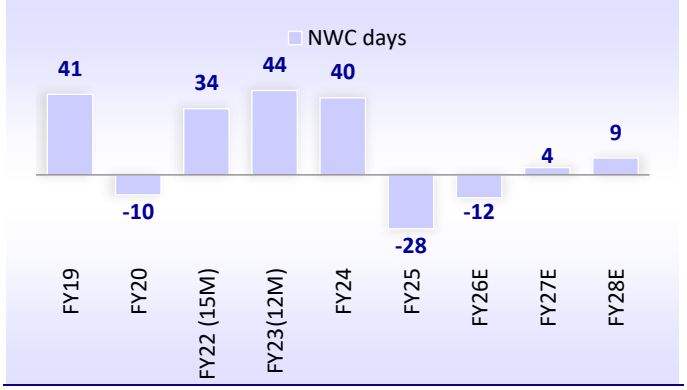
With steady execution and margin improvement, PAT is expected to grow at 80% CAGR over FY25-28. Further, the company continues to maintain a stable net working capital position, supported by efficient receivables management, inventory control, and favourable payment terms.

Exhibit 196: We expect a 80% PAT CAGR over FY25-28



Source: Company, MOFSL

Exhibit 197: We expect NWC days to be in a stable range

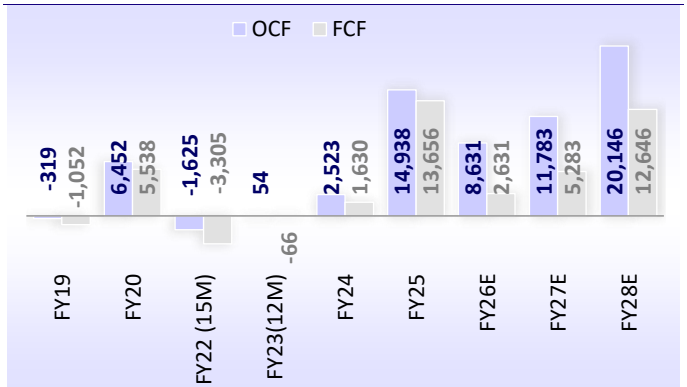


Source: Company, MOFSL

Return ratios are expected to improve on strong profitability

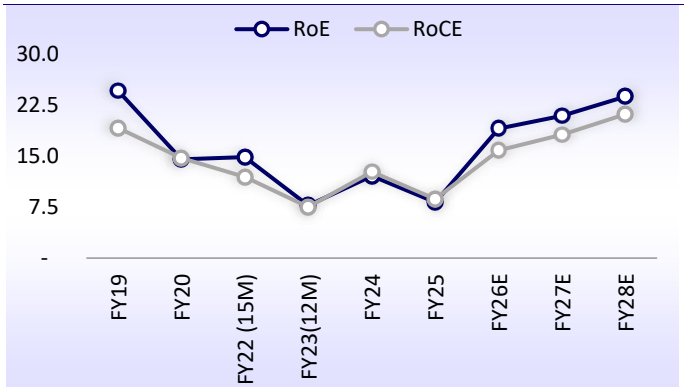
Hitachi Energy maintains a disciplined approach towards net working capital management, which is expected to remain stable, supporting healthy cash flow generation. This, in turn, should enable improved return ratios and provide greater financial flexibility to fund future growth.

Exhibit 198: We expect OCF & FCF to remain at higher levels, led by an improving operating performance (INR m)



Source: Company, MOFSL

Exhibit 199: We expect better return ratios, led by improved profitability (%)



Source: Company, MOFSL

Valuation and view

Hitachi Energy is currently trading at 95.0x/64.1x P/E on FY27/28E earnings. **We revise our fair value to INR27,000 based on 60x on Mar'28E earnings, and upgrade our rating on the stock to Neutral from SELL earlier.** We revise our estimates to bake in improved margins and revenue from existing OB as the demand supply situation still remains favorable. Valuations do remain high for Hitachi Energy but it is currently being supported by highest earning CAGR in the entire transformer space. Scope of further margin improvement can sustain valuations at higher levels too.

Exhibit 200: Key financials of domestic transmission equipment manufacturers

Companies	Revenue (INR b)			CAGR	EBITDA (INR b)			CAGR	EBITDA Margin (%)			PAT (INR b)			CAGR
	FY26E	FY27E	FY28E	FY25-28	FY26E	FY27E	FY28E	FY25-28	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY25-28
Hitachi Energy	**79.8**	**104.3**	**142.1**	**31**	**12.4**	**17.9**	**27.0**	**65**	**15.6**	**17.2**	**19.0**	**9.8**	**13.6**	**20.1**	**80**
Siemens Energy*	78.3	94.9	133.4	**29**	15.1	20.1	28.6	**43**	19.3	21.1	21.5	11.0	15.0	21.6	**46**
GE Vernova T&D	61.9	79.2	103.9	**34**	16.3	20.7	27.0	**49**	26.3	26.2	26.0	12.0	15.7	20.5	**50**
CG Power	123.9	157.0	199.2	**26**	16.2	21.7	30.2	**32**	13.1	13.8	15.1	11.8	15.1	20.6	**28**
Atlanta Electricals	17.1	23.9	33.8	**39**	3.1	4.4	6.4	**49**	18.2	18.5	19.0	1.8	2.6	4.0	**50**
Voltamp#	22.0	25.2	29.6	**15**	3.9	4.6	5.4	**14**	17.8	18.1	18.2	3.6	4.1	4.9	**14**
TRIL#	25.9	35.1	44.1	**30**	4.2	5.6	7.0	**29**	16.0	15.9	15.9	2.8	3.5	4.4	**27**

Source: Company, Bloomberg, MOFSL

Note: *For Seimens Energy India, FY26E/FY27E/FY28E indicate data for periods Sep'25/Sep'26E/Sep'27E year-ends

# indicates Bloomberg estimates

Exhibit 201: Relative valuation of domestic transmission equipment manufacturers

Companies	CMP (INR)	Mcap (INR b)	EPS (INR)			P/E (X)			ROE (%)		
			FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Hitachi Energy	**28,920**	**1,290**	**220.0**	**304.5**	**451.1**	**131.4**	**95.0**	**64.1**	**19.0**	**20.9**	**23.7**
Siemens Energy*	3,019	1,075	30.9	42.2	60.7	97.7	71.6	49.8	25.1	25.7	27.0
GE Vernova T&D	4,140	1,060	46.7	61.5	80.2	88.7	67.3	51.6	53.9	47.9	43.5
CG Power	775	1,220	7.5	9.6	13.1	103.3	80.5	59.2	20.4	18.2	21.3
Atlanta Electricals	1,375	106	22.8	33.7	51.8	60.3	40.8	26.6	19.0	21.9	25.1
Voltamp#	10,139	103	355.4	405.5	481.3	28.5	25.0	21.1	20.9	20.4	20.7
TRIL#	322	97	9.1	12.2	14.5	35.6	26.4	22.2	19.6	21.3	21.0

Source: Company, Bloomberg, MOFSL

Note: *For Seimens Energy India, FY26E/FY27E/FY28E indicate data for periods Sep'25/Sep'26E/Sep'27E year-ends

# indicates Bloomberg estimates

Sensitivity analysis assumptions

Base case: We expect revenue/EBITDA/PAT CAGR of 31%/62%/76% over FY25-28 led by increased share of higher margin HVDC in overall execution.

Bear case: In the bear case, we assume execution of HVDC contracts will not be as strong as expected leading to lower margins and hence, profitability.

Bull case: In the bull case, we assume that the company's capacities have reached optimum levels leading to margin expansion and higher-than-expected execution.

Exhibit 202: Sensitivity analysis: Bear, Base, and Bull case valuations

	Bear case	Base case	Bull case	Rationale
Assuming change in pace of execution and variance in margins depending on the project mix and payment to parents for royalties, etc.	The pace of execution is 10% lower than expected and margins remain at 16.5%	Assuming revenue/PAT CAGR of 31%/80% led by strong margins	The pace of execution is 10% better than expected and margins expand further to 20%	
PAT (INR m)	15,769	20,121	21,928	❖ 10-20% sensitivity of Mar'28 earnings
Valuation multiple (x)	55	60	60	❖ Multiple can de-rate if margins contract and pace of revenue is lower than expected
Core business valuation (INR b)	**867**	**1,207**	**1,316**	
Price per share (INR)	**19,446**	**27,068**	**29,500**	

Source: MOFSL

Financials and valuations

Income Statement								(INR m)
Y/E March	**2020(12M)**	**2022(15M)**	**2023(12M)**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Net Sales	**34,204**	**48,840**	**44,685**	**52,375**	**63,849**	**79,789**	**1,04,330**	**1,42,057**
Change (%)	5.7	42.8	-8.5	17.2	21.9	25.0	30.8	36.2
Raw Materials	17,606	27,712	27,110	32,191	36,955	43,804	57,277	77,279
Gross Profit	**16,599**	**21,128**	**17,576**	**20,184**	**26,895**	**35,985**	**47,053**	**64,778**
Subcontracting charges	2,668	2,865	1,506	1,834	2,702	2,659	3,234	4,404
Staff Cost	3,694	4,868	4,173	4,902	5,448	6,543	8,346	11,080
Other Expenses	7,728	10,289	9,538	9,959	12,787	14,362	17,527	22,303
EBITDA	**2,509**	**3,107**	**2,359**	**3,490**	**5,958**	**12,421**	**17,945**	**26,991**
% of Net Sales	7.3	6.4	5.3	6.7	9.3	15.6	17.2	19.0
Depreciation	772	955	802	900	914	1,127	1,664	2,196
Interest	204	414	401	466	452	152	152	152
Other Income	185	669	151	93	186	2,432	2,656	3,191
PBT	**1,718**	**2,407**	**1,308**	**2,217**	**4,778**	**13,574**	**18,784**	**27,833**
Tax	365	732	369	579	1,324	3,761	5,205	7,713
Rate (%)	21	30	28	26	28	28	28	28
Extra-ordinary Inc.(net)	-355	359	-	-	386	-175	-	-
Reported PAT	**998**	**2,034**	**939**	**1,638**	**3,840**	**9,638**	**13,579**	**20,121**
Change (%)	-39.7	103.8	-53.8	74.4	134.4	151.0	40.9	48.2
Adjusted PAT	**1,353**	**1,676**	**939**	**1,638**	**3,454**	**9,812**	**13,579**	**20,121**
Change (%)	-34.4	23.8	-44.0	74.4	110.9	184.1	38.4	48.2

Balance Sheet (Standalone)								(INR m)
Y/E March	**2020(12M)**	**2022(15M)**	**2023(12M)**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Share Capital	85	85	85	85	89	89	89	89
Reserves	9,240	11,239	12,068	13,514	42,052	51,511	64,908	84,841
Net Worth	**9,325**	**11,324**	**12,153**	**13,599**	**42,141**	**51,601**	**64,997**	**84,930**
Loans	-	1,250	2,750	1,500	-	-	-	-
Deferred Tax Liability	-219	-348	-319	-537	-861	-861	-861	-861
Capital Employed	**9,107**	**12,226**	**14,584**	**14,562**	**41,281**	**50,740**	**64,136**	**84,070**
Gross Fixed Assets	8,779	9,547	10,802	11,523	12,648	18,648	25,148	32,648
Less: Depreciation	2,568	3,355	3,998	4,898	5,811	6,938	8,602	10,799
Net Fixed Assets	**6,211**	**6,192**	**6,805**	**6,626**	**6,837**	**11,710**	**16,546**	**21,850**
Capital WIP	324	1,183	487	626	902	902	902	902
Goodwill and intangibles	348	334	329	324	329	329	329	329
Investments	-	-	-	-	-	-	-	-
Curr. Assets	**27,931**	**27,182**	**31,246**	**38,962**	**77,205**	**92,773**	**1,18,243**	**1,58,867**
Inventory	4,951	7,073	8,179	8,879	9,257	13,098	18,556	27,212
Debtors	15,845	14,187	15,278	15,217	21,096	28,330	40,017	54,488
Cash & Bank Balance	3,190	859	1,633	1,282	38,068	40,368	45,316	57,622
Loans & Advances	163	54	57	69	95	119	156	212
Other Current Assets	3,783	5,009	6,100	13,514	8,689	10,858	14,198	19,332
Current Liab. & Prov.	**25,706**	**22,665**	**24,282**	**31,975**	**43,992**	**54,974**	**71,883**	**97,877**
Creditors	15,780	16,190	15,146	18,097	20,419	25,516	33,365	45,429
Other Liabilities	8,044	4,732	7,184	11,659	20,996	26,237	34,307	46,713
Provisions	1,882	1,743	1,952	2,219	2,577	3,221	4,211	5,734
Net Current Assets	**2,225**	**4,517**	**6,964**	**6,987**	**33,213**	**37,799**	**46,360**	**60,989**
Application of Funds	**9,107**	**12,226**	**14,584**	**14,562**	**41,281**	**50,740**	**64,136**	**84,070**

Financials and valuations

Ratios								
Y/E March	**2020(12M)**	**2022(15M)**	**2023(12M)**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Basic (INR)	23.5	48.0	22.1	38.6	86.1	216.1	304.5	451.1
Adjusted EPS	**31.9**	**39.5**	**22.1**	**38.6**	**77.5**	**220.0**	**304.5**	**451.1**
Growth (%)	-34.4	23.8	-44.0	74.4	100.5	184.1	38.4	48.2
Cash EPS	50.1	62.0	41.1	59.9	103.0	258.0	359.5	526.3
Book Value	219.9	267.1	286.6	320.7	993.9	1,217.0	1,532.9	2,003.1
DPS	-	2.0	3.0	3.4	3.8	4.0	4.1	4.2
Payout (incl. Div. Tax.)	-	5.0	13.5	8.8	4.9	1.8	1.3	0.9
Valuation (x)								
P/Sales	35.8	25.1	27.4	23.4	20.2	16.2	12.4	9.1
P/E (standalone)	906.3	731.8	1,305.9	748.7	373.4	131.4	95.0	64.1
Cash P/E	577.1	466.2	704.5	483.2	280.7	112.1	80.4	54.9
EV/EBITDA	487.5	394.8	520.2	351.4	210.1	100.6	69.4	45.7
EV/Sales	35.8	25.1	27.5	23.4	19.6	15.7	11.9	8.7
Price/Book Value	131.5	108.3	100.9	90.2	29.1	23.8	18.9	14.4
Dividend Yield (%)	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profitability Ratios (%)								
RoE	14.5	14.8	7.7	12.0	8.2	19.0	20.9	23.7
RoCE	16.6	16.1	8.4	13.6	9.2	19.6	21.3	24.1
RoIC	23.1	13.2	8.6	14.4	113.5	78.7	62.5	67.8
Turnover Ratios								
Debtors (Days)	169	106	125	106	121	130	140	140
Inventory (Days)	53	53	67	62	53	60	65	70
Creditors. (Days)	168	121	124	126	117	117	117	117
Asset Turnover (x)	3.8	4.0	3.1	3.6	1.5	1.6	1.6	1.7
Fixed Asset Turnover (x)	3.9	5.1	4.1	4.5	5.0	4.3	4.1	4.4
Leverage Ratio								
Net Debt/Equity (x)	-0.3	0.0	0.1	0.0	-0.9	-0.8	-0.7	-0.7

Cash Flow Statement								(INR m)
Y/E March	**2020(12M)**	**2022(15M)**	**2023(12M)**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
PBT before EO Items	1,718	2,407	1,308	2,217	5,164	13,574	18,784	27,833
Add : Depreciation	772	955	802	900	914	1,127	1,664	2,196
Interest	189	405	395	466	452	152	152	152
Less : Direct Taxes Paid	454	928	666	507	1,569	3,761	5,205	7,713
(Inc)/Dec in WC	-3,787	4,447	1,817	493	-10,040	2,286	3,613	2,323
Others	440	-17	32	-59	-64	-175	-	-
CF from Operations	**6,452**	**-1,625**	**54**	**2,523**	**14,938**	**8,631**	**11,783**	**20,146**
(Inc)/Dec in FA	-906	-1,675	-120	-889	-1,273	-6,000	-6,500	-7,500
Free Cash Flow	**5,547**	**-3,300**	**-66**	**1,634**	**13,665**	**2,631**	**5,283**	**12,646**
(Pur)/Sale of Investments	-	-	-	-	-	-	-	-
Others	16	5	2	2	173	-	-	-
CF from Investments	**-890**	**-1,670**	**-118**	**-887**	**-1,100**	**-6,000**	**-6,500**	**-7,500**
(Inc)/Dec in Net Worth	-	-	-	-	25,208	-	-	-
(Inc)/Dec in Debt	-3,572	1,104	1,364	-1,250	-1,500	-	-	-
Less : Interest Paid	327	414	401	409	401	152	152	152
Dividend Paid	-	84	127	144	169	178	183	187
Others	-355	358	2	-185	-191	-	-	-
CF from Fin. Activity	**-4,253**	**964**	**839**	**-1,987**	**22,947**	**-331**	**-335**	**-340**
Inc/Dec of Cash	**1,309**	**-2,331**	**775**	**-351**	**36,785**	**2,301**	**4,948**	**12,306**
Add: Beginning Balance	1,880	3,189	858	1,633	1,282	38,068	40,368	45,316
Closing Balance	**3,189**	**858**	**1,633**	**1,282**	**38,068**	**40,368**	**45,316**	**57,622**

Siemens Energy India

BSE Sensex	S&P CNX
78,494	24,354

SIEMENS energy

Bloomberg	ENRIN IN
Equity Shares (m)	356
M.Cap.(INRb)/(USDb)	1075.3 / 11.6
52-Week Range (INR)	3625 / 2105
1, 6, 12 Rel. Per (%)	6/2/-
12M Avg Val (INR M)	2333

Financials Snapshot (INR b)

Y/E SEP	FY26E	FY27E	FY28E
Net Sales	94.9	133.4	159.8
EBITDA	20.1	28.6	34.8
PAT	15.0	21.6	26.3
EPS (INR)	42.2	60.7	73.9
GR. (%)	36.4	43.9	21.9
BV/Sh (INR)	163.8	224.4	298.4
Ratios			
ROE (%)	25.7	27.0	24.8
RoCE (%)	27.1	28.0	25.5
Valuations			
P/E (X)	71.6	49.8	40.8
P/BV (X)	18.4	13.5	10.1
EV/EBITDA (X)	51.2	35.3	28.3

Shareholding pattern (%)

As of	Dec-25	Sep-25
Promoter	75.0	75.0
DII	6.7	8.0
FII	7.2	6.2
Others	11.1	10.8

FII includes depository receipts

CMP: INR3,020 TP: INR3,700 (+23%) Buy

Incremental capacities coming on stream in CY26

We expect Siemens Energy India (ENRIN) to benefit from a strong addressable market in the transmission and distribution (T&D) business. The company also stands to gain from incremental demand driven by exports of transformers and gas turbines. ENRIN is currently expanding its transformer capacity from 15,000 MVA to 30,000 MVA and has also lined up an additional capex of INR20b to scale its capacity to 60,000 MVA by FY31-32. This capex plan reflects ENRIN's confidence in the long-term sustainability of overall demand in power transformers, aided by energy transition initiatives both domestically and globally. We anticipate its power transmission segment to continue growing at a faster pace, while the power generation segment is likely to benefit from a revival in private capex and incremental demand for gas turbines. We reiterate our BUY rating on the stock with a revised TP of INR3,700, based on 55x Mar'28E EPS.

Power transmission segment to benefit from strong sector tailwinds

The power transmission segment is set to benefit from strong sector tailwinds in grid expansion, stabilization, and digitalization, supported by an INR9.2t total addressable market (TAM) as installed power capacity is projected to rise to 997GW by FY32 from 501GW in FY25. ENRIN has technology leadership across transformers, AIS/GIS switchgears, and advanced grid solutions (FACTS, STATCOMs, SYNCONs, HVDC VSC), with key wins including large STATCOM orders and India's first SF6-free 145 kV circuit breaker. While near-term VSC-based HVDC opportunities remain limited, demand remains strong in non-HVDC projects too, where ENRIN could continue to participate. New transformer and switchgear capacities are likely to be commissioned by late FY26/early FY27, which should support higher growth and margin expansion. We expect power transmission revenue to clock a 39% CAGR over FY25-28 and EBIT margin to expand 280bp over the same period.

Stable outlook for the power generation segment

The power generation segment delivered strong growth in 1QFY26, ahead of management's single-digit guidance, indicating a better-than-expected trajectory. The business is supported by a large installed base – ~55% of India's large steam turbines and ~25% of gas turbines use ENRIN's technology – driving steady services, modernization, and upgrade opportunities. Going forward, growth should be supported by improving demand for steam and gas turbines, led by industrial steam turbine demand from cement, steel, sugar, and ethanol, as well as gas-turbine opportunities linked to data centers and participation in nuclear power through large steam turbines. We expect power generation revenue to post a 9% CAGR over FY25-28 and margins to expand 30bp over the same period. Our growth estimates can be revised upwards if ENRIN starts benefiting from gas turbine demand, which is anticipated to grow at a fast pace in international markets.

Capacity expansion to capture domestic and export demand

ENRIN is undertaking a significant capacity expansion valued at INR7.4b to serve both domestic and export markets. The ongoing capex includes power transformers at Kalwa and high-voltage switchgear at Aurangabad, which are expected to be commissioned by late FY26/early FY27. With an average asset turnover of nearly 7-8x, the new capex can potentially add nearly INR45-50b to revenues at 90% capacity utilization. The company has also announced another INR20.6b investment for ~30,000 MVA of additional large power transformer capacity planned over FY30-32. Following this expansion, its transformer capacity will increase to ~60,000 MVA, supporting higher revenues from both domestic and export markets.

Margin to remain strong for power transmission segment

ENRIN delivered healthy profitability in 1QFY26, with an EBITDA margin of 24.1%, aided by better control over other expenses. Going forward, we expect margins to improve over last year, supported by operating leverage – as the new capacity comes online – and with a higher share of exports. In the near term, elevated copper prices may create temporary pressure due to pass-through lags, while transformer orders have IEEMA-linked price variation clauses, and utility contract cost escalation is passed on with a delay. We expect EBITDA margins of 21.1%/21.5%/21.8% for FY26/27/28.

Financial outlook

We expect its revenue/EBITDA/PAT CAGR at 27%/32%/34% over FY25-28, fueled by strong growth across power transmission (39% CAGR) and power generation (9% CAGR). We expect an EBITDA margin of 21.1%/21.5%/21.8% for FY26/FY27/FY28.

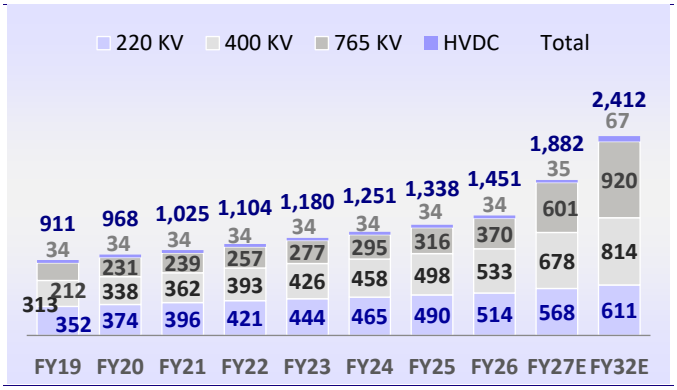
Valuation and view

ENRIN is currently trading at 49.8x/40.8x P/E on FY27/28E EPS. **We reiterate our BUY rating on the stock with a revised TP of INR3,700, based on 55x Mar'28E EPS.**

Strong addressable market and order wins

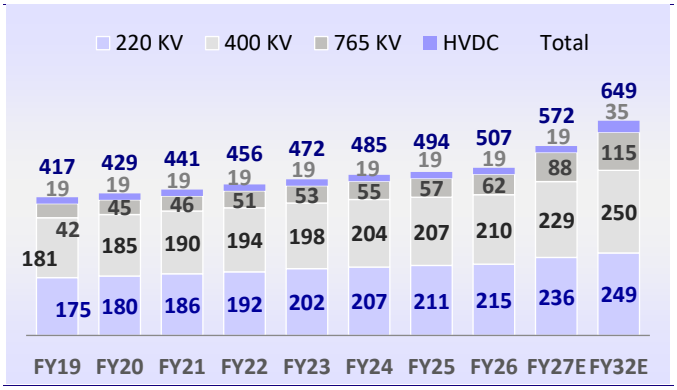
ENRIN is well positioned to benefit from strong growth, in transformation capacity at a CAGR of ~9% over Feb'26-FY32. This growth is driven by renewable integration, higher grid stability needs, and global T&D equipment shortages. ENRIN's order inflow for power transmission segment excluding exports translated into nearly 5% market share for the company in FY25. We expect this to be maintained as the company maintains a strong presence among domestic players. ENRIN is selective on HVDC project bidding and hence we have not factored in HVDC order wins in our estimates for power transmission segment.

Exhibit 203: Transformation capacity (220 kV & above) to grow at 9% CAGR over FY26-32 (figures in GVA)



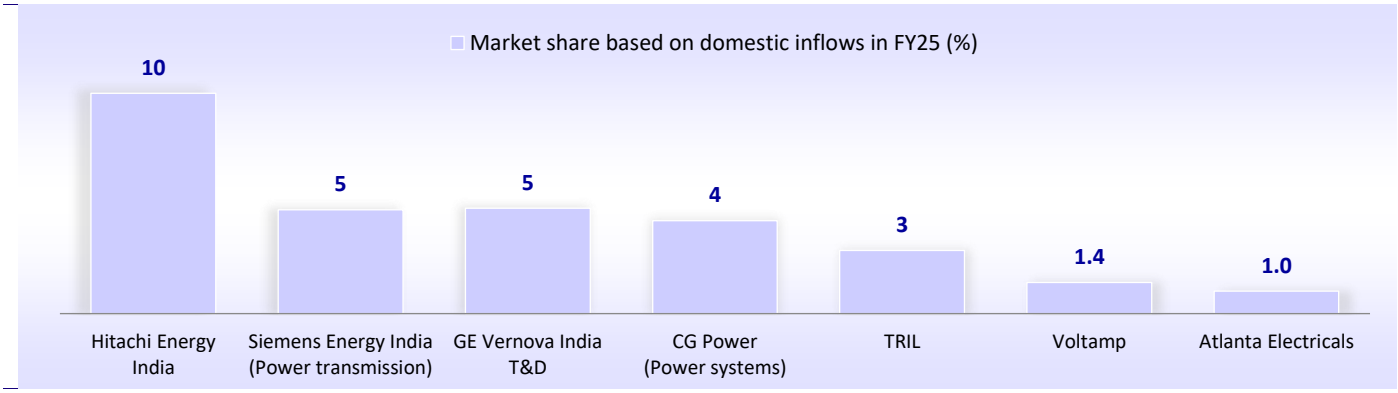
Source: CEA, MOFSL

Exhibit 204: Transmission line network (220 kV & above) to grow at 4% CAGR over FY26-32 ('000 ckm)



Source: CEA, MOFSL

Exhibit 205: Market share of domestic players based on FY25 domestic inflows as % of capital outlay of tenders awarded



Source: Company, MOFSL

Exhibit 206: Key orders won in the power transmission and power generation segments during FY25

Segment	Key orders won	Outlook
Power transmission	❖ Large STATCOM orders for grid stability	❖ The company expects more STATCOM orders as renewable capacity rises and grid-stability needs enhancement.
	❖ SF6-free Blue 145 kV circuit breaker for a state utility	❖ The company sees SF6-free Blue switchgear gradually gaining acceptance as utilities look to reduce greenhouse-gas emissions from grid equipment.
	❖ HVDC transformers & reactors for a power utility	❖ The company expects transformer demand to remain strong from both India's transmission build-out under NEP and global customers, given a worldwide shortage of T&D equipment.
	❖ Export order for 4×150 MVA, 345 kV power transformers for a US semiconductor facility	
	❖ Power transformers for a data center operator in the USA	
Power generation	❖ 4.35MW waste-heat recovery (WHR) project in the ferro-alloy segment	❖ The company expects growth to come mainly from services and upgrades to the existing steam and gas turbine base, with steady demand for long-term maintenance, plant restoration, and modernization of older thermal units.
	❖ Fast-track restoration of a critical power plant for a large metropolitan	
	❖ Electrical and automation package for electric propulsion ferries	

Source: Company, MOFSL

Exhibit 207: Key offerings in the power transmission and power generation segments

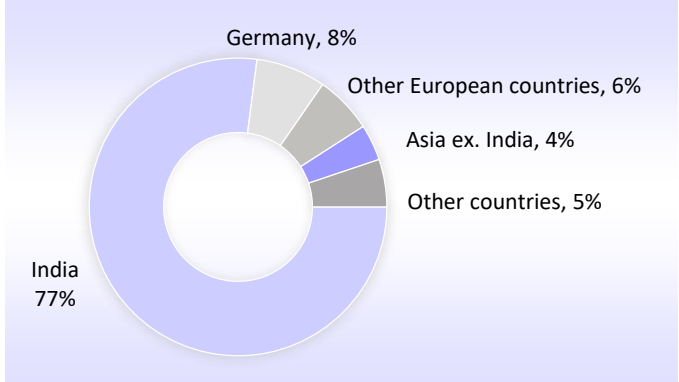
Segment	Power transmission	Power generation
Products	❖ AIS (up to 800 kV)	❖ Large gas turbines (up to 600 MW)
	❖ GIS (up to 420 kV)	❖ Industrial gas turbines (up to 100 MW)
	❖ Power transformers & Reactors (up to 765 kV)	❖ Steam turbines (10kW-250MW) & generators
Solutions	❖ EPC for high and extra high voltage projects related to AIS/GIS, FACTS, and HVDC technology.	❖ Waste-heat recovery (WHR), compressed air energy storage (CAES), modernization and other efficiency-improvement solutions, plus EAD (electrification, automation, and digitalization) for power and industrial plants.
Services	❖ Bay extensions, substation modernisation, asset consulting, retrofits, emergency/breakdown support, LTSAs, O&M contracts, and spares	❖ Maintenance and overhaul contracts, plant restoration, modernization, and flexibilization of existing thermal assets.
Outlook	❖ The market outlook for power transmission in India remains strong, driven by the expansion of generation capacity, higher renewable integration, transmission upgrades, and growing data center demand.	❖ Growth is expected to come mainly from services and upgrades to the existing steam and gas turbine base, with industrial turbines and WHR adding incremental demand.

Source: Company, MOFSL

Export share to improve

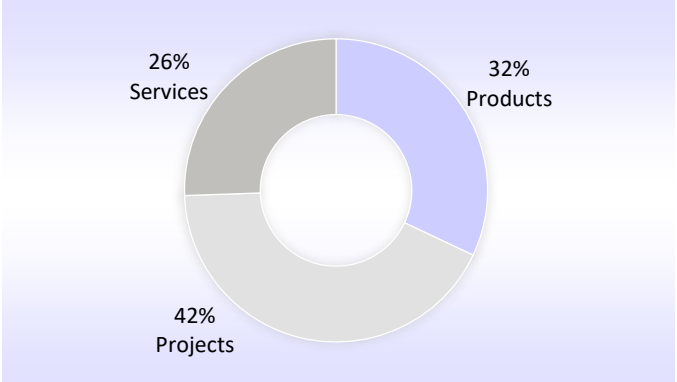
Siemens Energy exports contributed ~23% of its FY25 revenue, with a diversified geographic mix led by Europe and other international markets. Additionally, for FY26, the company has sought shareholder approval for a higher overall RPT limit of INR17.5b, in line with the expected scale up of transactions with group companies. Along with this, we also expect ENRIN to target incremental export opportunities from the upcoming transformer facilities as well as on gas turbine business.

Exhibit 208: Exports formed 23% of total sales in FY25



Source: Company, MOFSL

Exhibit 209: Services contributed 26% of revenue in FY25



Source: Company, MOFSL

Exhibit 210: ENRIN's RPTs (INR m)

Revenue from contracts with customers	FY24*	FY25
Siemens Limited	237	384
Siemens Financial Services Pvt Ltd	0	41
Siemens Energy Global GmbH & Co.	3,422	5,834
Siemens Energy, Inc.	961	1,907
Siemens Energy Sdn. Bhd.	911	529
Others	3,446	7,553
Total	**8,977**	**16,248**
Purchase of goods and services	**FY24***	**FY25**
Siemens Aktiengesellschaft	242	158
Siemens Limited	31	2,000
Siemens Technology and Services Pvt Ltd	391	746
Siemens Energy Global GmbH & Co.	2,547	4,535
Siemens Energy, Inc.	891	1,446
Others	1,509	1,588
Total	**5,611**	**10,473**
License Fees	**FY24***	**FY25**
Siemens Aktiengesellschaft	147	220
Siemens Energy Global GmbH & Co. KG	479	707
Total	**626**	**927**
Software License Fees and other information technology related costs	**FY24***	**FY25**
Siemens Aktiengesellschaft	178	385
Siemens Limited	160	380
Siemens Pte. Ltd	49	80
Siemens Energy Global GmbH & Co. K	0	50
Others	11	61
Total	**398**	**956**
Trade & other receivables	**FY24***	**FY25**
Siemens Aktiengesellschaft	1	0
Siemens Limited	22,882	4,459
Siemens Brasil Ltda.	107	0
Siemens Energy Global GmbH & Co. KG	1,151	1,386
Siemens Energy B.V.	0	73
Siemens Energy, Inc.	517	516
Siemens Energy Sdn. Bhd.	432	97
Others	1,716	2,432
Total	**26,806**	**8,963**
Trade payables & other liabilities	**FY24***	**FY25**
Siemens Aktiengesellschaft	193	812
Siemens Technology and Services Private Limited	31	64
Siemens Pte. Ltd.	0	45
Siemens S.R.L.	11	13
C&S Electric Limited	13	1
Siemens Energy Global GmbH & Co. KG	1,118	3,196
Siemens Energy, Inc.	1,001	1,699
Others	462	533
Total	**2,829**	**6,363**

Source: Company, MOFSL; *Note: * indicates the period from Feb 07, 2024 to Sep 30, 2024*

Continuously expanding capacities to cater to increased demand

The company has approved additional capex of ~INR20.6b, to be funded by internal accruals, to expand its large power transformer capacity by ~30,000 MVA, over and above the ongoing capex of INR7.4b (INR4.6b for power transformers at Kalwa and INR2.8b for high-voltage switchgear capacity expansion at Aurangabad). The ongoing capex is expected to be commissioned between 4QFY26 and 1QFY27 and new project is expected to commence during FY30-32, strengthening the company's ability to cater to rising domestic and export demand for grid equipment. After this expansion, its capacity will increase to 60,000MVA.

Exhibit 211: The majority of the capacity expansion is expected to be commissioned by 2HCY26

Product line	Plant	Capex	Timeline
Power transformer	Mumbai (Kalwa)	❖ INR4.6b capex for expanding the power transformer capacity by 15,000 MVA ❖ INR20.6b capex for expanding the power transformer capacity by an additional 30,000 MVA	❖ 15,000 MVA to be commenced over 2HCY26 ❖ 30,000 MVA to be commenced over FY30-32
Vacuum Interrupters	Goa	❖ INR600m capex for expanding the vacuum interrupters capacity	❖ NA
HV Switchgear	Aurangabad	❖ INR2.8b capex for expanding the switchgear capacity	❖ NA

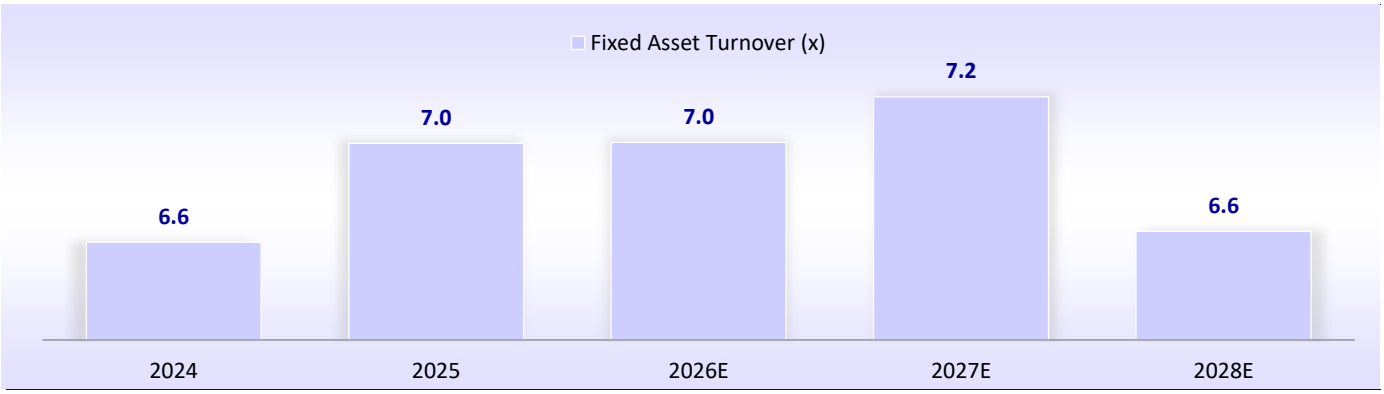
Source: Company, MOFSL

Exhibit 212: Key manufacturing facilities

Product Name	Location
Air Insulated Switchgear (AIS)	Aurangabad (3 factories)
Gas Insulated switchgear (GIS)	
Instrument Transformer (CT and VT)	
Power Transformers (PT) & Reactors	Kalwa (2 factories)
Traction Transformer	
Thyristor Valves, Rack, IGBT Converter, Transportation Unit (TU), and Repair Center	Goa (1 factory)
Digital Control Systems and Test Bed	Gurugram (1 factory)
Industrial Steam Turbines	Vadodara (1 factory)
Industrial Steam Turbines Service/Repair Centre	Raipur (Service/Repair Center)
Gas Services Service/Repair Center	Bengaluru (Service/Repair Center)

Source: Company, MOFSL

Exhibit 213: Fixed asset T/O ratio may be lumpy over the years going forward due to ongoing capex, but it will remain healthy as ENRIN reaches optimum utilization levels (x)

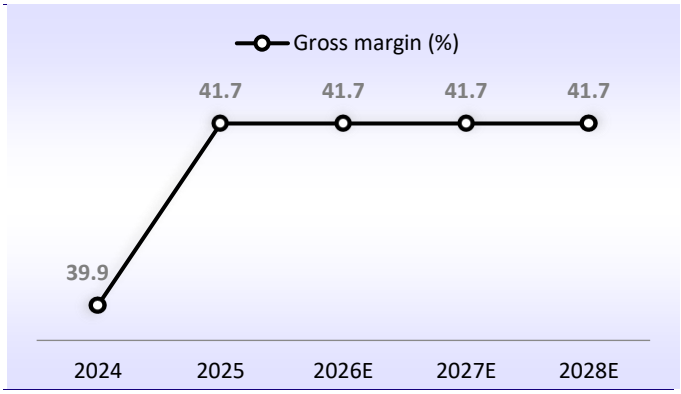


Source: Company, MOFSL

Margins to remain strong over the next few years as execution scales up

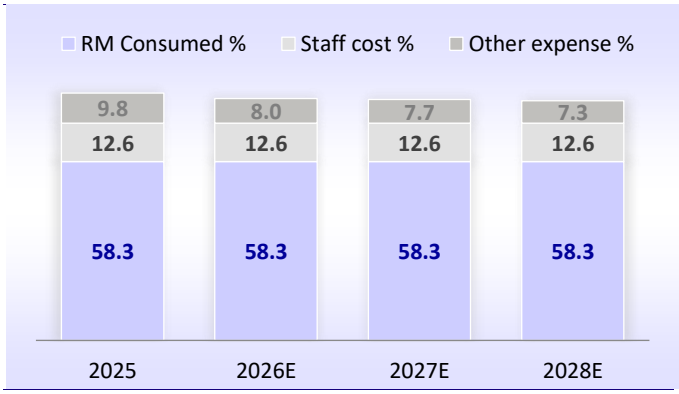
We expect Siemens Energy's gross margins to sustain at ~42% over FY26-28, supported by stable raw material. License fees, which are paid only to Siemens Energy Global GmbH & Co. KG (SEGG), are planned to stay below 5% of turnover in FY26, limiting their impact on margins. Additionally, the company continues to operate at higher EBITDA margins compared to its global parent, with margins likely to improve further as execution picks up and operating leverage benefits come through.

Exhibit 214: Gross margin is expected to remain stable at ~42% over FY26-28



Source: Company, MOFSL

Exhibit 215: Raw material and staff costs to remain broadly stable over FY26-28E



Source: Company, MOFSL

Exhibit 216: Total payment to group companies stood ~2.0-2.8% of sales in the last two years (INR m)

ENRIN (INR m)	FY24*	FY25
Software	578	1,217
License fees	626	949
Total software and license fees	**1,204**	**2,166**
Revenue	61,580	78,267
Software and license fees (as % of revenue)	**2.0**	**2.8**

Source: Company, MOFSL

*Note: * indicates the period from Feb 07, 2024 to Sep 30, 2024*

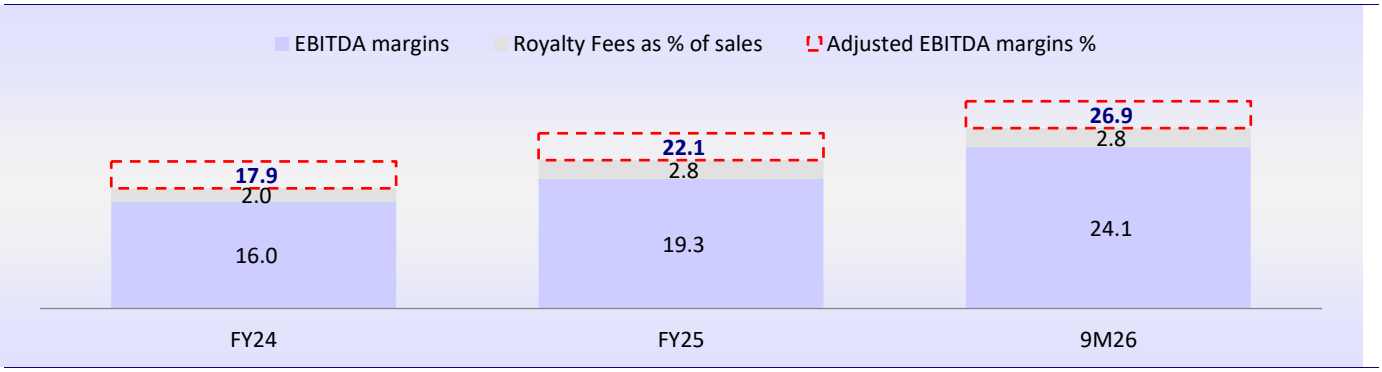
Exhibit 217: Software and other licenses stood at 2.8% of sales in FY25; ENRIN expects software and other licenses to remain below 5% of turnover in FY26

Breakdown of license fees	FY24*	FY25
Siemens Aktiengesellschaft	147	220
Siemens Energy Global GmbH & Co. KG	479	707
Total	**626**	**927**
Breakdown of software license fees and other IT-related costs	**FY24***	**FY25**
Siemens Aktiengesellschaft	178	385
Siemens Limited	160	380
Siemens Pte. Ltd	49	80
Siemens Energy Global GmbH & Co. K	0	50
Others	11	61
Total	**398**	**956**

Source: Company, MOFSL

*Note: * indicates the period from Feb 07, 2024 to Sep 30, 2024*

Exhibit 218: ENRIN's margins adjusted with royalty, IT, and group management fees have already reached ~27% mark in 9MFY26 with reported EBITDA margins reaching ~24%



Source: Company, MOFSL

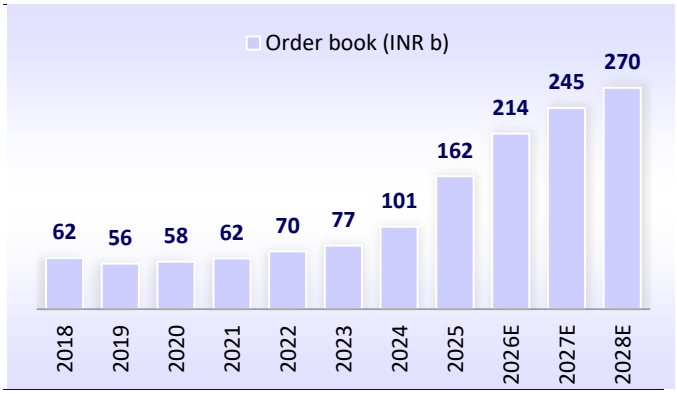
Exhibit 219: ENRIN is already operating at a higher margin vs. its global entity, and is expected to continue maintaining these levels going forward (vs. the BBG consensus for global entity)

ENRIN	FY23	FY24	FY25	FY26E	FY27E	FY28E
EBITDA margin (%)			19.3	21.1	21.5	21.8
Siemens Energy Global	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
EBITDA margin (%)	-5.3	-1.8	8.5	14.6	16.6	18.1
Indian vs Global	**530 bp**	**180 bp**	**1080 bp**	**650 bp**	**490 bp**	**370 bp**

Source: Company, Bloomberg, MOFSL

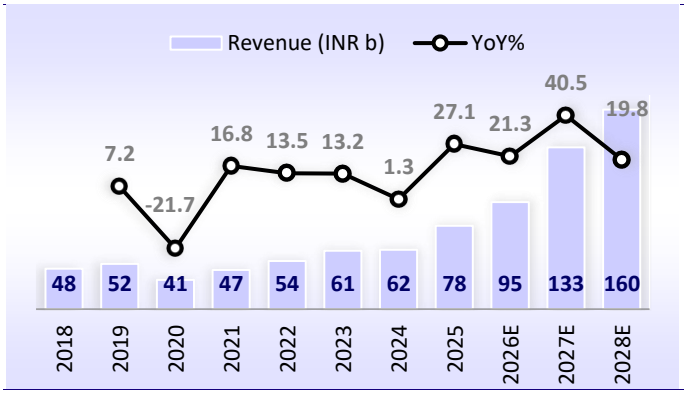
Financial outlook

Exhibit 220: We expect the order book to grow at a healthy pace over the next few years (INR b)



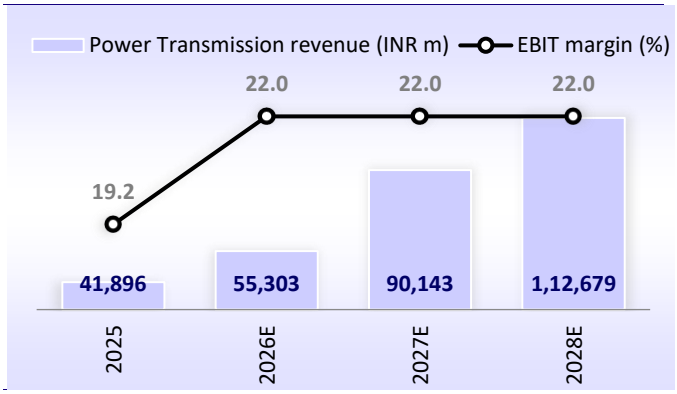
Source: Company, MOFSL

Exhibit 221: We expect revenue to clock a CAGR of 27% over FY25-28 (INR b)



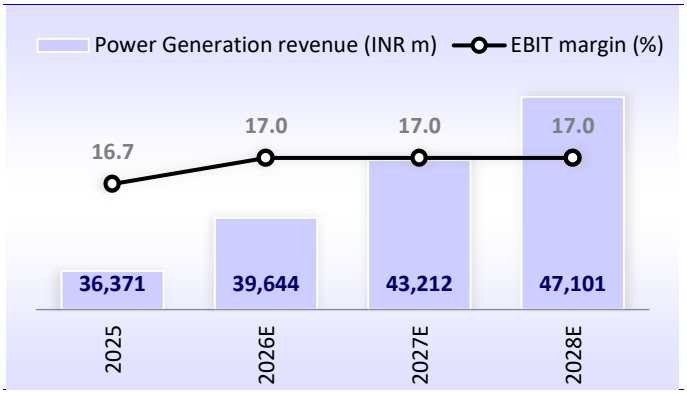
Source: Company, MOFSL

Exhibit 222: We expect power transmission to clock a CAGR of 39% over FY25-28, with margins of ~22%



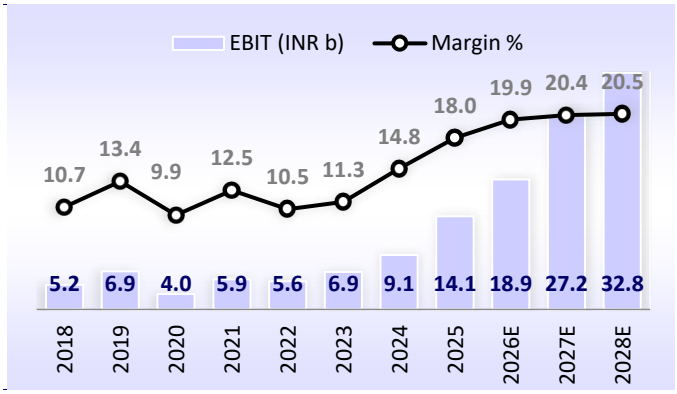
Source: Company, MOFSL

Exhibit 223: We expect power generation to clock a CAGR of 9% over FY25-27, while the margin is likely to be ~17%



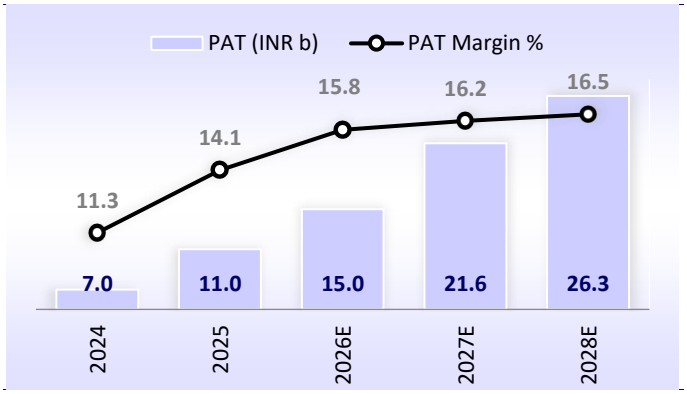
Source: Company, MOFSL

Exhibit 224: We expect EBIT margin to be in the 20-21% range



Source: Company, MOFSL

Exhibit 225: We expect a PAT CAGR of 34% over FY25-28



Source: Company, MOFSL

Valuation and view

ENRIN is currently trading at 49.8x/40.8x P/E on FY27/28E EPS. **We reiterate our BUY rating on the stock with a revised TP of INR3,700, based on 55x Mar'28E EPS.**

Exhibit 226: Key financials of domestic transmission equipment manufacturers

Companies	Revenue (INR b)			CAGR	EBITDA (INR b)			CAGR	EBITDA Margin (%)			PAT (INR b)			CAGR
	FY26E	FY27E	FY28E	FY25-28	FY26E	FY27E	FY28E	FY25-28	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY25-28
Siemens Energy*	**78.3**	**94.9**	**133.4**	**29**	**15.1**	**20.1**	**28.6**	**43**	**19.3**	**21.1**	**21.5**	**11.0**	**15.0**	**21.6**	**46**
Hitachi Energy	79.8	104.3	142.1	**31**	12.4	17.9	27.0	**65**	15.6	17.2	19.0	9.8	13.6	20.1	**80**
GE Vernova T&D	61.9	79.2	103.9	**34**	16.3	20.7	27.0	**49**	26.3	26.2	26.0	12.0	15.7	20.5	**50**
CG Power	123.9	157.0	199.2	**26**	16.2	21.7	30.2	**32**	13.1	13.8	15.1	11.8	15.1	20.6	**28**
Atlanta Electricals	17.1	23.9	33.8	**39**	3.1	4.4	6.4	**49**	18.2	18.5	19.0	1.8	2.6	4.0	**50**
Voltamp#	22.0	25.2	29.6	**15**	3.9	4.6	5.4	**14**	17.8	18.1	18.2	3.6	4.1	4.9	**14**
TRIL#	25.9	35.1	44.1	**30**	4.2	5.6	7.0	**29**	16.0	15.9	15.9	2.8	3.5	4.4	**27**

Source: Company, Bloomberg, MOFSL

Note: *For Seimens Energy India, FY26E/FY27E/FY28E indicate data for periods Sep'25/Sep'26E/Sep'27E year-ends

# indicates Bloomberg estimates

Exhibit 227: Relative valuation of domestic transmission equipment manufacturers

Companies	CMP	Mcap	EPS (INR)			P/E (X)			ROE (%)		
	(INR)	(INR b)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Siemens Energy*	**3,019**	**1,075**	**30.9**	**42.2**	**60.7**	**97.7**	**71.6**	**49.8**	**25.1**	**25.7**	**27.0**
Hitachi Energy	28,920	1,290	220.0	304.5	451.1	131.4	95.0	64.1	19.0	20.9	23.7
GE Vernova T&D	4,140	1,060	46.7	61.5	80.2	88.7	67.3	51.6	53.9	47.9	43.5
CG Power	775	1,220	7.5	9.6	13.1	103.3	80.5	59.2	20.4	18.2	21.3
Atlanta Electricals	1,375	106	22.8	33.7	51.8	60.3	40.8	26.6	19.0	21.9	25.1
Voltamp#	10,139	103	355.4	405.5	481.3	28.5	25.0	21.1	20.9	20.4	20.7
TRIL#	322	97	9.1	12.2	14.5	35.6	26.4	22.2	19.6	21.3	21.0

Source: Company, Bloomberg, MOFSL

Note: *For Seimens Energy India, FY26E/FY27E/FY28E indicate data for periods Sep'25/Sep'26E/Sep'27E year-ends

# indicates Bloomberg estimates

Sensitivity analysis assumptions

Base case: We expect revenue/EBITDA/PAT CAGR of 27%/32%/34% over FY25-28 with margins improving to 21.8% by FY28 on achieving operating leverage.

Bear case: In the bear case, we assume margins of ~19% and overall transmission demand to slow down leading to lower-than-expect execution

Bull case: In the bull case, we assume higher revenue growth supported by the strong roder book and margins to expand further supported by increased share of high-magin power transmission segment by FY28.

Exhibit 228: Sensitivity analysis: Bear, Base, and Bull case valuations

	Bear case	Base case	Bull case	Rationale
Assuming change in demand scenario and margin profile of the company	Assuming lower margins andslowdown in overall demand in transmission	Assuming revenue/PAT CAGR of 27%/34% led by strong margins of >21%	Assuming higher execution supported by strong order book and improved margins	
PAT (INR m)	20,366	23,960	27,554	❖ 15% sensitivity on Mar'28E ernings
Valuation multiple (x)	50	55	55	❖ Multiple can de-rate if overall demand is slower and margins contract.
Core business valuation (INR b)	**1,018**	**1,318**	**1,515**	
Price per share (INR)	**2,860**	**3,702**	**4,257**	

Source: MOFSL

Financials and Valuation

Consolidated Income Statement					(INR m)
Y/E September	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Net Sales	**61,580**	**78,267**	**94,947**	**1,33,356**	**1,59,781**
Change (%)	NA	27.1	21.3	40.5	19.8
Gross Profit	**24,545**	**32,646**	**39,603**	**55,624**	**66,646**
Total Expenditure	**51,742**	**63,133**	**74,893**	**1,04,739**	**1,24,941**
% of Net Sales	84.0	80.7	78.9	78.5	78.2
EBITDA	**9,838**	**15,134**	**20,054**	**28,617**	**34,840**
Margin (%)	16.0	19.3	21.1	21.5	21.8
Depreciation	740	1,030	1,148	1,440	2,043
EBIT	**9,098**	**14,104**	**18,906**	**27,178**	**32,797**
Interest	165	282	282	282	282
Other Income	482	1,053	1,440	1,976	2,678
PBT Before EO Exp	**9,415**	**14,875**	**20,064**	**28,872**	**35,192**
EO Items	0	0	-519	0	0
PBT After EO Exp	**9,415**	**14,875**	**19,545**	**28,872**	**35,192**
Tax	2,438	3,874	5,056	7,276	8,868
Rate (%)	25.9	26.0	25.2	25.2	25.2
MI & P/L of Asso. Cos	0	0	0	0	0
Reported PAT	**6,977**	**11,001**	**14,489**	**21,596**	**26,324**
Change (%)	NA	57.7	31.7	49.0	21.9
Adjusted PAT	**6,977**	**11,001**	**15,008**	**21,596**	**26,324**
Change (%)	NA	57.7	36.4	43.9	21.9
Margin (%)	11.3	14.1	15.8	16.2	16.5

Note: FY24 figures are derived by subtracting Siemens Ltd FY24 data from Non-Energy segment data

Consolidated Balance Sheet					(INR m)
Y/E September	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Share Capital	712	712	712	712	712
Reserves	31,456	43,101	57,590	79,186	1,05,510
Net Worth	**32,168**	**43,813**	**58,302**	**79,898**	**1,06,222**
Minority Interest	0	0	0	0	0
Loans	0	0	0	0	0
Deffered Tax Liability	-1,597	-2,104	-2,104	-2,104	-2,104
Capital Employed	**30,571**	**41,709**	**56,198**	**77,794**	**1,04,118**
Net Fixed Assets	**4,293**	**5,361**	**6,589**	**10,150**	**13,606**
Capital WIP	521	759	759	759	759
Investments	0	0	0	0	0
Curr. Assets	**64,066**	**87,228**	**1,11,494**	**1,54,871**	**1,95,173**
Inventory	7,736	7,603	9,223	12,954	15,521
Debtors	18,775	19,205	23,298	32,723	39,207
Cash & Bank Balance	0	34,620	47,675	65,234	87,774
Loans & Advances	6	1	1	2	2
Other Current Assets	37,549	25,799	31,297	43,958	52,668
Current Liab. & Prov.	**38,309**	**51,639**	**62,644**	**87,985**	**1,05,420**
Creditors	17,474	23,390	28,375	39,853	47,750
Other Liabilities	12,328	19,273	23,380	32,838	39,346
Provisions	8,507	8,976	10,889	15,294	18,324
Net Current Assets	**25,757**	**35,589**	**48,850**	**66,886**	**89,752**
Application of Funds	**30,571**	**41,709**	**56,198**	**77,794**	**1,04,118**

Financials and Valuation

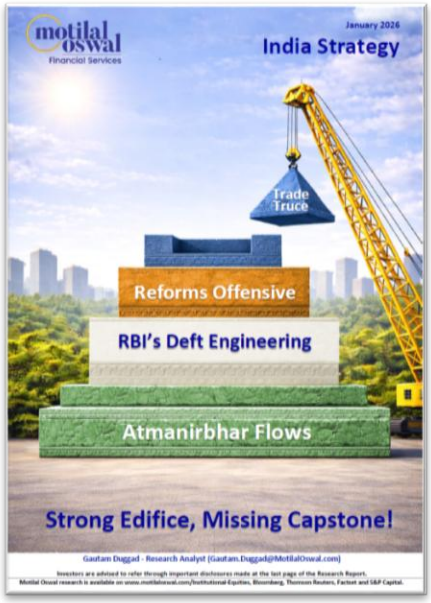
Ratios					
Y/E September	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Basic (INR)	19.6	30.9	40.7	60.7	73.9
Adjusted EPS	**19.6**	**30.9**	**42.2**	**60.7**	**73.9**
Growth (%)	NA	57.7	36.4	43.9	21.9
Cash EPS	21.7	33.8	45.4	64.7	79.7
Book Value	90.4	123.1	163.8	224.4	298.4
Valuation (x)					
P/Sales	17.5	13.7	11.3	8.1	6.7
P/E	154.1	97.7	71.6	49.8	40.8
Cash P/E	139.3	89.3	66.5	46.7	37.9
EV/EBITDA	109.3	68.7	51.2	35.3	28.3
EV/Sales	17.5	13.3	10.8	7.6	6.2
Price/Book Value	33.4	24.5	18.4	13.5	10.1
Profitability Ratios (%)					
RoE	21.7	25.1	25.7	27.0	24.8
RoCE	23.2	26.9	27.1	28.0	25.5
RoIC	22.1	147.1	165.9	161.9	150.1
Turnover Ratios					
Debtors (Days)	111	90	90	90	90
Inventory (Days)	46	35	35	35	35
Creditors. (Days)	104	109	109	109	109
Asset Turnover (x)	2.0	1.9	1.7	1.7	1.5
Gross Asset Turnover (x)	6.6	7.0	7.0	7.2	6.6
Leverage Ratio					
Net Debt/Equity (x)	0.0	-0.8	-0.8	-0.8	-0.8

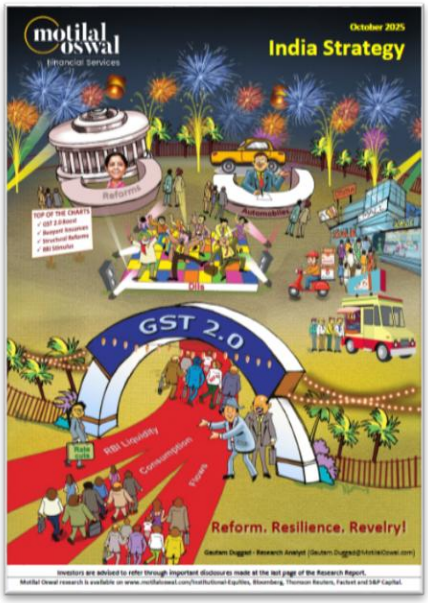
Consolidated Cash Flow Statement				(INR m)
Y/E September	**2025**	**2026E**	**2027E**	**2028E**
PBT before EO Items	**14,875**	**20,064**	**28,872**	**35,192**
Add : Depreciation	1,030	1,148	1,440	2,043
Interest	282	282	282	282
Less : Direct Taxes Paid	2,280	5,056	7,276	8,868
(Inc)/Dec in WC	-23,444	207	476	327
Others	-650	-1,959	-1,976	-2,678
CF from Operations	**36,701**	**14,272**	**20,866**	**25,644**
(Inc)/Dec in FA	-2,160	-2,376	-5,000	-5,500
Free Cash Flow	**34,541**	**11,896**	**15,866**	**20,144**
(Pur)/Sale of Investments	0	0	0	0
Others	-32,666	1,440	1,976	2,678
CF from Investments	**-34,826**	**-936**	**-3,024**	**-2,822**
(Inc)/Dec in Net Worth	0	0	0	0
(Inc)/Dec in Debt	0	0	0	0
Less : Interest Paid	0	282	282	282
Dividend Paid	0	0	0	0
Others	-553	0	0	0
CF from Fin. Activity	**-553**	**-282**	**-282**	**-282**
Inc/Dec of Cash	**1,322**	**13,055**	**17,560**	**22,540**
Add: Beginning Balance	0	34,620	47,675	65,234
Other Bank Balances	33,298	0	0	0
Closing Balance	**34,620**	**47,675**	**65,234**	**87,774**

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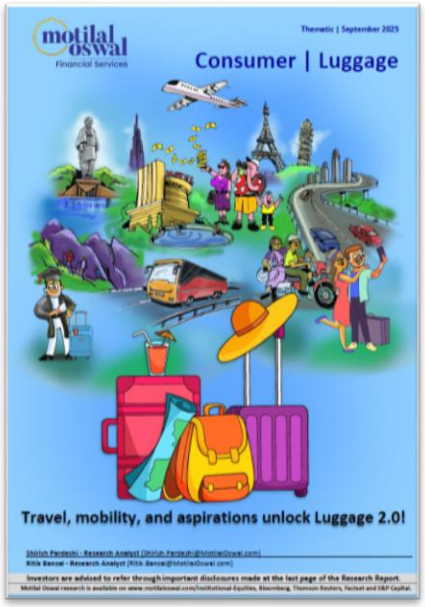






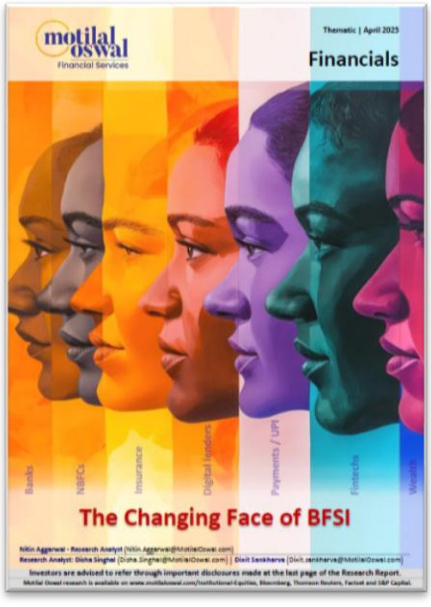












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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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