

CG Power and Industrial Solutions Limited

General Overview:

CG Power and Industrial Solutions Limited (CGPI) leads the world in electrical engineering, power generation, transmission, and distribution. Over 70 countries, including India, receive electrical products and services from the company. TII's 2018 CGPI improved.

Transformers, switchgears, motors, drives, railways, power, CGPI's industrial businesses. Power sector innovators invest in R&D. CGPI invented rolling stock and signalling.

In the year ending March 31, 2022, the company had a 90.89% return on equity despite an 11.27% three-year revenue decline. Stock's 52-week high is Rs 316.15.

Siemens AG and ABB Ltd. are CGPI. The company's global reach, India strength, and innovation and quality focus make it competitive.

Shareholding pattern of the company:

Shareholding pattern of the company as of December 2022 is tabulated below:

Promoters	58.12%
Foreign Institutions	12.95%
Retail and Others	24.07%
Mutual Funds	4.86%

The promoter and promoter group own 50.68% of CG Power and Industrial Solutions Limited, according to the latest shareholding pattern. Tube Investments of India Limited is the largest shareholder with 58.1%, followed by Blue Diamond Properties Pvt Ltd. with 2.07%.

Foreign institutional investors, mutual funds, and retail investors own most of the stake in other remaining part.

The company has a mixed ownership structure with a dominant promoter group, according to the shareholding pattern. The company has had corporate governance issues recently, including a change in ownership that forced the former chairman out. New investors may change the company's shareholding pattern.

Management of the company:

CG Power and Industrial Solutions' Managing Director and CEO is Srinivasan Natarajan. He was Executive Vice Chairman & Managing Director at Cholamandalam Investment & Finance Co. Ltd. and Finance Director at Murugappa Group, the company's parent. The company has a distinguished board of directors with diverse expertise and experience.

No promoter or founder family members are on the board or in senior management. The company's management team averages over 10 years, indicating stability and experience. The company also has ethical and corporate governance policies. CG Power and Industrial Solutions' management team is qualified, experienced, and dedicated to company growth.

SWOT analysis:

Strengths:

Company strengths:

- CG Power and Industrial Solutions Limited is well-established in India, one of the world's fastest-growing markets. This boosts market share and revenue for the company.
- The company sells transformers, switchgears, motors, drives, railways, power systems, and more. The company can serve multiple industries and segments, reducing its dependence on a single product or market.
- CG Power and Industrial Solutions Limited develops cutting-edge products and solutions thanks to its strong R&D capabilities. This keeps the company ahead of competitors and in the lead.
- Strong brand equity: CG Power and Industrial Solutions Limited is well-known in India and abroad. This boosts the company's image and attracts customers and investors.

Weaknesses:

Some weaknesses:

- ❖ High debt: The company's high debt-to-equity ratio strains its finances and limits its growth and investment.
- ❖ Dependence on few clients: CG Power and Industrial Solutions has a high dependency on a few clients for its revenue, making it vulnerable to the loss of these clients or their business downturns.
- ❖ Regulatory challenges: The company operates in a highly regulated sector and is subject to changes in regulations, which may increase its operating costs and decrease its profitability.

- ❖ Governance issues: The company has faced a number of governance issues in the past, including financial irregularities and lack of transparency. This has led to a loss of investor confidence in the company.

Opportunities:

Some possibilities:

- ☐ International expansion: CG Power and Industrial Solutions are present in over 70 countries, but there is a huge untapped market for electrical equipment, systems, and services. It can explore emerging markets and expand globally.
- ☐ Renewable energy demand is rising due to climate change concerns. Electrical engineering expertise allows CG Power and Industrial Solutions to innovate in renewable energy.
- ☐ CG Power and Industrial Solutions can provide charging infrastructure, energy storage, and power management systems as electric vehicle demand rises.
- ☐ R&D: CG Power and Industrial Solutions has a history of power sector innovation and invests in R&D. The company can meet customer needs by focusing on R&D.

Threats:

Threats include:

- ➔ Intense competition: CG Power and Industrial Solutions may face market share threats from established electrical engineering companies.
- ➔ Supply chain disruption: CG Power and Industrial Solutions sources raw materials and components from a complex global supply chain. Geopolitical or natural disasters that disrupt this supply chain could hurt the company's operations and finances.
- ➔ Technological advancements: The electrical engineering industry is rapidly changing, and new technologies may make CG Power and Industrial Solutions' products and services obsolete. Failure to adapt can hurt the company's market position and finances.

Competitive Analysis:

In the markets for electrical engineering, power generation, transmission, and distribution, CG Power and Industrial Solutions Limited has to deal with competition from companies in the United States and other countries. Here are three of its biggest rivals and how they compare to CG Power:

- ★ Siemens is a multinational company that works in many different fields, such as energy, healthcare, and transportation. Siemens makes and sells transformers, switchgear, and control systems, among other things, for the power generation and distribution market. Siemens runs its business in India through Siemens Limited, a public company. In

2021-22, Siemens Limited made INR 12,779 crores, which is more than CG Power, which made INR 5,364 crores during the same time period. But CG Power is better known in its main market, India, where it has a bigger presence.

- ★ ABB: ABB is a multinational Swiss-Swedish company that works in the power, automation, and robotics industries. ABB makes transformers, switchgear, and control systems for the power industry. ABB works in India through the company ABB India Limited, which is a public company. In 2021-22, ABB India Limited made INR 5,871 crores, which is about the same amount as CG Power. But CG Power has a wider range of products and services and a stronger presence in the Indian market.
- ★ Bharat Heavy Electricals Limited (BHEL): BHEL is a public sector company that works in the power, industry, and transportation sectors. In the power industry, BHEL makes turbines, generators, and boilers. BHEL competes with CG Power in the transformer and switchgear markets for electrical equipment. In 2021-22, BHEL's income was INR 17,817 crores, which is a lot more than CG Power's income. But most of BHEL's income comes from government contracts, while CG Power's income comes from a wider range of sources.

Conclusion:

Based on the analysis, CG Power and Industrial Solutions Limited has a strong brand image, a variety of business segments, and a long history of coming up with new ideas. But it has problems like a lot of debt, bad financial performance, and a lot of competition in its field. To deal with these problems, the company can focus on lowering its debt through strategic sales, making its operations more efficient, and growing its presence in emerging markets. It can also look for opportunities in areas like electric vehicles and renewable energy, which are expected to grow a lot in the coming years. Overall, CG Power and Industrial Solutions can use its strengths to take advantage of opportunities and protect itself from threats. It can also fix its weaknesses to grow and make money in the long term.