CG Power and Industrial Solutions Limited
Registered Office:
CG House, 6th Floor, Dr Annie Besant Road, Worli, Mumbai 400 030, India
T: +91 22 2423 7777 F: +91 22 2423 7733 W: www.cgglobal.com
Corporate Identity Number: L99999MH1937PLC002641

Smart solutions.
Strong relationships.

Our Ref: COSEC/060/2023-2024

04th July, 2023

By Portal

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

The Assistant Manager – Listing
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra-Kurla Complex
Bandra (East)
Mumbai 400 051

Scrip Id : CGPOWER

Dear Sir/Madam,

Sub: Annual Report for the Financial Year 2022-23 and Notice convening the 86th Annual General Meeting of the Company.

Ref.: Intimation regarding the schedule of AGM vide ref. no. COSEC/027/2023-24 dated 9th May, 2023.

With reference to the captioned, we wish to inform you that the 86th Annual General Meeting ("**AGM**") of the Company is scheduled to be held on **Thursday, 27th July, 2023** at **03:00 p.m. (IST).** Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report for the financial year 2022-23 along with the Notice convening the AGM of the Company are enclosed. These are also available on the website of the Company i.e. www.cgglobal.com .

The AGM will be held through Video Conference/ Other Audio Visual Means in accordance with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India.

Request you to kindly take the above information on record.

Thanking you,

Yours faithfully,
For CG Power and Industrial Solutions Limited

SANJAY KUMAR CHOWDHARY
Digitally signed by SANJAY KUMAR CHOWDHARY
Date: 2023.07.04 19:35:13 +05'30'

Sanjay Kumar Chowdhary
Company Secretary and Compliance Officer

Encl: as above

Smart solutions.
Strong relationships.

CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

Annual Report 2022-23

Contents

Seeding the future

Leveraging the strength of our balance sheet and financial position, we are approaching the future with renewed confidence and conviction. At CG, we are seeding the future.

The past stands reconciled. The present optimised. Time now to seed the future.

Yes, at CG, we are now seeding the future. A future of immense potential. To engineer better, to manufacture leaner, to sell across more, to invent faster, to retain and allocate more. In a world striving to add efficiency, comfort and predictability; capital goods as well as CG ought to rise to the occasion.

Responding to the opportune landscape, we are expanding our manufacturing capacities for motors and transformers both. Learning from our recent exploration of operational excellence, we are blending debottlenecking and greenfield expansion both to achieve higher capital efficiency.

Furthering our gains in market share and customer confidence, and on the back of added capacities, we are heading to sell more in the global markets. Adding impetus to our in-house research and development, we are exploring technological collaborations to fast forward our approach to newer and bigger opportunities.

The World of CG

A Murugappa Group Company

85+

CG is an 85+ years old Company

17

CG's manufacturing facilities in India

CG's operations are organised under the following two business divisions

Industrial Systems

Motors & Drives, Railways

Power Systems

Transformers, Switchgears & other allied products

CG's operating subsidiaries are:

Drives & Automation, Europe

CG Adhesive Products Limited, India

Core Strengths

Market Leader

Market leader and volume player in Motors business

Diversified Products

Diversified product portfolio with complete range for Power Transmission and Distribution sub-station

Excellent Reach

Excellent reach with loyal Channel Partners

Customised Solutions

Lean cost structure and capability to serve customised solutions to customers

Expansion

Proposed expansion in Motors and Transformers to give further economies of scale

Manufacturing Facilities

State-of-the-art manufacturing facilities

HT Motors Unit, Bhopal

Growth Drivers

Industrial Systems: Motors & Drives

Accelerated Urbanization and Industrialisation

Revival of Capex (PLI, Railways, etc.) cycle, rapid urbanization and increasing automation are expected to drive domestic demand for industrial motors by ~8% per annum for next 3-5 years, as per IEEMA

Energy efficiency focus

Focus on energy efficiency will drive demand for IE3 & IE4 motors. Growth in renewable energy and stricter compliance norms will drive growth in specific industrial motors

Electric Vehicles

Faster and wider adoption of Electric Vehicles (EV) will open new product segment of EV motors and controllers

Government's Infrastructure Push

The Government of India's infrastructure push with a massive ₹ 10 lakh Crore capital allocation will open enormous growth opportunities for CG

Exports Market

Company's renewed focus on mining growing global opportunities and leverage China + 1 strategy of global OEM will aid sustained growth

Growth Drivers

Industrial Systems: Railways

100% Route Electrification

Indian Railways (IR) plans to achieve 100% railway route electrification by 2024-25

Urban mass transport

There is a rapid increase in demand for urban mass transportation systems (EMU/ MEMU and Metro) in the country

Gati Shakti programme

IR plans to establish ~500 multi-modal cargo terminals under the 'PM GatiShakti' programme, with an estimated outlay of ₹ 50,000 Crore in four-five years

Growth Drivers

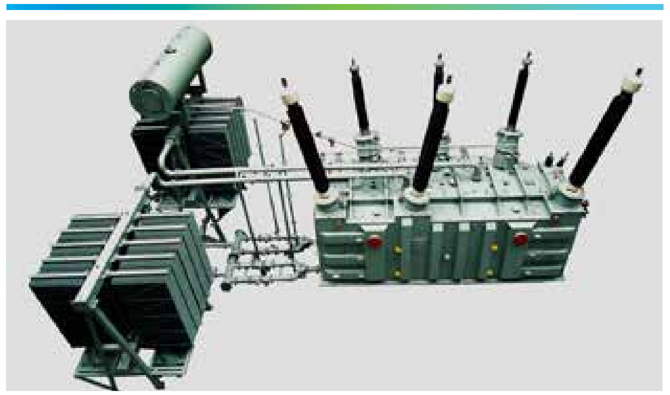
Power Systems

Renewable Energy

Planned Installation of 523 GW renewable power by 2030 opens EHV Switchgear business potential worth ₹ 300 Crore.
MV Switchgear with dry air/ nitrogen to provide a greener alternate to SF6 gas switchgears

GIS Substations

Power Utilities' GIS substation projects in urban areas are increasing by 30%, thereby opening business potential worth ₹ 1,000 Crore



METRO Projects

Various metro projects planned in more than 40 cities offer business potential worth ₹ 600 Crore. Traction station deployments in dedicated freight corridors open business potential worth ₹ 200 Crore

Power Transformers

Tariff Based Competitive Bidding (TBCB) projects worth ₹ 200,000 Crore are expected in the next 5 years

Revamped Distribution Sector Scheme (RDSS)

As on November 2022, RDSS proposals worth ₹ 189,000 Crore cleared, translating into business potential worth ₹ 1,000 Crore

Data Centres

Accelerated digitalization coupled with on-shoring of data storage regulation are driving massive investments in data centres, subsequently opening business potential worth ₹ 300 Crore

Service Business

Long term service contracts, spare modules for older installations and life assessment and enhancement programs for supplied material open high margin service business opportunity

Export Business

Retrofit business opportunity worth ₹ 2,500 Crore in export market

Railway Business

Railway target 100% electrification by 2025. Modernization of Railway station translating into business potential worth ₹ 300 Crore

Chairman's Letter

Dear shareholders,

Over the last few years, I believe that we have successfully overcome the phase of addressing legacy issues. From grappling with severe financial constraints and mounting debts, we have transformed into a debt-free entity. Our progress is exemplified by our ability to not only meet the needs of our employees and vendors but also fund our future capital expenditure through internal accruals. We have overcome existential challenges and achieved remarkable growth in both revenue and profitability for the second consecutive year.

The resurgence, within just nine quarters, in CG's performance signifies the strength, determination, prudence and governance of both the Murugappa Group's Tube Investments and CG. I take great satisfaction in these initial results, and I wholeheartedly thank all stakeholders, including our Board, Management, Staff, Customers, and Suppliers for their contribution.

We now stand at the cusp of a new era. We look towards the future with renewed vigour and confidence as the efforts that have propelled our recent success have also laid a solid foundation for a promising future.

The external environment continues to be supportive, with a healthy flow of enquiries and orders in both our operating segments – Industrial Systems and Power Systems. The Government segment's demand is expected to increase during the next capital expenditure cycle, while the softening of commodity prices and gradual easing of inflation bode well for the future.

In line with our future growth strategy, we are initiating the implementation of three principal pillars: (1) expansion of capacity, (2) enhanced focus on exports, and (3) accelerated technological advancements. We believe that these pillars are complementary and will fuel the next phase of our growth.

The capacity expansion pillar aims not only to debottleneck and modernize existing facilities but also to add new capacity. Plans have been drawn up to substantially expand the capacity across Ahmednagar, Goa, Bhopal and Malanpur plants. These projects would involve an aggregate outlay of around ₹ 400 Crore over the next two years.

For the second pillar, we are developing a detailed strategy that lays out the specific geographies, defines the product offerings, and determines the go-to-market strategy. We are confident that we can increase the revenue contribution from exports from 5% to 20% over the next 4-5 years.

The third pillar is focused on accelerated technological advancement. Our robust R&D mechanism has kept us technologically relevant over the years and has actively worked on future products & technologies. We continue to strengthen our R&D efforts and explore collaborative partnerships to augment our internal efforts.

I am pleased to announce that CG has already made its first dividend pay-out since the recent change in ownership. I express my gratitude for your continued trust & patronage and invite you to partner with us in co-creating a more diverse, global, and competitive CG.

Thank you

Warm regards,

Vellayan Subbiah
Chairman

“We now stand at the cusp of a new era. We look towards the future with renewed vigour and confidence as the efforts that have propelled our recent success have also laid a solid foundation for a promising future.

MD's Message

Dear fellow shareowners,

You would be happy to see the all-round performance recorded by your Company in the fiscal year ended March 2023. Over the last nine quarters, we have sequentially navigated through the phases of stabilisation, turnaround, and growth successfully and we are now taking steps for the next phase of consolidation, expansion, and profitable growth.

FY23 proved to be a year of growth moderation for economies worldwide including India. Geo-political challenges, mounting inflation, increasing interest rates, heightened and volatile commodity prices, strained supply chains - economies had to navigate through a multitude of challenges. In this backdrop, India deftly manoeuvred its march forward to appear once again as the fastest growing major economy. The growth was aided by a slew of factors including near universal vaccination, strong performances from manufacturing, agriculture and services sectors, encouraging exports growth, government's infrastructure push and a rebound in MSME sector.

Coming to our Company's performance, we continued to build on our efforts towards operational excellence, lean manufacturing, and cost, time, and resource optimisation. In the backdrop of heightened volatility in commodity prices, we sharpened our focus on margin protection and a favourable product mix. The results of these companywide initiatives are visible in our combined as well as divisional performances. We chalked out and started some debottlenecking exercises aimed at releasing added capacities and increased throughputs.

On Standalone basis, revenue and PBT before exceptional items recorded in FY23 is the highest in the last 11 years. All the businesses grew significantly over the last year with good margins.

Standalone revenue for FY23 was higher at ₹ 6,580 Crore, recording a growth of 28% over FY22. Profit before tax reached ₹ 927 Crore as compared with ₹502 Crore in FY22. Margins were higher on account of volume growth, higher sales realization, procurement efficiencies, and higher other income. ROCE for FY23 was 39% as against 27% in FY22. The free cash flow generated for the year was ₹ 749 Crore. Order intake for FY23 was ₹ 7,828 Crore. Order book on hand as on 31 March 2023 aggregate to ₹ 4,319 Crore.

Consolidated revenue for FY23 was higher at ₹ 6,973 Crore, recording a growth of 27% over FY22. Profit before tax reached ₹ 950 Crore as compared with ₹ 504 Crore in FY22. Margins were higher on account of volume growth, higher sales realization, procurement efficiencies, and higher other income. ROCE for FY23 was 62% against 45% in FY22. The free cash flow generated for the year was ₹ 802 Crore. Order intake for FY23 was ₹ 8,451 Crore.

Our Industrial Systems (including Railways BU) revenue and PBIT grew by 25% and 61% respectively while order intake grew by 13% to reach ₹ 4,963 Crore for FY23. Unexecuted order book as of 31 March 2023 stood at ₹ 2,040 Crore. Capacity utilisation for Motors Division was ~85% for the year.

At consolidation level, our Industrial Systems (including Railways BU) revenue and PBIT grew by 25% and 63% respectively while order intake grew by 13% to reach ₹ 5,388 Crore for FY23. Unexecuted order book as of 31 March 2023 stood at ₹ 2,178 Crore.

Our Power Systems revenue grew by 33% while PBIT growth for the year was 57%. Order intake grew by 36% to reach ₹ 3,033 Crore for FY23. Unexecuted Order book as of 31 March 2023 stood at ₹ 2,485 Crore, recording a 48% growth over the previous year.

At consolidation level, our Power Systems revenue grew by 33% while PBIT growth for the year was 63%. Order intake grew by 33% to reach ₹ 2,865 Crore for FY23. Unexecuted Order book as of 31 March 2023 stood at ₹ 2,279 Crore, recording a 46% growth over the previous year.

To summarise, FY23 was a record-breaking year. The Company built on its strengths and delivered across financial and operational parameters. Several landmarks were achieved - highest ever sales by the Motor Division, highest ever sales by the Railways Division, and highest ever order booking for the Transformer Division. The Company declared and paid interim dividend, marking its return to dividend pay-out after a gap of 7 years.

₹6,580 Crore

Higher Standalone revenue for FY23, recording a growth of 28% over FY22

₹927 Crore

Profit before tax reached as compared with ₹ 502 Crore in FY22.

₹7,828 Crore

Order intake for FY23

₹4,319 Crore

Order book aggregate on hand as on 31st March 2023

The Company prepaid all its remaining term loan of ₹ 100 Crore, redeemed the NCDs outstanding and became debt-free. India Ratings upgraded the Company's long-term rating to 'AA' and the short-term rating to 'A1+'.

We have drawn up plans to substantially expand the manufacturing capacity of Motors at our Ahmednagar and Goa plants, the transformer manufacturing capacity at Bhopal and Malanpur plants are also being expanded. These projects would involve an aggregate outlay of around ₹ 400 Crore, to be incurred over the next two years. Your Company is confident of funding these out of internal accruals.

We have entered FY24 with a forward strategic orientation, one which prepares and steers us for the next 4-5 years. Three pillars of this strategic roadmap are capacity expansion, exports focus and operational excellence. A two-pronged approach henceforth would enable us to further fortify our core strengths at one hand while simultaneously seeding the future. The approach is being backed by an expanded R&D, one which intensifies our in-house research and development activities while also exploring collaborative approach of technology access for a faster and wider access to market opportunities including global destinations.

The strength of a healthy balance sheet coupled with a predictable free cash flow regime empowers us to pursue future growth with confidence.

> Our Power Systems revenue grew by 33% while PBIT growth for the year was 57%. Order intake grew by 36% to reach ₹ 3,033 Crore for FY23. Unexecuted Order book as of 31 March 2023 stood at ₹ 2,485 Crore, recording a 48% growth over the previous year.

To conclude, I would like to place on record our sincere appreciation to the management, staff, vendor, and channel partners for their steadfast commitment to the continued growth and success of CG. On behalf of the Board and the Management, please accept our sincere thanks, dear shareowners, for your continued trust in CG.

Let us seed the future, together!

Warm regards,

Natarajan Srinivasan
Managing Director

Board of Directors

Mr. Vellayan Subbiah
Chairman

Mr. Vellayan Subbiah is a Bachelor of Technology in Civil Engineering from IIT Madras and holds a Master's in Business Administration from the University of Michigan. He has over 2 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. He was a recipient of the Extraordinary Entrepreneur of the Year - TiECON 2014 Award.

Mr. Natarajan Srinivasan
Managing Director

Mr. Natarajan Srinivasan is a commerce graduate, a Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has more than 38 years of Corporate work experience spanning across Finance, Legal, Projects and General Management functions. He started his career with BHEL. Before joining the Company, he has served the Murugappa Group for 15 years, where he held several senior positions - Director in Murugappa Corporate Board, Group Finance Director, Lead Director-Financial Services Business, Executive Vice Chairman and Managing Director of Cholamandalam Investment and Finance Company Limited.

He also served the Boards of Tube Investments of India Ltd., Cholamandalam MS General Insurance Company Ltd. and TI Financial Holdings Ltd.

In December 2018, the Government of India appointed Mr. Srinivasan on the Board of Infrastructure Leasing and Financial Services Ltd. ("IL&FS"). He held the directorship in IL&FS till 28^{th} February 2023. He is currently on the Boards of Godrej Agrovet Limited and Computer Age Management Services Limited as an Independent Director.

Mr. M A M Arunachalam
Non-Executive Director

Mr. M A M Arunachalam also known as Arun Murugappan holds a Master in Business Administration from the University of Chicago, USA. He is currently the Executive Chairman of Tube Investments of India Limited He is also the Chairman of Parry Enterprises India Limited and 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 amongst others.

Ms. Sasikala Varadachari
Independent Director

Ms. Sasikala Varadachari holds Masters in Economics from Madras University and is also a Chartered Associate of Indian Institute of Bankers (CAIIB). She holds a Certificate in Financial Markets from Securities Institute of Australia, Melbourne.

She was associated with State Bank of India (SBI) group since 1977 and has held several important portfolios in SBI including, Chief Executive Officer of SBI - Tel Aviv, Israel and General Manager – Shares & Bonds, Corporate Centre. She retired from SBI as Chief General Manager, Strategic Training Unit, Corporate Centre.

She is a director on the Boards of Tube Investments of India Limited, Sundaram-Clayton Limited, Sundaram-Clayton DCD Limited, TVS Motor Services Limited and Cholamandalam Securities Limited.

Mr. P S Jayakumar
Independent Director

Mr. P S Jayakumar is Master in Commerce, University of Chennai, a Chartered Accountant from the Institute of Chartered Accountants of India, MBA graduate from XLRI Jamshedpur and Gurukul Chevening Scholar, London School of Economics and Political Science.

He started his career as entry level Management Associate in Citibank and went on to become the Co-Head-Citibank, India with the responsibility of consumer banking. Next, he co-promoted two companies, namely VBHC Value Homes and Home First India. During the years 2015-2019, he was the Managing Director of Bank of Baroda.

Currently, he is the Senior Advisor at India Advisory Board, Master Card, India and Board of Governor of Indian Institute of Corporate Affairs.

He is also on the Board of TMF Holdings Limited, Tata Motors Finance Limited, Emcure Pharmaceuticals Limited, HT Media Limited, Adani Ports and Special Economic Zone Limited, Northern ARC Capital Limited and JM Financial Limited.

Mr. Sriram Sivaram
Independent Director

Mr. Sriram Sivaram holds a B.Tech from IIT, Madras, a 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. These include Vice President of Global Sales and Marketing for Active Power Inc; President and Chief Technology Officer at Catalyst Power (an ABB Subsidiary); Business Unit Leader – Ancillary Equipment Group at American Power Conversion Corporation, (APC), prior to which he also served as its Country Manager – South Asia and established APC's subsidiary in India. He is currently the Joint Managing Director of Madras Engineering Industries Pvt. Ltd.

Mr. Sriram has a proven track record of turning around loss-making business, ramping up new businesses for organizations, integrating and consolidating, existing business for better profitability, establishing new products globally and building capability in organizations to deliver products to customers worldwide.

Board of Directors

Mr. Kalyan Kumar Paul
Non-Executive Director

Mr. Kalyan Kumar Paul is the Managing Director of TI Clean Mobility Private Limited, a Wholly owned Subsidiary of Tube Investments of India Limited.

He is a Bachelor of Science with Honours from Presidency College, Kolkata, and holds an MBA in Sales & Marketing from Indian Institute of Social Welfare and Business Management, Kolkata. He has also attended Advanced Management Program (AMP) in Harvard, USA. He has over three decades of rich experience in managing domestic and international operations, sales and marketing across diverse industries. Mr. Paul has been in various roles with companies like Standard Pharmaceuticals Ltd, Kolkata, Shaw Wallace and Co. Ltd, Mumbai, TI Cycles of India, Chennai, CEAT Ltd, Mumbai, JK Tyres Ltd, Delhi.

He was the President of TI Cycles of India and Tube Products of India, a unit of Tube Investments of India Limited before assuming the current role.

Mrs. Vijayalakshmi R Iyer
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. Under her leadership, Bank of India received the 'Best PSU Bank' award for overall growth in performance from Dun & Bradstreet and was recognised as the 'Second Most Trusted Brand among the PSU Banks' by the Economic Times. She also served as Member (Finance & Investment) at IRDAI from 2015 to 2017 where she played a significant role in the introduction and amendment of various regulations related to, inter alia, finance and accounts, corporate governance, mergers and acquisition, registration of new insurance companies and exposure of management.

Corporate Information

Chairman
Vellayan Subbiah

Managing Director
Natarajan Srinivasan

Non-Executive Directors
M A M Arunachalam
P S Jayakumar
Sasikala Varadachari
Sriram Sivaram
Vijayalakshmi R Iyer (w.e.f. 24 September 2022)
Kalyan Kumar Paul
Shailendra Roy (upto 18 September 2022)

Chief Financial Officer
Susheel Todi

Company Secretary
P Varadarajan

Auditors
S R B C & CO LLP

Bankers
State Bank of India

Registered Office
6th Floor, CG House,
Dr. Annie Besant Road, Worli,
Mumbai 400 030

Ten Years' Highlights

STANDALONE | CONSOLIDATED

	2014 Standalone	2014 Consolidated	2015^ Standalone	2015^ Consolidated	2016^ Standalone	2016^ Consolidated	2017^ Standalone	2017^ Consolidated	2018^ Standalone	2018^ Consolidated	2019^ Standalone	2019^ Consolidated	2020^ Standalone	2020^ Consolidated	2021^ Standalone	2021^ Consolidated	2022*** Standalone	2022*** Consolidated	2023 Standalone	2023 Consolidated
EARNINGS																				
TOTAL INCOME	8064	14207	4770	5961	4552	5761	5066	6042	5486	8313	5504	8040	3226	5158	2568	3075	5204	5521	**6659**	**7040**
GROSS SALES AND SERVICES	7994	14058	4590	5867	4277	5649	4812	5975	5106	8169	5356	7998	3169	5110	2526	2964	5159	5484	**6580**	**6973**
NET SALES AND SERVICES	7571	13632	4297	5573	3952	5323	4407	5568	5008	8070	5356	7998	3169	5110	2526	2964	5159	5484	**6580**	**6973**
EBIDTA*	687	761	347	603	451	542	513	510	677	6	447	263	160	44	156	219	642	671	**1016**	**1061**
PBT@	713	495	342	355	(1139)	249	129	80	(35)	(1082)	(3544)	(3647)	(1548)	(1400)	824	1427	742	752	**983**	**1002**
PAT**@	521	244	345	369	(1184)	185	140	72	(13)	(1092)	(2658)	(2778)	(1480)	(1317)	689	1296	627	629	**785**	**796**
DIVIDEND PAY-OUT	75	75	50	50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**229**	**229**
WHAT THE COMPANY OWNED																				
GROSS BLOCK (INCL. CAPITAL WIP)	1662	6429	2357	7114	2186	4331	2145	3139	2193	3526	1489	3326	1508	2686	1473	2283	1526	2234	**1599**	**2106**
NET BLOCK (INCL. CAPITAL WIP)	823	3459	1625	4237	1387	2677	1315	1766	1278	2350	953	2053	898	1517	811	1166	792	1117	**800**	**1009**
INVESTMENTS	826	299	1166	436	483	231	446	209	1029	145	899	2	15	2	304	2	343	41	**303**	**1**
NET CURRENT ASSETS	1810	1489	2840	2171	2282	1556	1221	402	(493)	(1023)	(1322)	(2172)	(2079)	(4030)	(256)	(1424)	436	(408)	**931**	**916**
NET ASSETS EMPLOYED	3481	5276	5547	6711	4205	4475	4797	3904	5059	4310	755	84	(1121)	(2439)	874	(214)	1548	743	**2054**	**1947**

	2014 Standalone	2014 Consolidated	2015^ Standalone	2015^ Consolidated	2016^ Standalone	2016^ Consolidated	2017^ Standalone	2017^ Consolidated	2018^ Standalone	2018^ Consolidated	2019^ Standalone	2019^ Consolidated	2020^ Standalone	2020^ Consolidated	2021^ Standalone	2021^ Consolidated	2022*** Standalone	2022*** Consolidated	2023 Standalone	2023 Consolidated
WHAT THE COMPANY OWED																				
BORROWINGS	31	2396	65	2092	582	1528	1724	1892	2367	3529	2280	3414	1990	2757	945	1465	302	352	**3**	**0**
TOTAL LIABILITIES	2157	7172	1537	5789	2227	3521	3366	4105	4049	7669	4259	7672	3667	6543	2845	4470	2019	3209	**1788**	**2123**
NET WORTH OF THE COMPANY																				
SHARE CAPITAL	125	125	125	125	125	125	125	125	125	125	125	125	125	125	268	268	288	288	**305**	**305**
RESERVES & SURPLUS	3231	3519	4490	4183	4003	4551	4056	4047	3942	2427	1038	(587)	(442)	(2081)	766	(352)	1531	715	**2125**	**1485**
SHAREHOLDERS' FUNDS	3356	3644	4615	4308	4128	4676	4181	4172	4067	2552	1163	(462)	(317)	(1956)	1034	(84)	1819	1003	**2430**	**1790**
NET WORTH	3356	3644	4615	4308	4128	4676	4181	4172	4067	2552	1163	(462)	(317)	(1956)	1034	(84)	1819	1003	**2430**	**1790**
RATIOS																				
BOOK VALUE PER SHARE (IN ₹)	53.5	58.1	73.6	68.7	65.9	74.6	66.7	66.6	64.9	40.7	18.6	(7.4)	(5.1)	(31.2)	7.7	(0.6)	12.6	7.0	**15.9**	**11.7**
EARNINGS PER SHARE (BASIC) (IN ₹)	8.23	3.86	9.40	5.88	(17.53)	2.95	1.70	1.14	(1.28)	(17.43)	(42.76)	(44.33)	(23.61)	(21.01)	7.94	14.92	4.62	6.72	**5.18**	**6.35**
CASH EARNINGS PER SHARE (BASIC) (IN ₹)	10.01	8.67	5.33	8.95	6.82	4.67	5.42	3.82	7.46	12.22)	2.90	(2.60)	0.26	(3.89)	0.85	0.99	4.10	4.44	**6.45**	**6.80**
CURRENT RATIO	1.86:1	1.28:1	2.94:1	1.5:1	2.05:1	1.54:1	1.44:1	1.11:1	0.84:1	0.83:1	0.63:1	0.65:1	0.37:1	0.32:1	0.87:1	0.6:1	1.26:1	0.86:1	**1.54:1**	**1.44:1**
DEBT EQUITY RATIO	0	0.45:1	0:1	0.3:1	0:1	0.13:1	0.12:1	0.12:1	0.21:1	0.59:1	0.53:1	NA##	NA##	NA##	0.79:1	NA##	0.17:1	0.35:1	**0.00:1**	**0.00:1**
EBIDTA / NET SALES (IN %)	9.1	5.6	8.1	10.8	11.4	10.2	11.6	9.2	13.5	0.1	8.3	3.3	5.0	0.9	6.2	7.4	12.4	12.2	**15.4**	**15.2**
RETURN ON NET WORTH (IN %)#	15.53	6.70	12.76	0.5	(26.45)	(8.10)	2.55	12.20)	(1.98)	45.90)	(230.39)	NA##	NA##	NA##	66.64	NA##	34.47	90.98	**32.32**	**53.77**
FIXED ASSETS TURNOVER RATIO (IN TIMES)	9.2	3.9	2.6	1.3	2.9	2.0	3.4	3.2	3.9	3.4	5.6	3.9	3.5	3.4	3.1	2.5	6.5	4.9	**8.2**	**6.9**
NO OF PERMANENT EMPLOYEES	5529	9433	4024	7854	3633	7233	3421	6288	3377	5655	3382	5524	2802	3482	2570	2794	2586	2774	**2771**	**2968**

* EBIDTA = Earnings before Interest, Depreciation, Amortisation, Tax, Exceptional Items including other income
** Profit for continuing business after Tax, Minority Interest and Share of Associate Companies for Consolidated Statement of Profit and Loss
*** Figures of FY2022 have been regrouped / restated, wherever necessary
@ After exceptional items
# On Total Operations
^ Revised/Recasted
Net Worth and Capital Employed are negative, therefore ratio is not calculated.

Management Discussion and Analysis

Management Discussion and Analysis

ECONOMIC OVERVIEW

GLOBAL 'SOCIO-ECONOMIC' LANDSCAPE

The year gone by *(calendar year 2022 for the world and fiscal year 2022-23 for India)* was a year of continued volatility and steadfast resilience. On the verge of the two-year-long pandemic that crippled lives and livelihood, mankind's hope of a somewhat stable year met with a catastrophic Russia-Ukraine conflict in February 2022. The return of war to Europe after almost nine decades post the second world war spiraled into a truly global event with widespread financial, energy and technological sanctions against Russia. Geographic significance of strife-affected areas aggravated constraints on already challenged global supply chains, especially for food, fertilizer and energy.

With easing out of pandemic restriction from the vast swathes, except for certain regions in China, the global demand situation steadily improved throughout 2022. Concurrent supply bottlenecks fueled inflation to a record high. Consequent policy response of increasing interest rates applied further brakes to global economic recovery.

A severe economic crisis in Sri Lanka and Pakistan, civic unrest in Iran, unprecedented public push back against zero-Covid policy in China and heightened political instability in the United Kingdom left their own mark on the global economic landscape.

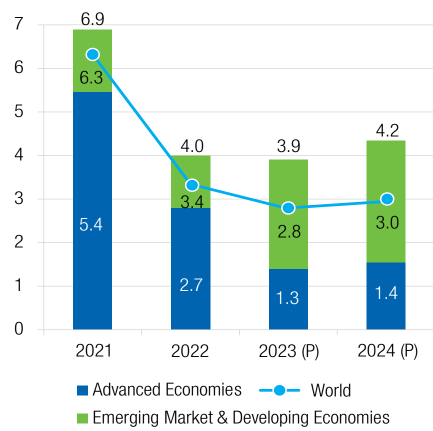
Defying the widespread global trends with an astute management of internal as well as external affairs, India continued to remain the silver lining of economic recovery. Coincidentally, 2022 witnessed India gaining G-20 presidency with a responsibility of steering the world together on the path of economic and social development.

Global economic growth

The International Monetary Fund's latest (April 2023) World Economic Outlook **("WEO")** has estimated the world economic growth to have dropped down to 3.4% in 2022 from 6.3% in the previous year. Economic growth for Advanced Economies **("AE")** and Emerging Markets and Developing Economies **("EMDE")** are estimated to have slowed down to 2.7% (5.4% in 2021) and 4.0% (6.9% in 2021) respectively.

Taking cognizance of the recent financial sector turmoil, higher debt levels and continuation of Russia-Ukraine conflict, WEO has predicted further moderation in 2023 with economic growth for the world, AE and EMDE projected at 2.8%, 1.3% and 3.9% respectively.

Global Economic Growth Trend



Source: World Economic Outlook, April 2023, IMF

Switchgear Complex Admin Building, Nashik

SOCIO-ECONOMIC LANDSCAPE: INDIA

Insulating itself to a greater extent from global volatilities and uncertainties, India remained steadfast in pursuing its 5-trillion-dollar economy dream. Its fiscal year 2022-23 (FY23) benefitted from near universal vaccination that helped contact-intensive sectors such as trade, hospitality and transport stage a comeback. Return of migrant labour to construction activities helped housing, infrastructure and industrial segments to speed up capital formation.

The Central Government's amped up stance of capital expenditure got paired with a healthy growth in private consumption. Exports growth continued its FY22 momentum in the first half of FY23. Country's MSME (Micro, Small and Medium Enterprises) sector witnessed a very healthy credit offtake.

The strengthening of balance sheets of the Corporates and a robust, well capitalized banking sector fortified the foundation for the next round of Capex cycles across manufacturing, infrastructure and logistics sectors. Continued investments in public digital platforms coupled with recent enablers such as PM GatiShakti, the National Logistics Policy and the Production linked Incentive schemes augur well for driving a sustained growth in manufacturing sector.

The momentum of the previous fiscal (FY22) helped sustain accelerated growth during the first half of FY23. The aftereffects of external factors, European conflict and unprecedented inflationary pressure across advanced economies, however accentuated inflationary pressures as well as slowdown in export growth during the second half of FY23.

India - GDP growth

In FY23, the Indian economy once again demonstrated its inherent resilience and underlying strengths to emerge as the fastest growing major economy in the world. In spite of a gradual moderation in the second half, IMF's April 2023 WEO estimated the Indian Economy to have recorded a healthy growth rate of 6.8%.

Hailing India as the real bright spot of global growth in the near future too, WEO estimates suggest that the country will continue to be the fastest growing major economy in FY24 and FY25 too with projected growth rates of 5.9% and 6.3% respectively.

World Class Manufacturing Plant. The Global Solution in Electric Motor, Ahmednagar

INDUSTRY OVERVIEW

INDUSTRIAL SYSTEMS

In the country's march forward to become a 5-trillion-dollar economy, a key underlying theme is the manufacturing boom. Three factors supporting this underlying theme are:

- **Internal strengths:** India's working age population of nearly 800 million with diverse skill and globally competitive wage structure makes the country a natural fit for becoming the next manufacturing back-office of the world. The rapid push towards bridging the infrastructure gap is steadily addressing the logistics bottleneck that long crippled our manufacturing and exports potential. Recent rationalization of corporate taxes coupled with a slew of initiatives such as Make in India, Atmanirbhar Bharat, Production Linked Incentive **("PLI")** scheme and a sharp focus on improved ratings on ease of doing business are all set to attract not only global manufacturing but also manufacturing investments in the country.

  Geo-political stability, world-leading economic growth, substantial domestic demand and growth aspiration and appetite aptly demonstrated by the central leadership are all fueling steady growth in the country's manufacturing sector.

- **External realignments:** The frailty of a concentrated global supply chain that emerged and strengthened over the previous two-three decades got aptly exposed in the run up to and aftermath of COVID-19 pandemic. Recent Russia-Ukraine conflict further emphasized the advantage of insulating supply chains from conflict prone regions. India's rich legacy of key multinational companies manufacturing in India for several decades strengthens its credentials.

  At a time when Corporations worldwide are shifting towards the China + 1 strategy, India, with its vast pool of skilled white collar and blue collar workmen, globally competitive technological ecosystems and wage productivity stand to gain significantly from above trends.

- **Timing:** Much before the frailties of concentrated supply chains got exposed, the world's fastest growing economy was already preparing for a manufacturing boost. With making its intent clear to the world with the global roll out of the Make in India 1.0 campaign, the country continued to make massive public investment towards large scale infrastructure creation. Backing it up with aforementioned reforms, India is fast welcoming global manufacturers on its fertile turf.

In the Union Budget 2023–24, the government increased capital expenditure outlays by 33 per cent to ₹ 10 lakh Crore from ₹ 7.5 lakh Crore in FY23. The Budget's focus on infrastructure development through capital expenditure is expected to crowd in private investment and strengthen job creation and demand.

Not surprising then, the capital goods sector is dominating the monthly growth chart of industrial production activity in FY23. In the 11-month period (Apr22- Feb23) for which updates were available at the time of finalising this report, Capital Goods production recorded the highest and second highest growth rates 7 times and 3 times respectively.

Monthly growth rates of industrial production according to use-based classification

UBC	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23
Primary goods	10.3	17.8	13.8	2.5	1.7	9.5	2.1	4.8	8.4	9.6	6.8
Capital goods	12.0	53.3	28.6	5.1	4.3	11.4	(2.9)	20.7	7.8	10.7	10.5
Intermediate goods	7.1	17.5	10.5	3.7	1.3	1.7	(2.3)	3.5	0.6	0.5	(0.3)
Infrastructure/ construction goods	4.0	18.4	9.4	4.8	3.0	8.2	1.7	14.3	9.1	9.8	7.9
Consumer durables	7.2	59.1	25.2	2.3	(4.4)	(5.5)	(18.1)	5.0	(11.0)	(8.2)	(4.0)
Consumer non-durables	(0.8)	1.4	2.9	(2.9)	(9.0)	(5.7)	(13.0)	10.0	7.6	6.3	12.1

Source: Ministry of Statistics and Program Implementation

MOTORS

Between April - December 2022 (9-month period), FHP, LT and HT motors recorded a growth of -2.6% (negative), 3% and 38% respectively, as per the latest IEEMA report of 6 April 2023. In our own assessment, lower demand will lead to de-grow FHP motor segment. However, LT motors will continue to grow on the back of growth in ethanol, bio-gas and infrastructure projects. The fastest growth is pegged to be witnessed in HT motor segment, duly aided by aggressive government investment in water projects such as Jal Jeevan Mission and National River Linking Project.

RAILWAYS

Having completed a glorious 170-year long journey in 2023, the Indian Railways is the second biggest rail network in the world with over 108,000 km of running lines. Leveraging its multi-gauge assets, it transports passengers and cargo across the length and breadth of the country, traversing plains, forests, deserts and snowy mountains.

Railway transportation is viewed as one of the central pivots of the grand vision of making India a ten-trillion-dollar economy by 2030. Consequently, the Indian Railways is undertaking steps for creating an enabling physical and social infrastructure that aids economic growth, ease of living, sustainable developments and reducing emissions.

Accelerating its modernisation drive in a mission mode, the vast legacy network of the Indian Railways is undergoing an inside-out transformation in recent times. The National Rail Plan, Vision 2024, aims to speedily implement critical projects – multi-tracking of congested routes, universal route electrification, speed upgrades to 160 kmph for Delhi-Howrah and Delhi-Mumbai routes and 130 kmph on all other golden quadrilateral-golden diagonal **("GQ/GD")** routes, and elimination of all level crossings on the GQ/GD route – by 2024.

The Indian railways aims to harness and leverage indigenous technical capabilities in relevant fields of High Speed Railways **("HSR")** with a view to develop professional expertise across all aspects of HSR. It will also contribute to the development of HSR specific standards in India. 17 billion dollars has already been invested in introducing High Speed train network for operation of "bullet trains". This would modernise the rail network and make the railway industry globally competitive.

There is also a plan to introduce coaches made up of aluminium. These would be lightweight coaches, which would further reduce travel time.

Development highlights

- Aligning with "Made in India" initiatives for zero import of rail components
- 400 new Vande Bharat trains slated to be produced over the next 5-7 years
- 1st indigenously designed and developed hydrogen-fuelled train is slated to be rolled out by December 2023, 35 such trains to be operated on heritage and hill routes
- Rolling Stock Equipment & Components and Way Side Equipment (transformer, switchgears etc.) including indigenous TCAS/Kavach technology is slated to be implemented over 2,000 km of the network to increase capacity and ensure safety
- 100 PM-GatiShakti Cargo Terminals for multimodal logistics facilities to be built over the next three years
- Replacement of outdated Multi Cabin Mechanical Signalling System with modern Signalling System.
- Infrastructure spending includes an allocation of ₹ 31,850 Crore for new line projects, ₹ 30,749 Crore for track doubling, ₹ 4,600 Crore for gauge conversion, ₹ 17,296.84 Crore for track renewals and ₹ 27,482 Crore for the Eastern and Western Dedicated Freight Corridor projects
- Budgetary provision made for the manufacture of 1000 additional and smaller eight-car Vande Bharat EMUs, 25 hydrogen-powered trains and 150 air-conditioned EMUs
- A total of 1290 electric locomotives to be built at IR Locomotives production units and 55,000 newly designed wagons to be procured under public-private partnership **("PPP")** mode

POWER SYSTEMS

The overall generation (including generation from grid connected renewable sources) in the country has increased from 1110.458 BU during 2014-15 to 1624.158 BU during 2022-23, representing a growth of 4.87% CAGR during the period.

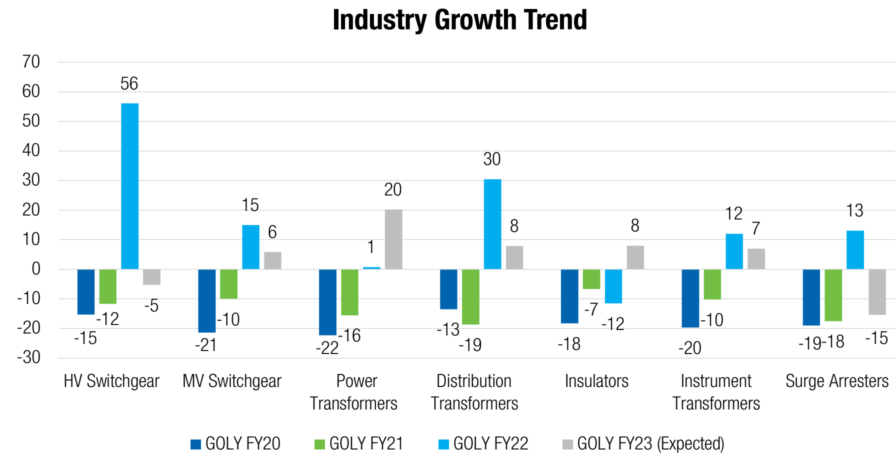
Y-o-Y growth for FY23 stood at 8.87% over 1491.859 BU generated during FY22. The growth was driven by an impressive 18.99% increase in Solar, Wind and other RES segments. Thermal category too recorded a healthy growth of 8.2% in FY23.

The electricity generation target (Including RE) for the year 2023-24 has been fixed as 1750 Billion Unit **("BU")**, corresponding to an annual growth of around 7.2%.

The Indian Power Sector is poised for high growth for a long period. Two major enabling shifts on the generation side are increasing share of power from renewable sources as well as of private sector entities. Transmission segment too is geared up for renovation of legacy lines and addition of new lines to aggregate and integrate generation from relatively smaller capacity renewable sources. Distribution side too is fast progressing towards necessary reforms and modernization.

The Central Electricity Authority **("CEA")** estimates the country's power requirement to reach 817GW by FY30. Share of renewable energy is pegged to increase from current 18% to 44% by FY30 which corresponds to an impressive 18.7% CAGR growth for the renewable segment. The Ministry of Power is geared up to increase the transmission target for renewable energy to 52GW by FY26 and 131GW by FY30 respectively. The central government has launched Revamped Distribution Sector Scheme of ₹ 3.04 lakh Crore till FY26. Expected procurement of MV Switchgear for the next three years is worth ₹ 3750 Crore for AIS, GIS RMUs and Automation.

160MVA, 220kV TRANSFORMER



BUSINESS SEGMENTS REVIEW

At CG Power and Industrial Solutions Limited **("CG")**, the business operations are spread across two business divisions:

Industrial Systems	Power Systems
Motors (LT/HT/FHP) & Stamping	Transformers
Drives & Automation	Switchgears
Railway Products	Turnkey Solutions
Commercial Products	

The Company has manufacturing facilities at Goa, Madhya Pradesh (Bhopal, Indore and Gwalior), and Maharashtra (Ahmednagar, Nashik and Aurangabad).

INDUSTRIAL SYSTEMS

Strengths

- Wide range of products and solutions sets CG Industrial Systems apart from its peers
- Technological competence backed by strong R&D and unmatched manufacturing capacity
- Possess requisite approvals and certifications to be a referred partner for customers across geographies and industries
- A forerunner in the indigenously developed EV Motors and Controllers for right from 3-wheeler to bus category
- CG's innovative 'Smart Motor' solution helps customers monitor motor operations and health remotely for preventive maintenance
- CG's brand "EMOTRON" is well accepted in India, Europe and Middle East
- The largest manufacturer of Low-Tension motors and the first company to indigenously develop and supply a complete range of IE2, IE3 and IE4 efficiency motors in India
- A pioneer in making motors for application in hazardous areas with a market share of more than 60%
- Re-launched Fast Moving Electrical Goods **("FMEG")** range of products in 2019
- Drives and Automation has its state-of-the-art R&D, design and development centres in Sweden and India along with two manufacturing facilities and solution providing teams in Germany and Netherlands

- A one stop solution provider for products of Electric Locomotives, CG is a strategic partner in technological upgrade and evolution for Indian Railways with state of the art manufacturing facilities approved by them
- CG is having strong foothold in the business of electric for self-propelled vehicles, Signalling Relay & Point Machines & Traction Machines
- CG Industrial System was the first to build business process automation on the digital platform way back in 2009
- The only Company to have a NABL accredited test laboratory for LV Motors testing up to 560kW as per IS/IEC 60034-2-1:2014 and IS12615 in India

Product Offerings

Motors		
Product	**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, EV Motors for e-mobility
Fractional Horse Power (FHP) Motors	0.02kW to 5.5 kW	Used for all general-purpose applications in 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 Zone1, Zone 2 or Class1 Div 1 and 2
Large Industrial Machines (HT Motors)	Upto 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

Drives & Automation	
Product	**Range**
Drives and Automation	Low voltage AC Drives (LV & MV), Soft Starters, Shaft Power Monitor, Solar Drives, PLC and HMI

Commercial Products	
Product	**Industry Application**
Pumps	Domestic and agricultural usage
Exhaust Fans / All-purpose fans	Industrial and domestic usage

Railway Products	
Product	**Range**
Signalling Relays	Neutral Line Relays, Track Relays, Baised Relays, Lamp Proving, Latch Relays, Slow in Action, Other Relays
Point Machines	Electric Point Machines, DC Series Motor for Electric Point Machines, DC Series Motors IP67 with 400 V ACI for Secondary drive for Electric Point Machines
Coach Application Products	BLDC Carriage Fan, Universal Carriage Fan
Control Panels for Loco and Coaches	Switch Board Panels for Locomotive – SB1, SB2, HB1, HB2, Cubicle-F, Filter Cubicle panels for loco, EDTS 355, SBC 184 and SBC 200 for coaches
Traction Machines	AC Traction Motors (Electric Loco, Diesel Loco, EMU/MEMU and DEMU), DC Traction Motors (Electric Loco, Diesel Loco, DEMU, DETC and SPIC), Traction Alternators (Diesel Electric Loco, DEMU, DETC and SPIC)
Traction Electrics	Electrics for Diesel Electrics tower Car, Self-propelled inspection car & diesel Electric Multiple Units
Propulsion System and Train Control and Management System	IGBT Based Traction, Auxiliary Converters for Locomotives, IGBT Based Composite Converter / Hotel load Converter, Propulsion System for EMU / MEMU, Train Control and Management System (TCMS), Vehicle Control Unit
Control Panels for Locomotives	Loco Panels for Electric Locomotive HB1, HB2, Filter Cubical

Drives & Automation – Europe

Besides India business, CG's industrial systems business also includes Drives & Automation - Europe. With a production unit in Sweden and Germany, the Sweden headquartered for European business, addresses 4 core markets namely Nordic, Germany, Netherlands, MEA through distributors and partners at multiple markets outside of the home markets. Together with key customers, the group is creating sustainable, energy efficient solutions, mainly focusing on four segment Marine, water and waste water, green energy power solution, material handling. With a worldwide partner network with inherent technical service capabilities, the business is supported by authorised service partners, distributors and 234 employees based out of Europe.

Business Performance

- With a view to expand our market focus and presence with respect to new avenues and segments, the Company added new Business Development Teams during the year. Dedicated Business Development Managers got deployed for Navy Defence, Oil & Gas; Textile, Paper & Plastic; Metal & Mining, Chemical & Pharma, and Cement & Infra segments and Railway for strategic planning, identifying opportunities in target markets, and prospecting for new customers to help grow the organization.
- Having received primary approval, the Company is currently pursuing final approval from the Indian Navy. With targeted production of 2 Carriers and 35 War Ships within the next 3 years, the Indian Navy is presenting a potential business opportunity worth ₹ 120 Crore for Motors and Drives.
- Discussion on rate agreement with large player in telecom for supply of 1000 motors for 5GW PV factory is under progress. The customer is building 5 Giga factories - Lithium-Ion, Green Hydrogen, Polysilicon & Semi-Conductors. The scope of the contract is to be replicated for all the 5 factories as well as customer's refineries.
- In a first, CG bagged a prestigious order for 6MW – 10 nos. HT Motors for NPCIL - Kaiga project. CG is the only Indian private player to get approval and order both from NPCIL. These motors are used for a very critical application inside the dome for reactor cooling pumps.
- Our discussion for a Strategic Partnership for Global supply has progressed well during the year. The customer is one of the world's largest oil field services companies with active interests also in O&G equipment manufacturing - oil drills, compressors and pumps.

Promotion and market development initiatives

- Regional Dealer Conference was held at Goa with more than 135 dealers from across India in attendance.

S6 Instrument Transformers up to 170kV

- Arranged a dedicated seminar for Engineers India Ltd. **("EIL")**, country's premier consultant for Oil & Gas segment. In attendance were more than 35 executives from their technical department along with the head of department.
- In another first, CG made its maiden appearance at Kisan Exhibition 2022, displaying our agriculture range of products.
- Consumer product segment got an added boost with staging of 25 dedicated channel meets for retailer, electricians and plumbers during the year.
- The Company is preparing to make a strong and structured foray into Service Segment – after sales, spares and refurbishing. Titled 'Samriddhi', a dedicated services team is slated to be deployed to evaluate, mine and serve this new domain for all products of the Industrial Systems division.

Business development highlights

- Regaining of market share in Cement and Sugar sectors
- Market expansion in Oil & Gas sector
- Market reach enhancement in water sector
- Bagged order of 90KW motor for Nuclear Power Corporation of India Limited **("NPCIL")**, inside Reactor building application

Operations highlights

A sharp focus of efficiency improvement marked our business operations through the whole of FY23. A slew of initiatives aimed at cost control, lead time reduction, contract renegotiations, etc. helped optimise resources.

New product development initiatives

- Range extension (water sector) 10/12 pole large motors in 630, 710 and 800 frames
- Cost effective design developed for 8P slipring motor in 710 frame
- Range expansion done for use of anti-friction bearing upto 2.9MW, 4P in 630 frame motors
- 10-15% motor weight reduction achieved through Design optimisation in selective frames

Success stories

- Achieved highest ever manufacturing of HT Slipring motors in a month - 33 Nos
- Supplied more than 50 Nos. of HT Hazardous area motors (flame proof, increased safety and non-sparking)

Awards and Recognition

- WILO Germany has recognised CG as Best Supplier globally
- Triveni Turbines has awarded CG as Preferred Supplier

Exports Growth Strategy

While global economy continues to recover from ongoing slowdown, long term opportunities for capital goods exports from India appears promising. More so with global supply chains embracing diversification of sourcing.

At CG, we are gearing up to grow our export footprints with dedicated strategies for Motors & Alternators as well as Drives & Automation.

For Motors & Alternators, we are banking on our premium offerings such as NEMA premium range and IE3 apex series coupled with product branding and contract manufacturing routes for developed economies including Americas and Europe. We aim to back it up with strengthening our distribution network in Europe, Middle East, and Africa **("EMEA")** and North America regions. Our export success story is poised to be scripted on niche strengths including energy efficient products and hazardous area deployable products. Curated and targeted approach to focus end use segments of Oil & Gas, Steel, Cement, Sugar and Paper is another pivot of our exports growth strategy.

For Drives & Automation, the Company is already exporting AC VFDs of IP20 grade to its European subsidiaries besides direct exports to South Asia, Middle East and Russia. We are aiming for an accelerated exports growth in this established category.

POWER SYSTEMS

Strengths

- Offers wide range of Electrical Equipment ranging from 33kV to 800kV
- Developed first indigenous technology for resin impregnated paper bushings
- The first Indian manufacturer to develop and supply Ultra High Voltage 765kV SF6 Gas Circuit Breaker
- Supplied Capacitor Voltage Transformer and Surge Arrester for 1200kV transmission line project
- The first manufacturer of 132kV Green Transformer in India
- A pioneer in bringing the Vacuum Technology in India with ultra-modern Vacuum Interrupter manufacturing facility in Aurangabad
- Manufactures EHV and UHV Instrument transformers suitable for various environmental conditions
- EHV Instrument Transformers and bushings have proven in-service reliability over 25 years; 50,000 such units are successfully operating in 48 countries across the world
- One of the largest manufacturers of Electric Equipment for the Power and Industrial sector, also offering turnkey solutions in Power distribution and generation
- Nashik Plant possesses one of the largest Indoor Test Laboratories (among the top 5 in the world) of 1600kV Ultra High Voltage

Product Offerings

Transformers		
Product	**Range**	**Industry Application**
Power Transformers	500 MVA Auto Transformers Shunt Reactors (110 – 125 MVAr) 120 MVA Furnace Transformers 7.7 MVA 25 KV Locomotive and 30.24 MVA Track Side Transformers	Generation, Transmission, Distribution
Distribution Transformers	315 KVA to 4 MVA (3.3kV to 33kV Class)	Industrial Application
Low Power Transformers	4 to 50 KVA (11kV to 132 kV Class)	Generators, Station, Unit Auxiliary, Multi winding
Locomotive Transformers	6.531 MVA and 7.775 MVA	Railways
Solar Transformers for Invertor Duty	Up to 10 MVA (33 kV Class)	Solar Power Generation
Green Transformers	132 kV	Generation, Station, Industrial, Unit Auxiliary

Switchgears		
Product	**Range**	**Industry Application**
MV Switchgear	Indoor Air Insulated Switchgears **("AIS")** panels, Outdoor Breakers, Single Pole 25kV Breaker, Line up Roof Brushing Kiosk, Gas Insulated Switchgear **("GIS")**, Indoor/Outdoor Ring Main Units **("RMU")** up to 36 kV Class	Utilities, Industries, Power plants, Railways, Infrastructure Projects, Renewables, Smart city Projects Data Centres
Relay and Automation	CG Series Current and Voltage Numerical Protection Relay, Self-Powered Relay for Ring Main Unit **("RMU")**, Aegis Series Feeder, Transformer and Motor Protection Relays Auto-reclose Relay, Feeder Remote Terminal Unit **("FRTU")** for RMU automation	Utilities, Industries, Power plants, Railways, Infrastructure Projects, Renewables, Smart city Projects Data Centres
EHV Switchgears	Current Transformers, Transformer Bushing, Capacitor and Inductive Voltage Transformer, Grinding Capacitors, Surge Arrestors, SF6 Circuit Breakers 36kV to 765kV. Air Break Disconnectors 36kV to 245kV. Gas Insulated Switchgear 66kV to 245kV (EHV GIS), 245kV Hybrid GIS Dead Tank Breaker 72kV	Utilities, Industries, Power plants, Railways, Infrastructure Projects, Renewables, Smart city Projects and Data Centres
Vacuum Interrupters & HV Instrument transformers up to 170 kV	Vacuum Interrupters 690V to 72.5kV, Vacuum Contractors and Capacitor Switches up to 36kV, Auto-Recloser and Sectionalizer up to 36kV Transformer Bushing 52kV and 72.5kV Current Transformer and Inductive Voltage Transformers ranging from 33kV to 170kV Class	MV Switchgear manufacturers, Power transformer Manufacturers, T&D Utilities
Power Quality Solutions	Automatic Power Factor Correction System, Fixed Capacitor Banks up to 36kV, Static VAR Compensator (STATCOM) up to 440V, MV Electrical Soft Starter up to 12kV, 20 MW	Transmission and Distribution Utilities, Water Supply Schemes, Steel, Cement, process Industries, Railways and Refineries

BUSINESS PERFORMANCE

BUSINESS DEVELOPMENT INITIATIVES

During the year under review, CG added/regained several new customers, application segments and geographies in India and overseas markets. Overseas geographies include Burkina Faso, Cameron, Congo, Greece, Kenya, Paraguay, Philippines, Suriname, Tunisia, UAE and Uganda. New application segments include:

- New approval for Instrument Transformers up to 420 kV, 420 kV IVT with 0.5g seismic acceleration, 800 kV Bushing, 420 kV Bushing with 0.5g, LOCO Lightening Arresters (special application), Polymer LA, new Circuit Breaker approvals up to 420kV, 245kV, high altitude of 1600-meter requirement (420Kv), 63kA for retrofit, 145Kv and 2-Pole Breakers
- New approval and entry in Bihar for 145kV GIS, entry in profitable LATAM segment with 145kV GIS, and entry in Tata Power with 72kV GIS
- Vacuum Interrupter Railways Track Side circuit breakers
- 33kV Automatic PF correction panel for Steel Industry feeders, Solar Power Plants, NGR application for Co-Generation, and Power Quality Solution for Mining Industry
- Smart Switching solutions for Power distribution with SCADA compatibility
- 170kV CTs with 0.5g seismic level withstand capability
- SCADA compatible Motorised RMU Rapid Mass Transit, Rectifier duty Transformer for Fertiliser Industry
- Distribution Transformer for Fertilizer, Automobile and Chemicals Industry

CG is intensifying its export focus for Power Transformers on emerging countries from Africa where the complete electricity network is shifting to higher ratings from 132kV to 225kV & 330kV. An order has been finalised from WAPP for Burkina Faso

Promotion and engagement activities

- Seminars and training sessions were arranged for utilities and EPC Contractors
- Technical articles were presented in IEEMA Journals. Presence in exhibition in Columbia to target market at Condensa, EPM and ISA. Technical presentation on New IEC requirements for LA's
- Participated in Mumbai based Builders Association Annual Meet for Promoting Power Quality Products **(LBS & LT APFC)** and EV chargers
- On site product training to operating staff of 100MW Solar Plant – Velturi, Telangana regarding Power Quality solutions & 33kV Capacitor / Reactor switch
- Trainings / seminars given to various customers.
- RMU Operation and maintenance Training Provided to Contractor
- Relay Operation Training provided to HVPNL.

- EIL Plant Approval for "Distribution Range Transformer" received
- DT Plant Approved by "Tata Power Delhi Distribution Limited"
- Seminar Conducted for Distribution Product in MES, Dehradun
- RDSO Product Approval from DT Malanpur Works – In Process
- NTPC Plant Approval for 145KV Transformer – In Process
- Product Training provided to 12 representatives of DT - After Sales Service Contractors at T2 Division.
- Continuous meetings and discussion on 2 x 25kV Semi High Speeds Railways with RDSO for New product development
- Presentation to EPC participating in 2 x 25kV Semi High Speeds Railways tenders
- Plant assessment and approvals by Siemens Mobility, Tata Power Mumbai, Adani Group, Engineers India Limited
- Plant visits for future export business by customers from Cameroon, Zambia, Brazil, and Ukraine

New product development initiatives

During the year under review, a slew of efforts was put in towards development of cost-effective, size optimized products to retain present market share in Indian market and grow in cost sensitive African market. Variety of products with different utility specific applications were developed.

CG is supplying GIS for various Metro Projects in India including Mumbai, Indore Metro, etc. Built in tariff metering CT and PT in GIS help utility to save on space and multiple equipment.

CG is catering its GIS solutions for growing Data - Centre and Smart City projects in India. It has received order for 145kV GIS deployed for Smart City for Bhopal.

Cost saving initiatives

With a view to enhance our competitive relevance, an intense focus was allotted to a 360 degree cost optimization campaign. Kaizen implementation for process improvisation and Lean project for process optimisation were successfully explored. The range of activities covered under this holistic cost optimisation drive included Design Optimization, Alternate Sourcing, New Specifications, Renegotiation, Recycling, Alternate Process, Process optimization, Forward Booking, among others.

Project Mudra

The Company engaged a Tier-1 Management Consulting firm to drive the procurement efficiencies across all the business divisions. Special emphasis was put on material cost reduction, indirect cost optimization and capability building within the organisation. Key levers such as Cleansheet based costing, vendor consolidation, alternate supplier identification and price rationalisation are some of the initiatives undertaken under the project.

Having commenced in the second half of FY22, the project has started yielding positive results with visible saving accruals in FY23. The benefits/ savings are expected to continue in the future and reach their full potential in a phased manner.

FINANCIAL PERFORMANCE

(₹ in Crore)

STANDALONE			CONSOLIDATED	
FY2023	FY2022		FY2023	FY2022
6580	**5159**	**Net Sales and Services**	**6973**	**5484**
4653	3732	Cost of raw materials and components consumed and construction materials	4856	3902
331	288	Employee benefits expenses	422	365
659	542	Other expenses	702	584
937	**597**	**EBIDTA excluding Other Income (OI)**	**993**	**633**
79	45	Other Income (OI)	68	38
1016	**642**	**EBIDTA Including OI**	**1061**	**671**
14	66	Finance costs	16	68
75	74	Depreciation and Amortization	95	99
927	**502**	**Profit before Exceptional items**	**950**	**504**
56	240	Exceptional items (net)	52	248
983	**742**	**Profit after Exceptional items**	**1002**	**752**
		Less: Tax Expenses		
8	3	Current Tax	13	10
190	112	Deferred Tax (Net)	193	112
785	**627**	**PAT for the year from continuing operations**	**796**	**630**
-	-	Minority Interest	0	(1)
785	**627**	**PAT after Minority Interest**	**796**	**629**
-	-	Profit from discontinued operations before tax	170	284
-	-	Tax expenses on discontinued operations	3	0
-	**-**	**Profit from discontinued operations**	**167**	**284**
785	**627**	**Net Profit for the year**	**963**	**913**
979	556	**Cash profit for the year**	**1032**	603

KEY RATIOS (STANDALONE)

Ratios	FY 2023	FY 2022	Remarks
Profitability Ratios			
EBIDTA Margin (Excluding OI)	14.2%	11.6%	Increase in margin is mainly on account of higher contribution resulting from increase in revenue and absorption of fixed cost.
Operating Profit Margin (Excluding OI)	13.1%	10.1%	Increase in margin is mainly on account of higher contribution resulting from increase in revenue and absorption of fixed cost.
Net Profit Margin (before exceptional items)	11.1%	7.5%	Increase in margin is mainly on account of higher contribution due to increase in revenue, absorption of fixed cost and lower finance cost due to repayment of debt.
RONW on total operations	32.3%	34.5%	Return on net worth has declined during the current year due to lower exceptional gain compare to previous year.
ROCE (excluding exceptional item) (terminal) on continuing operations	39.3%	27.2%	Return on capital employed has improved on account of increase in operating profit due to increase in revenue and absorption of fixed cost, better working capital management and repayment of debt.
Per share Ratios			
EPS (Basic) on the basis of total profits from continuing operations (In ₹ per share)	5.18	4.62	Basic EPS increase on account of increase in profit.
EPS (Diluted) on the basis of total profits from continuing operations (In ₹ per share)	5.14	4.36	Diluted EPS increase on account of increase in profit.
Leverage Ratio			
Debt Equity Ratio	0.0	0.2	The Company has repaid its debts and hence there is an improvement in the ratio.
Interest Coverage Ratio for continuing operations	47.5	11.0	Reduction in interest cost on account of repayment of loan contributed to improvement in the ratio.
Assets Efficiency Ratios			
Net Sales to gross working capital of continuing operation (Times)	2.5	2.5	No major variance
Net Sales to net working capital of continuing operation (Times)	7.1	11.8	Increase in net working capital resulted in reduction the turnover ratio.
Other Ratios			
Average Debtors Turnover (no of days)	59	50	Increase in revenue resulted increase in average trade debtors.
Average Inventory Turnover (no of days)	37	41	Reduction in average inventory turnover days due to improvement in inventory management
Current ratio	1.54	1.26	Increase in current ratio due to increase in current assets and decrease in other financial liabilities

ENVIRONMENT, HEALTH & SAFETY (EHS)

A detailed write up on Environment, Health and Safety **("EHS")** has been provided in the Business Responsibility and Sustainability Report **("BRSR")**, forming part of this report.

CORPORATE SOCIAL RESPONSIBILITY

A detailed report of CSR activities of the Company during the year 2022-23 has been mentioned in the CSR Report, which is appended with the Directors' Report.

INFORMATION TECHNOLOGY & AUTOMATION

Being a legacy company with eight+ decades of existence and an early adopter of information technology, our SAP ECC system had organically grown over the last couple of decades with loads of redundant data as well company codes (active and non-active). Additionally, the database of ECC system was 12 TB and plenty of custom code and Z Programs, custom reports, and batch jobs.

In light of this fact, it was decided by management to opt for latest technology of SAP Hana with active company codes data and custom reports relevant to CG. The journey of conversion with data carve out, which commenced in July 2022, was successfully made live on 10 April 2023.

S3 -36kV SF6 CB +Control Panel

It is a matter of immense pleasure that CG has successfully gone live on SAP S/4 Hana 2021 on Rise. The latest version of SAP Hana provides improved usability for end-users along with added reliability for business operations. This includes cloud delivery capabilities that enables transition to an intelligent enterprise by decreasing risk and speeding up time to value.

The transition journey was a mammoth project involving redundant data archival that has reduced database size from 12 TB on ECC to 1.5 TB in S4H on Rise. The following are the additional benefits the adaptation of S4H:

- Less risk without compromise
- Easier to update business models
- Lower ownership costs & faster analytical insights
- More accurate forecasting & speedier period-end closings
- Improved productivity of its architecture as It is an in-memory database for fast access

Hana stores data in column-based tables versus the traditional row-based tables of an RDBMS. Following are the additional enhancements achieved with this transition:

- **Costing Revamp:** Migration from overhead cost to activity-based cost including material ledger/ actual costing.

  The resultant business value include accuracy in material valuation, close monitoring of activities performed in production, and variance calculation and analysis to take corrective action.

- **Group Reporting Implementation:** Migration of BW and BPC with 7TB of legacy databases.

  The resultant business value is ease to use unified system and database to access real time dashboard reports with huge cost saving on efforts and landscape management.

- **FIORI App:** To get real time mobility access anywhere to access SAP without dependencies of GUI and systems.

  The resultant business value is faster response to enhance business productivity.

RESEARCH AND DEVELOPMENT (R&D)

A detailed note on R&D activities during the year under review is incorporated in the Directors' Report.

HUMAN RESOURCE

At CG, we strive to create and sustain discrimination free habitat, promote harmony, and advocate fair employment opportunities. The company values and recognizes every individual equally and treats them fairly and with dignity. Our values of performance excellence and nurturance encourages the performance culture and discourages personal bias.

We encourage others associated with us to uphold the highest standards of human rights protection. The aspects of human rights are systematically integrated into our business operations and business relationships which ensure prevention of these rights across the value chains.

We believe in hiring best quality and passionate talent for our businesses and provide a mutual opportunity for them to contribute to the business as well learn and grow in their careers. CG hired 439 positions through the financial year 2022-23 to support and accelerate the business growth.

As at the end of the year, the Company had a total of 5,986 employees out of which 3,215 employees were on temporary/ contractual/casual basis.

Talent and Performance: The Company through its Performance Management Process branded as PRIDE, which stands for 'Personal Responsibility in Delivering Excellence', endeavours to align rewards with performance.

CG continues to focus on enhancing the talent pool and encouraging its employees to upskill through its comprehensive learning and development programmes.

Employee engagement: Several meaningful employee engagement activities related to Employees Health, Employees Social Responsibility, Employee Assistance Program were carried out throughout the year. Employee care and connect initiatives like Vaccination camp, Health awareness program, cyclothon, walkathon, sports day were rolled out during the year, which reflected company's concern for employees physical as well as emotional wellbeing. With the belief that shared social responsibility between employee and the company create better emotional engagement, initiatives like blood donation camp were carried out by contributing jointly to the society at large. Initiatives were taken to celebrate region specific cultural events to ensure the emotional connect between the employees and the company. Periodic town-halls are also conducted by all divisions to strengthen the connect with the employees.

Diversity, inclusion, women empowerment: Gender Diversity and Equality is placed on the top priority at CG to enhance the inclusion across the company. Conscious efforts are made to increase the female ratio from its current level. As a part of this efforts, out of the total fresh campus recruits, 36% are females. Our focus on diversity hiring continues while hiring laterally. We have welcomed especially abled female candidates through the hiring process.

Digitisation of HR processes: Our focus to digitize the HR process continues. This year we have improved CGHR4U - HRIS mobile application for enabling employees to address their HR issues on finger tips. 'myeNovation' application was introduced to register the all Kaizens activities across all units. Our 'Emergency Reporting System' was strengthened for improved monitoring and tracking of compliance as well as safety actions. We are in process of adopting the Learning Management System and our efforts are on track to integrate it with our HRIS module. We have fully digitised 'Balance Scorecard' deployment and progress monitoring through CGHR4U. We have also fully digitized the process of assessment for the campus recruits.

S1-420 kV Bushing under Seismic Test at 0.5g at CPRI

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company emphasizes the importance of robust internal control system which lays down the foundation of strong governance structure and promote a culture of integrity, transparency, and accountability in the business. Given the nature of business and size of its operations, the Company has designed and instituted a strong internal control system that comprises well-defined organization structure, roles and responsibilities, documented policies and procedures to reduce business risks through a framework of process controls.

The Company has established the "Three Lines of Defense" model as part of Internal control framework that encapsulates:

- **First line of defense:** Self review and verification by the Business/ Process managers.
- **Second line of defense:** Regular business and function review meetings by Business heads and Senior Management. Compliances to defined internal controls system are incorporated into performance measurement of Business Heads and CXOs.
- **Third line of defense:** Internal Audit conducted by the Specialized Internal Audit Firm and reports independently to the Audit Committee. Internal Auditor has direct access to the Audit Committee Chairman.

The Company re-appointed M/s. Price water house Coopers **("PwC")** Services LLP as the Internal Auditors for the financial year 2022-23. Audit committee approves the Risk based Audit plan proposed by the independent Internal Auditors at the beginning of the year. Risk based audits are performed for all business and verticals (Corporate, Regional offices and Plants). The scope and objectives of internal audit reviews go beyond transactional risks. Emerging risk avenues are also considered while defining the audit plan.

The internal auditor focuses on business process and system audits to assess adequacy of internal controls, tracks evolution of risks and mitigation plan, compliance with the Company wide Delegation of Authority **("DoA")**, adherence to company's policies, procedures and prudent business practices.

Significant internal audit observations and status of implementation of action plans for risk mitigation are submitted to the Audit Committee every quarter for review. The Audit Committee assesses adequacy and effectiveness of inputs given by internal audit, and suggests improvement for strengthening internal controls from time to time.

The Company has also established whistle-blower mechanism operative across the Company for reporting of any unethical behaviours by employees or directors.

With the intent to build a strong control environment and recommendations from the internal audit, the management is continuously improving the systems and processes through various initiatives in recent years. Some of the select initiatives include:

Technology initiative includes

- Enterprise-wide Resource Platform system – SAP which enables the business processes has been recently upgraded (to S4 HANA version). This improves the efficiency and scalability of business processes along with well-designed inbuilt system controls.
- Bank Portal has been integrated with ERP system to seamlessly disburse the payment to vendors in secure manner. Similarly, Virtual Accounts mechanism has been set up with bank to seamlessly track the collection received the dealers.
- Inhouse HR Portal has been enhanced to digitize Hire to Retire process for all employees including recruitment, on boarding, attendance, leave, exit and performance management activities, thereby replacing manual controls with automated preventive controls.
- In house "Vendor Management portal" has been enhanced and integrated with existing ERP system to digitize vendor life cycle including online vendor registration, order management, vendor quality management and delivery scheduling.
- In house "Sales and Marketing portal" has been enhanced to digitize customer life cycle management processes including online customer registration, KYC validation and credit assessment approvals, enquiries & order management.
- Material handling process has been digitized at LVRM Unit by adopting the Bar Code System, thereby enhancing internal controls over material receipts, issuance process.
- Contractor Labour & Attendance management tool is being deployed across the plants to digitize the Contractor Management activities including induction of new contract worker, KYC documentation, safety training compliances, attendance recording and verification.

S4-Compact WRAP Design of Polymer Arresters up to 245 kV

- Compliance management tool has been upgraded for effective governance and monitoring of compliance to statutory laws and provisions applicable at Corporate, regional office, plants and warehouses.

Process initiatives

- The Company has recently carried out GRC Assessment review from independent external consultant to identify and remediate the conflicting roles and access rights within the system, thereby ensuring the adequate segregation of duty controls and smooth conduct of the operations.
- The Company has defined the risk management framework for Commodity hedging to manage the risk of fluctuating metal prices.
- Internal Financial Controls Framework (including Risk Control Matrices **("RCM")** of all financial processes and IT general controls) are redesigned to align to existing process and system controls. These Internal financial controls are annually tested by the independent internal auditors to assess effectiveness of internal controls over financial reporting.
- Contractual Term of Business has been now vetted by legal team and standardized across the business verticals and locations, thereby reducing risk of contractual non-compliances.

People initiatives

Periodic workshops are carried out with process owners to create awareness about importance of risk management and internal control system. The training are mandatory and training modules are also available in form of e-learns which are readily accessible to employees.

RISK MANAGEMENT

We are operating in a highly interconnected and dynamic world and the business landscape is shaped by a variety of shifting forces. The volatile environment that we operate in, demands that we need to be more prepared to face risks and uncertainties in the ever-evolving business landscape. We are committed towards protecting and maximizing value towards our stakeholders and it is our constant endeavor to take effective and risk-informed business decisions.

Risk Management is one of the key pillars of good corporate governance and contributes towards long term sustainability and growth of any organization. Maintaining effective risk management practices is one of our strategic priorities and is closely monitored by the Risk Management Committee of the Board of Directors and Senior Management. CG Power and Industrial Solutions Limited **("CG")** recognizes the importance of having a robust and comprehensive risk management system and is in a process of revamping the existing risk management policy, procedures and framework which will lay the foundation for Risk Management activities.

T2 - Transformer 8MVA 13.8kV

Our revised policy is designed to establish more robust and structured approach to Enterprise Risk Management. This will establish a systematic approach for risk management across various levels of the organization, including Unit-Level, Business-Division Level, Leadership Level. At each level, risk management roles and responsibilities have been defined. This will involve the use of Risk Management framework, to identify potential risks under various categories including both internal and external.

RISK MANAGEMENT PROCESS AT CG:

Scope, Context and Criteria for Risk Process

Defining the scope of the process after understanding the internal and external context within CG's risk appetite

Risk Identification

Identification of sources of risk, areas of impacts, events, and their causes along with their potential consequences- on the achievement of business objectives

Risk Analysis, Evaluation and Prioritization

Evaluate and assess the potential impact, likelihood and velocity of the identified risks and prioritization of risks based on the risk rating to identify key risks

Risk Treatment

It involves the process of planning and implementing risk mitigation plans and response strategies and assessing the effectiveness of the treatment

Risk Monitoring and Reporting

The status of the risks needs to be monitored periodically with the changing external environment and the key enterprise risks must be reported on a periodic basis to evaluate progress of mitigation plans

With this approach, we believe that we will be able to minimize potential losses while achieving our objectives. Our Risk Management Framework in conjunction with the Risk Management Policy will provide the Management and other stakeholders with an assurance that critical risks are identified at the right time and efficiently managed.

Company's business, financial condition and results of operations are subject to certain risks and liabilities that may affect the Company's performance and ability to achieve its objectives. The factors that the Company believes could cause its actual results to differ materially from expected and historical results have been discussed hereunder. However, there are other risks and uncertainties that may affect the Company's performance and ability to achieve its objectives that are not currently known to the Company, or which are deemed immaterial. The principal risks and uncertainties that might affect the Company's business are identified below. The listing agreement with the stock exchanges mandates the identification, minimization and periodical review of these risks and uncertainties. However, it is not possible for the Company to implement controls to adequately respond to all the risks that it may face and there can be no complete assurance provided that the steps that the Company undertakes to address certain risks, including those listed below under "Risk Response Strategies," will manage these risks effectively or at all. The risk factors and uncertainties mentioned herein have not been listed in order of their importance.

Information regarding key risks facing by CGPISL and their mitigation strategies is given below:

Risk Factors	Risk	Risk Response Strategies
Strategic Risk	Our business and operational results might negatively impact if there are delays in implementing our growth strategy.	• Comply with all the regulatory requirements for expansion. • Regular monitoring of the status of expansion project. • Ensuring supply of critical equipment as per schedule.
Operational Risk	Potential loss resulting from inadequate or failed internal process, people, systems, or external events.	• Implementing strong internal controls, including segregation of duties. • Enhancing in-house capabilities and leveraging from past learning and expertise. • Implementing effective incident management and reporting mechanism.
Financial Risk	Volatility in raw material prices coupled with currency fluctuation might affect profitability.	• Implement sound hedging policies. • Ensure price variation clause in contract. • Indigenous vendor development to minimize the impact of imports. • Undertaking cost reduction projects to minimize commodity price fluctuation.
Supply Chain Risk	Shortage of critical commodities including semiconductor and other electronics may result in delay in delivery to the customers.	• Continuous monitoring of key commodities and their availability. • Engage/development of alternate sourcing of key commodities. • Provide long-term forecast to supplier for key commodities. • Discuss longer schedules with customers proactively.
Technology Risk	Inability to adapt with evolving technological advancement to meet current/future market requirements may lead to loss of business.	• In-house upgradation and development of new technologies. • Collaboration/JV with technological partners. • Upskilling existing employees with technological advancement trainings.
Human Resource Risk	Loss of one or more Senior Management and/or failing to recruit and retain employees could harm the Company's operations and prospects.	• Succession planning for Senior Management to ensure continuity in business. • People related policies for attracting and retaining talent. • Employee training and development to build strong talent pipeline.

500MVA, 420KV AUTO-TRANSFORMER

BUSINESS OUTLOOK

Ever since coming under the majority ownership of Tube Investments (Murugappa Group) in November 2020, CG has completed the second full year of operations in FY23. While FY22 marked the period of stabilisation across multiple facets, FY23 witnessed Company's switch towards actualisation of its true potential. The Company's business performance bears testament to its reclaiming of lost/missed territory in terms of market presence, share and relevance. And also its competence and drive to pursue profitable sustainable growth.

FY23 witnessed a slew of measures aimed at structural strengthening. From operational efficiency to financial prudence to R&D enabled future to risk-averse governance framework to ESG aligned long term growth, CG undertook a holistic 360-degree overhaul of its growth pivots.

With improving volumes, product mix, capacity utilisation and share in targeted market segments, the Company initiated the Capex phase consisting of two rounds of investments, the first aimed at de-bottlenecking and the second aimed at new additions.

While the operating environment continues to be volatile, Capital Goods (acronym-ed incidentally as CG) sector will continue to be the sweet spot of manufacturing segment. CG is poised to reap rich dividends of being at the right place at the right time and most importantly in the right shape.

Three clear enablers of a positive growth for CG include steady volume growth that would be supported by an intense export focus, sustained margin protection that would emanate from efficiency measures, continued expansion of the playing turf that shall result from new initiatives being seeded towards sunrise areas such as EVs, Railways, Consumer Durables, etc.

In the light of aforementioned trends and actions, CG's business outlook remains robust and promising.

Forward looking statement

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations of projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised.

The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

The Company has sourced the industry information from the publicly available resources and has not verified those information independently.

Directors' Report

Directors' Report

TO
THE MEMBERS

Your Directors are pleased to present their Eighty-Sixth Annual Report on the business and operations of your Company along with the audited financial statements, both standalone and consolidated, for the financial year ended 31 March 2023.

COMPANY PERFORMANCE

Your Company's standalone turnover from operations was ₹ 6,580 Crore during the year under review, as compared to ₹ 5,159 Crore in the previous year, representing a YoY growth of 28%, and the consolidated turnover was ₹ 6,973 Crore as compared to ₹ 5,484 Crore in the previous year, representing a YoY growth of 27% over the previous year.

Your Company's financial performance for the year ended 31 March 2023 as compared to the previous year is given in the Table below.

COMPANY FINANCIAL HIGHLIGHTS (in ₹ Crore)

	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Net Sales and Services	6,580	5,159	6,973	5,484
EBIDTA	1,016	642	1,061	671
Less: Finance costs	14	66	16	68
Less: Depreciation and amortisation expenses	75	74	95	99
Profit before exceptional items	**927**	**502**	**950**	**504**
Exceptional items (net)	56	240	52	248
Profit before tax	**983**	**742**	**1,002**	**752**
Less: Tax Expense	198	115	206	122
Profit from continuing operations	**785**	**627**	**796**	**630**
Less: Minority Interest	NA	NA	0	(1)
Add: Profit from discontinued operations	-	-	167	284
Profit for the year	**785**	**627**	**963**	**913**

The Company recorded robust performance during the year under review resulting in growth in revenue and EBITDA.

A detailed review of the operations and financial performance of your Company and each of its business segments is contained in the 'Management Discussion and Analysis' section of this Annual Report.

BUSINESS SEGMENTS:

a) **Industrial Systems:**

The Industrial Systems recorded revenue of ₹ 4,934 Crore as compared to ₹ 3,953 Crore during the year 2021-22, registering a growth of 25% as compared to previous year. The operating profit before interest and tax of Industrial Systems stood at ₹ 787 Crore as compared to ₹ 482 Crore during the previous year, registering a growth of 63%.

b) **Power Systems:**

The Power Systems recorded revenue of ₹ 2,023 Crore as compared to ₹ 1,516 Crore during the year 2021-22, registering a growth of 33% as compared to previous year. The operating profit before interest and tax of Power Systems stood at ₹ 225 Crore as compared to ₹ 138 Crore during the previous year, registering a growth of 63%.

EXPANSION:

In order to meet the expected increase in demand for the products of the Company, the Board has approved the following expansion projects during the year:

A. Expansion of manufacturing capacity of Motors at the Company's plant at Ahmednagar and Goa at an investment of ₹ 230 Crore. The said expansion would increase the manufacturing capacity of Low Tension Motors **("LT Motors")** upto 19.92 lakhs nos. per annum, from the existing capacity of 9.93 lakhs nos. per annum.

B. Expansion of manufacturing capacity of Power Transformers and Distribution Transformers units of the Company at its plants at Malanpur and Bhopal at an investment of ₹ 126 Crore. The said expansion would increase the capacity from 17,000 MVA to 25,000 MVA for Power Transformer and from 6,900 MVA to 9,900 MVA for Distribution Transformers.

SCHEME OF ARRANGEMENT:

The Board of Directors of the Company, at its Meeting held on 19 October 2022 has approved a draft Scheme of Arrangement **("Scheme")** under Section 230 and other applicable provisions of the Companies Act, 2013 **("Act")**. The Scheme *inter-alia* provides for capital reorganization of the Company, whereby it is proposed to transfer ₹400 Crore from the General Reserves to the Retained Earnings of the Company with effect from the Appointed Date i.e. the effective date of the Scheme. The Scheme is subject to receipt of regulatory approvals/ clearances from the Hon'ble National Company Law Tribunal, Mumbai Bench **("NCLT")**, Securities and Exchange Board of India **("SEBI")**, BSE Limited and National Stock Exchange of India Limited and such other approval/clearances, as may be applicable. BSE is appointed as the Designated Stock Exchange by the Company to obtain the No Objection Certificate **("NOC")** from SEBI under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the said NOC is awaited. On receipt of the NOC, the Scheme shall be presented to the NCLT for its approval.

Redemption of Non-convertible Debentures

The Company had on 5 December 2022 redeemed its 20,000 Unlisted, Unsecured, Unrated, Redeemable, Non-Convertible Debentures of face value ₹ 1,00,000/- each aggregating to ₹ 200 Crore, which were issued on 4 December 2020 pursuant to the terms and conditions of the Master Implementation cum Compromise Settlement Agreement and Debenture Trust Deed dated 20 November 2020. The said debentures were redeemed by the Company by exercising the right of early redemption on completion of two years from the date of allotment.

Divestment

As stated in the Annual Reports of the Company for previous years, due to financial stress and unviable operations, decisions were taken from time to time to prune / close down certain subsidiaries of the Company. In furtherance of the same, during the year under review, the liquidation process of the Company's Step-Down Subsidiary - CG Power & Industrial Solutions Middle East FZCO, Dubai UAE was completed.

General

During the year under review, the Company repaid all its long-term debts to the lending banks. The Company has received an improved Credit Rating of 'IND AA' from India Ratings & Research as against the earlier rating of 'IND AA-'.

Company has settled all the guarantee obligations to its lenders (Standard Chartered Bank, Barclays Bank and Exim Bank) towards loans availed by the erstwhile Subsidiaries in Belgium.

Company has received approval of BMC for renewal of the lease of land where the CG House is located.

DIVIDEND

The Board of Directors at their Meeting held on 2 March 2023, declared an interim dividend of ₹ 1.50 (Rupees One and Paise Fifty only) (75%) per equity share of ₹ 2/- (Rupees Two only) each. The interim dividend was paid to the shareholders on 29 March 2023. The total outflow on account of said dividend was ₹ 229.07 Crore. Your Board does not recommend any further dividend for the financial year 2022-23.

The dividend declared is in accordance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the Company's website at - https://www.cgglobal.com/admin/uploads_new/Dividend_Distribution_Policy.pdf

TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to the reserves.

SUBSIDIARIES

Details of subsidiaries as on 31 March 2023 : There are 3 Indian and 18 foreign subsidiaries (including 2 subsidiaries in Belgium along with their subsidiaries declared as bankrupt; 5 subsidiaries under voluntary liquidation and 1 subsidiary declared insolvent). During the year under review, your Company has not incorporated or acquired any company.

The Corporate Insolvency Proceedings initiated under the Insolvency and Bankruptcy Code, 2016 during the financial year 2021-22, by the Company against its Wholly Owned Subsidiary - CG Power Solutions Limited, is pending before the Hon'ble National Company Law Tribunal, Mumbai Bench.

Pursuant to Section 136 of the Companies Act, 2013 **("the Act")**, the audited financial statements, including the consolidated financial statements and related information of your Company and audited/ unaudited annual accounts of each of its subsidiaries are placed on the website of your Company.

Highlight of performance of subsidiaries of the Company is given below:

1. **CG Adhesive Products Limited (formerly known as CG-PPI Adhesive Products Limited):**

   CG Adhesive Products Limited **("CGAPL")** is the Company's subsidiary in Goa. Your Company holds 82.76% of CGAPL's equity share capital. CGAPL manufactures and deals in specialty adhesive tapes and labels.

   During the year under review, CGAPL recorded revenue of ₹ 23.60 Crore (previous year: ₹ 23.24 Crore) and registered profit before tax of ₹ 2.90 Crore (previous year: ₹ 3.78 Crore).

2. **QEI, LLC:**

   QEI, LLC is the subsidiary of CG Power Americas, LLC, and a wholly owned step-down subsidiary of your Company in US, operating in multiple markets and business sectors within and relating to distribution control, load management control, supervisory control and data acquisition systems.

   During the year under review, QEI, LLC recorded revenue of $ 11.46 Mn i.e. equivalent to ₹ 94.23 Crore (previous year: $10.33 Mn i.e. equivalent to ₹ 77.87 Crore). It registered profit before tax of $ 1.41 Mn i.e. equivalent to ₹ 11.62 Crore (previous year: $ 3.18 Mn i.e. equivalent to ₹ 23.96 Crore).

3. **CG Drives & Automation Sweden AB:**

   CG Drives & Automation Sweden AB is a subsidiary of CG Industrial Holdings Sweden AB and a wholly owned step-down subsidiary of your Company in Sweden. It is a technology partner for energy efficient products and solutions. It develops, manufactures and markets the equipment for control and protection of industrial processes.

   During the year under review, CG Drives & Automation Sweden AB recorded revenue of SEK 299.85 Mn i.e. equivalent to ₹ 236.57 Crore (previous year: SEK 258.69 Mn i.e. equivalent to ₹ 208.19 Crore) and registered profit before tax of SEK 21.84 Mn i.e. equivalent to ₹ 17.23 Crore (previous year: SEK 7.11 Mn i.e. equivalent to ₹ 5.72 Crore).

4. **CG Drives & Automation Germany GmbH:**

   CG Drives & Automation Germany GmbH is a subsidiary of CG International BV, Netherlands, and a wholly owned step-down subsidiary of your Company in Germany. It is into manufacture, sale, maintenance and repair of electronic devices and facilities in the area of drive technology.

   During the year under review, CG Drives & Automation Germany GmbH recorded revenue of € 22.24 Mn i.e. equivalent to ₹ 196.20 Crore (previous year: € 19.67 Mn i.e. equivalent to ₹ 165.78 Crore). It registered profit before tax of € 1.52 Mn i.e. equivalent to ₹ 13.40 Crore (previous year: € 0.80 Mn i.e. equivalent to ₹ 6.75 Crore).

5. **CG Drives & Automation Netherlands BV:**

   CG Drives & Automation Netherlands BV is a subsidiary of CG International BV, Netherlands, and a wholly owned step-down subsidiary of your Company in Netherlands. It is into development, production and marketing of inverter products including electrical motor drives, and trading of related products.

   During the year under review, CG Drives & Automation Netherlands BV recorded revenue of € 8.09 Mn i.e. equivalent to ₹ 71.32 Crore (previous year: € 6.34 Mn i.e. equivalent to ₹ 53.42 Crore) and registered profit before tax of € 0.58 Mn i.e. equivalent to ₹ 5.14 Crore (previous year: € 0.59 Mn i.e. equivalent to ₹ 4.99 Crore).

Other than above, the remaining subsidiaries of the Company do not have any business operations. In terms of Section 129 of the Act, statement containing salient features of the financial statements of your Company's subsidiaries/ associates/ joint ventures companies in Form AOC-1 is given in the notes to the financial statements in this Annual Report.

Pursuant to Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI LODR")**, a policy for determining material subsidiary of your Company as approved by the Board of Directors is made available on the website under: https://www.cgglobal.com/admin/uploads_new/Policy_determining_Mat_Subsidiaries.pdf

MATERIAL ORDERS OF REGULATORS / COURTS / TRIBUNALS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

UPDATE ON INVESTIGATIONS INITIATED IN THE PREVIOUS YEARS

The investigations by Central Bureau of Investigation (CBI), Serious Fraud Investigation Office (SFIO) and Enforcement Directorate (ED) into the affairs of your Company and its subsidiaries pertaining to the past period and against the erstwhile promoters/directors of the Company relating to transactions that took place when the Company was under the control of the previous management / promoters, details of which have already been reported to the stock exchanges / in the previous Annual Reports of the Company, are in progress. Your Company is extending full co-operation to these agencies and information and documents as sought by them are being promptly provided by the Company.

AUDITORS AND AUDIT REPORTS

STATUTORY AUDITORS

M/s. S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration Number 324982E/E300003) were appointed as Statutory Auditor of the Company at the 81st Annual General Meeting **("AGM")** held on 28 September 2018 to hold office from the conclusion of the said meeting till the conclusion of the 86th AGM. Accordingly, the term of office of M/s. S R B C & CO LLP, as Statutory Auditors of the Company will conclude at the close of the forthcoming AGM of the Company.

The Board of Directors of the Company, based on the recommendation of the Audit Committee, at its Meeting held on 8 May 2023, has proposed to the shareholders of the Company for their approval at the ensuing AGM, the re-appointment of M/s. S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration Number 324982E/E300003) as the Statutory Auditor of the Company to hold office for a second term of five consecutive years from the conclusion of the 86th AGM till the conclusion of the 91st AGM to be held in the year 2028. The Notice convening the 86th AGM to be held on 27 July 2023 sets out the details in this regard.

M/s. S R B C & CO LLP have confirmed that they satisfy the independence criteria required under the Act.

The Auditor's Report on the financial statements of the Company for the year ended 31 March 2023, which forms part of the Annual Report of the Company, does not contain any qualification, reservation or adverse remark.

COST AUDITOR

As per the requirement of Section 148(1) of the Act read with rules made thereunder, your Company is required to maintain cost accounts and records. Accordingly, your Company has maintained cost accounts and records for financial year 2022-23 as applicable for its product range.

During the year under review, the Company filed the Cost Audit Report for the financial year 2021-22 with the Registrar of Companies, Mumbai, within the prescribed statutory timelines.

Upon recommendation of the Audit Committee, the Board has re-appointed M/s. R. Nanabhoy & Co., Cost Accountants as Cost Auditor of your Company for financial year 2023-24 at a remuneration of ₹ 8,30,000/- (Rupees Eight Lakh Thirty Thousand only) per annum plus out-of-pocket expenses and taxes, as applicable. The Act mandates that the remuneration payable to the Cost Auditor is ratified by the shareholders. Accordingly, a Resolution seeking the Shareholders' ratification of the remuneration payable to the Cost Auditors for the financial year 2023-24 is included in the Notice convening the ensuing Annual General Meeting.

SECRETARIAL AUDITOR

Your Company had appointed M/s. Parikh & Associates, Practicing Company Secretaries, Mumbai (Firm Registration Number: P1988MH009800), to undertake the Secretarial Audit of the Company for financial year 2022-23.

Your Company has generally complied with the Secretarial Standards and the Secretarial Audit Report is annexed in Form MR-3 for financial year 2022-23 as **Annexure 4** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

INTERNAL FINANCIAL CONTROLS

The Company emphasizes the importance of robust internal control system which lays down the foundation of strong governance structure and promote a culture of integrity, transparency, and accountability in the business. Given the nature of business and size of its operations, the Company has designed and instituted a strong internal control system that comprises well-defined organization structure, roles and responsibilities, documented policies and procedures to reduce business risks through a framework of process controls. A detailed note on Internal Financial Controls is included in the Management Discussion and Analysis.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

BOARD OF DIRECTORS

Composition

Your Company's Board of Directors consists of eight Directors comprising (i) Three Non-Executive Non-Independent Directors which includes the Non-Executive Chairman of the Board (ii) Four Non-Executive Independent Directors, and (iii) a Managing Director.

Mr. Vellayan Subbiah, Non-Executive Director, is the Chairman of your Board. Mr. P S Jayakumar, Ms. Sasikala Varadachari, Mr. Sriram Sivaram and Mrs. Vijayalakshmi R Iyer are Independent Directors in terms of Regulation 16 of the SEBI LODR and Section 149 of the Act. Mr. M A M Arunachalam and Mr. Kalyan Kumar Paul are Non-Executive Non-Independent Directors on your Board.

Mr. Natarajan Srinivasan is the Managing Director on your Board.

Your Board consists of professionals with diverse functional expertise, industry experience, educational qualifications and gender mix relevant to fulfilling your Company's objectives and strategic goals.

Appointment/ Retirement of Directors during the year

During the year under review, based on the recommendations of the Nomination and Remuneration Committee, your Board had appointed Mrs. Vijayalakshmi R Iyer as an Additional Director in the capacity of Non-Executive Independent Director of the Company with effect from 24 September 2022. Her appointment was approved by the Members through Postal Ballot on 14 December 2022.

Mr. Shailendra Roy completed his tenure as an Independent Director of the Company and ceased to be a director on 18 September 2022. The Board places on record its appreciation of the contribution made by Mr. Shailendra Roy during his tenure as an Independent Director of the Company.

Mr. Natarajan Srinivasan was re-appointed as Managing Director for a further period of one year from 26 November 2022 to 25 November 2023 and the said re-appointment was approved by the Members through Postal Ballot on 14 December 2022.

The Board has recommended to the shareholders the re-appointment of Mr. Natarajan Srinivasan as Managing Director of the Company with effect from 26 November 2023 upto 30 April 2025 (both days inclusive) The Notice calling the 86th AGM contains details in this regard.

Retirement by rotation

In terms of the provisions of Section 152 of the Act and the Rules made thereunder and Article 114 of the Articles of Association of the Company, Mr. Kalyan Kumar Paul retires by rotation at the ensuing Annual General Meeting of the Company and is eligible for re-appointment.

As per Regulation 36 of the SEBI LODR and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India (SS-2), a brief profile and other relevant details regarding re-appointment of Mr. Kalyan Kumar Paul are contained in the Annexure accompanying the explanatory statement to the Notice of the ensuing Annual General Meeting.

INDEPENDENT DIRECTORS' DECLARATION

Your Company has received declarations from all its Independent Directors confirming that they meet the criteria of independence as laid down under Section 149 of the Act and Regulation 16 of the SEBI LODR.

In the opinion of the Board, all the Independent Directors of your Company fulfill the conditions of independence as specified in the Act and SEBI LODR and are independent of the management and have the integrity, expertise and experience including the proficiency as required for effectively discharging their roles and responsibilities in directing and guiding the affairs of the Company.

The Company has received a certificate from M/s. Parikh & Associates, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI, Ministry of Corporate Affairs, or any such other statutory authority.

BOARD MEETINGS

During the financial year 2022-23, your Board of Directors met 5 times, in accordance with the provisions of the Act, SEBI LODR and other statutory provisions.

Details of Board Meetings held and the attendance of Directors are given in the Section titled "Report on Corporate Governance", which forms part of this Annual Report.

COMMITTEES OF THE BOARD

Your Board has established following committees in compliance with the requirements of the Act and SEBI LODR: (i) Audit Committee, (ii) Nomination and Remuneration Committee, (iii) Corporate Social Responsibility Committee, (iv) Risk Management Committee, and (v) Stakeholders' Relationship Committee.

Details of composition of the statutory committees, number of meetings held and attendance of Committee Members thereof during the financial year, are given in the Section titled "Report on Corporate Governance" forming part of this Annual Report.

All recommendations of the Audit Committee have been accepted by the Board.

Your Board has constituted a Finance Committee comprising of Mr. Vellayan Subbiah, Chairman of the Board and Mr. Natarajan Srinivasan, Managing Director, to *inter-alia* take decisions relating to borrowings, investments and lending from time to time within such limits / sub-limits as may be decided by the Board.

KEY MANAGERIAL PERSONNEL ("KMP")

Pursuant to Section 203 of the Act, the Key Managerial Personnel of the Company as at the end of the financial year were:

- Mr. Natarajan Srinivasan, Managing Director
- Mr. Susheel Todi, Chief Financial Officer
- Mr. P Varadarajan, Company Secretary

REMUNERATION POLICY AND CRITERIA FOR DETERMINING THE ATTRIBUTES, QUALIFICATION, INDEPENDENCE AND APPOINTMENT OF DIRECTORS

Your Company has formulated a Remuneration Policy governing the appointment and remuneration of Directors, KMP, Senior Management and other employees. The Remuneration Policy of the Company provides a performance driven and market-oriented framework to ensure that the Company attracts, retains and motivates high quality executives who can achieve the Company's goals, while aligning the interests of employees, shareholders and all stakeholders in accordance with the Murugappa Group's values and beliefs. The terms of reference of the Nomination and Remuneration Committee includes formulation of criteria for determining qualifications, positive attributes and independence of Directors.

The Company's Remuneration Policy is available on the website of the Company under: https://www.cgglobal.com/assets/pdf_files/CG_Remuneration_Policy_21_22.pdf

Your Company has adopted a Board Diversity Policy to reap the benefits of a broader experience in decision making.

PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS

In line with the requirements of the Act and the SEBI LODR, an annual evaluation of performance of the Board, its Committees and individual Directors was carried out during the year under review. Pursuant to the provisions of Schedule IV of the Act and Regulation 25 of the SEBI LODR, the Independent Directors of your Company, at their Meeting held on 1 March 2023, evaluated the performance of Non-Independent Directors, the Board as a whole, performance of the Chairman; and also assessed the quality, quantity and timeliness of flow of information between the Management and the Board.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Pursuant to Regulation 25 of the SEBI LODR, your Company familiarizes its Independent Directors with their roles, rights, responsibilities as well as the Company's business and operations. Moreover, Directors are regularly updated on the business strategies and performance, management structure and key initiatives of businesses at every Board Meeting. Details of the programme can be viewed under the following link available on the Company's website:https://www.cgglobal.com/assets/pdf_files/Familiarisation_Programme_for_Independent_Directors.pdf

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year under review were on arm's length basis and were in the ordinary course of business. Hence, disclosure of particulars of contracts/arrangements entered into by your Company with related parties in Form AOC-2 is not applicable for the year under review. There were no materially significant related party transactions during the year which may have a potential conflict with the interest of the Company at large. The Audit Committee grants omnibus approval for transactions which are of repetitive nature with related parties.

Related party transactions entered into during the year under review are disclosed in the notes to the Financial Statements. None of the Directors had any pecuniary relationship or transactions with the Company, except the payments made to them in the form of remuneration / sitting fee.

The Company's Related Party Transactions Policy is made available on the website of the Company under: https://www.cgglobal.com/assets/pdf_files/Related_Party_Transaction_Policy_1_Apr_2022.pdf

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to the provisions of Section 186 of the Act and Schedule V of the SEBI LODR, particulars of loans, guarantees given and investments made by your Company during financial year 2022-23 are given in the notes to the Financial Statements.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Regulation 34 of the SEBI LODR read with relevant SEBI Circulars, new reporting requirements on ESG parameters were prescribed under "Business Responsibility and Sustainability Report" **("BRSR")**. The BRSR seeks disclosure on the performance of the Company against nine principles of the "National Guidelines on Responsible Business Conduct" **("NGRBCs")**. As per the SEBI Circulars, effective from the financial year 2022-23, filing of BRSR is mandatory for the top 1000 listed companies by market capitalization. Accordingly, for the financial year ended 31 March 2023, your Company has prepared the BRSR. The BRSR is enclosed separately and forms an integral part of this Annual Report.

ENTERPRISE RISK MANAGEMENT ("ERM") FRAMEWORK

Company's comprehensive Risk Management Framework involves a three-tiered approach, taking into account the Enterprise Risks, Process Risks and Compliance Risks.

Enterprise risk identification and mitigation initiatives are handled through an on-going process for each of the businesses, as well as for the Company as a whole. The coverage extends to all key business exposures. After getting a measure of each such enterprise risk, the mitigation actions are tracked.

The Risk Management Committee of the Board reviews the key risks associated with the businesses of your Company and their mitigation measures. A detailed note on ERM is given in the Management Discussion and Analysis, forming part of this report.

RESEARCH AND DEVELOPMENT ("R&D")

During the year under review, your Company's R&D activities continued to focus on development of indigenous and energy efficient products.

Power Systems

- To support the Government of India (GOI) initiative towards building and reinforcing Railway Infrastructure in the country, Company developed two new products 21.6/30.24 MVA, 220/27 kV Trackside Transformer and 1288 kVA MEMU Loco Transformer for Indian Railways.
- Developed Inverter duty transformer for Solar application 12.5 MVA 33/0.630*4 kV with 5 winding and successfully conducted Short Circuit Test.
- Developed a new 12kV Ring Main Unit **("RMU")** family "Arista - V" with side cable entry feature. Type tested and suitable for both indoor and outdoor installation. It is compact RMU, fitted with robotically welded, hermetically sealed SF6 gas tank making it suitable to operate in most extreme environments. With development of Arista family, Company has increased its product offering range to the Secondary Distribution networks.
- Developing design optimization and compact EHV Instrument Transformer for Indian utilities, aimed at compliance of stringent Seismic stability specification of 800kV and 420kV EHV bushing to restrict imports and offer indigenous solution to customers.
- In-house development of Silicon Moulded Arrestor for critical short circuit duty cycle, electrostatics and mechanical requirements by offering technologically advanced, light weight and easy to handle solution.
- Product upgradation in EHV Switchgear by design upgradation and optimization.
  a) 420kV, 63kA Gas Circuit Breaker suitable for -40°C application. This has resulted in executing an order from Ukraine and opened opportunity for similar application in many European countries.
  b) 245kV, 50kV Gas Circuit Breaker for higher altitude application.
  c) 145kV, 2000A Horizontal Double Break banging type Disconnector.
- Indigenously developed and successfully conducted type testing of 66kV-145kV GIS Surge Arrestor (three phase) and 245kV GIS Surge Arrestor (single phase). This will help customers to reduce their dependence on imports, reduction in delivery time, and savings on Forex.
- Developed Ultra High Frequency Partial Discharge Sensor (UHF PD Sensor) which were earlier imported. These UHF PD Sensors are used in 145kV GIS as a Prediction Tool for Failure Detection. This development reduces the dependency on imports and supports the "Make in India" initiative of the Government of India.
- Re-layout of 245kV Hybrid GIS by Design optimization resulting into reduction in space occupied and reduced site Installation time, for customer.

Industrial Systems

Motors

Continued to prioritize the development of innovative and energy-efficient products, with a focus on indigenous solutions and achieved several milestones, including:

- Development of new VFDs with a rating of 75kW and 90kW, which are designed to operate at higher ambient temperatures and offer the option of flange mounting, thus optimizing cabinet design.
- Creation of a new range of power stacks for domestic and overseas customers, offering improved efficiency and reliability.
- Introduction of a new Wi-Fi connectivity solution that enables users to control and monitor the performance of their AC drives using a smartphone application and wireless connection. The solution also provides easy commissioning, faster support, and status reporting.
- Development of a 250W hub motor controller for e-bikes with features such as pedal assist and speed accelerators for effortless riding.
- Successful certification of the super-premium Non safe area (FLP IIA, IIB, IIC) AC motor IE4 range from ATEX, PESO, BIS for frames 80 to 160, which will help to reduce energy consumption and carbon footprint.
- Launch of the "Entice" series range of AC motors from NS80 to NS132 frame with improved efficiency, aesthetic appearance and reliability.
- Launch of the new SM series alternators for 160 and 180 frames in line with market demands.
- Extension of the 450 frame Alternator range up to 2500 KVA, catering to a wider range of customer needs.
- Development of EV traction and auxiliary motors, with higher power, meeting superior performance and IP 67 enclosure standards.
- Development of Neema D range and Neema premium multi-potential range motors for overseas customers.
- Release of the DC motor 450 and 500 frame, mill-duty motor to the market.
- Implementation of various latest design tools to analyze the parameters of designed products and achieve cost savings on raw materials.
- Provision of retrofitting solutions to customers from our LIM plant.
- Expansion of our range of 10/12 pole large motors in frames 630, 710, and 800, with a specific focus on water sector applications.
- Provision of application-driven solutions to the agriculture sector, such as chaff cutters, areca nut, pulverizers, threshers, etc., through our FHP plant.

Railways

- Indigenously designed and developed 246 kW, 4 Pole, 3 Phase AC Asynchronous, Axle hung, nose suspended Traction Motor suitable for IGBT Converter/ Inverter based operation for "Main Line Electrical Multiple Unit with On Board propulsion system (MEMU-OB)" application, in line with the general design and manufacturing guidelines as specified in IEC 60349-2 and in accordance with the modern traction practices. Special care has been taken to include features to make the Traction Motor suitable for operating in harsh and tropical climatic conditions.
- Designed, developed and type tested Composite Converter, which is an integrated product of 6000 HP Traction Converter and 2X500 kVA Hotel Load Converter for Indian Railways complying to IEC 61287, IEC 61373, and IEC 60571. This will replace one diesel generator car, which in turn reduces carbon emission.
- Indigenously designed, developed and type tested 150 kVA Auxiliary Power Converter for "Main Line Electrical Multiple Unit with On Board propulsion system (MEMU-OB)" application complying to IEC 61287, IEC 61373, and IEC 60571. Special care has been taken to reduce Total Harmonic Distortion (THD) at both input and output supply.
- Indigenously designed and developed ergonomic Driver's Desk/Console and Control Panels for "Main Line Electrical Multiple Unit with On Board propulsion system (MEMU-OB)" application considering necessary traction controls, safety controls and passenger amenity items, positioning of various pneumatic gauges, brake controller etc. in line with the UIC 651 norms. Special care has been taken to make the Driver's console and the control panels compliant to fire protection guidelines as specified in EN 45545 and suitable for excessive shocks and vibration norms as set in IEC 61373.
- Indigenously designed and developed 110V DC, 0.44KW DC series motor with ingress protection IP-67 and AC immunization 400V. This motor is used in drives of the point mechanism through friction clutch, reduction gears and throw bar when electric power is supplied.
- Indigenously designed and developed external clamp lock assembly for 60kg Thick Web Switch (TWS) Canted rail and this external locking mechanism is used in Dedicated Freight Corridor Corporation (DFCC) and METRO Rail's switching turnout with 220mm throw point machine application.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Details, as required under Section 134 of the Act read with the Companies (Accounts) Rules, 2014, are given in the prescribed format as **Annexure 1** to this Report.

ENVIRONMENT, HEALTH AND SAFETY ("EHS")

A detailed review of the Environment, Health and Safety measures undertaken by your Company is given in the BRSR Report, which forms part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and future outlook of your Company and its businesses is given in the section titled "Management Discussion and Analysis", which forms part of this Report.

CORPORATE GOVERNANCE

A section on Corporate Governance standards followed by your Company, as stipulated under Schedule V of SEBI LODR, is enclosed separately.

A certificate from M/s. Parikh & Associates, Practicing Company Secretaries, regarding compliance with the conditions of Corporate Governance, as stipulated under SEBI LODR, is annexed to the Report on Corporate Governance.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

In terms of Section 135 of the Companies Act, 2013 read with CSR Rules, your Company has during the year 2022-23 spent ₹69 lakhs being the two percent of the average net profits of your Company during the three preceding financial years in accordance with the CSR Policy of the Company.

Annual Report on CSR initiatives as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended **("CSR Rules")** is annexed as **Annexure 2** and forms an integral part of this Report.

Details of the composition of the CSR Committee and CSR Policy of the Company are also provided in the said Annexure.

REGISTRAR AND SHARE TRANSFER AGENT

Your Company has appointed Datamatics Business Solutions Limited **("DBSL")**, an entity which is registered with SEBI, as its Registrar and Share Transfer Agent. Contact details of DBSL are mentioned in the section titled "Report on Corporate Governance" of this Annual Report.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197 of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in **Annexure 3** to this Report. In accordance with the provisions of Section 197(12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of the employees covered under the said rule shall be made available to any Member on a specific request made in this regard, by him or her in writing.

EMPLOYEE STOCK OPTION PLAN 2021

The Shareholders of the Company had, through Special Resolution passed by Postal Ballot on 23 September 2021, approved the introduction and implementation of Employee Stock Option Plan 2021 **("ESOP 2021" / "Scheme")** and authorized the Board/ Nomination and Remuneration Committee to issue to the eligible employees, such number of Options under the ESOP 2021, as would be exercisable into, not exceeding 2,70,00,000 (Two Crore Seventy Lakhs) fully paid-up equity shares of ₹ 2/- each in the Company. ESOP 2021 is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The Company has granted 22,87,240 Options to employees upto 31 March 2023. 18,34,100 options were granted in the year 2021-22 and 4,53,140 Options were granted during the year 2022-23.

The disclosures required to be made under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are made available on the website of the Company under https://www.cgglobal.com. The certificate under the said regulations shall be made available for inspection in accordance with statutory requirement.

COMPLAINTS RELATING TO SEXUAL HARASSMENT

Your Company has adopted a Prevention of Sexual Harassment Policy and has also constituted an Internal Complaint Committee in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaint Committee has been constituted region-wise, and is presided by a woman employee and is comprising of five to seven Company employees with an external member, to whom employees can address their complaints.

During the year under review, no incident of sexual harassment was reported.

VIGIL MECHANISM

Your Company has set up a vigil mechanism, viz. a Whistle Blower Policy, as per the provisions of Section 177 of the Act and Regulation 22 of the SEBI LODR to enable its stakeholders to report violations, genuine concerns, unethical behaviour and irregularities, if any, which could adversely affect the Company's operations. No person has been denied access to the Chairman of the Audit Committee of the Board.

The Ombudsperson appointed by your Board deals with the complaints received by or against employees, customers and vendors of the Company and supervises the investigation, ensures appropriate action and submits a report to the Chairman of the Audit Committee on a quarterly basis.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from public or its members under Chapter V of the Act and no deposits were outstanding as on 31 March 2023.

SHARE CAPITAL

During the year under review, your Company has allotted 8,52,88,405 equity shares of ₹ 2 each, fully paid up, as detailed below:

a) 8,52,33,645 equity shares were allotted to Tube Investments of India Limited **("TII")** on 18 May 2022 pursuant to conversion of balance 8,52,33,645 warrants by TII into equal number of equity shares, and receipt of the balance amount due on the warrants so exercised by them. Pursuant to the above conversion, the aggregate shareholding of TII has increased to 58.05% of the share capital of the Company from 55.57%.

b) 54,760 shares under ESOP Scheme 2021-19,760 equity shares were allotted on 22 December 2022 and 35,000 equity shares were allotted on 9 March 2023 to the option grantees who had exercised their options.

As at 31 March 2023, the share capital of the Company is as follows:

- The authorized share capital of your Company is ₹ 407,60,00,000/- (Rupees Four Hundred Seven Crore and Sixty Lakh) divided into 203,80,00,000 equity shares of ₹ 2/- (Rupees two) each.
- The subscribed and paid-up share capital of your Company stood at ₹ 305,42,62,868/- (Rupees Three Hundred Five Crore Forty Two Lakhs Sixty Two Thousand Eight Hundred Sixty Eight only) consisting of 152,71,31,434 equity shares of ₹ 2/- (Rupees two) each.

Your Company's equity shares are listed and traded on BSE Limited and National Stock Exchange of India Limited.

ANNUAL RETURN

Pursuant to Sub-Section 3(a) of Section 134 and Sub-Section (3) of Section 92 of the Act, a copy of the Annual Return of the Company as on 31 March 2023 is placed on the website of the Company and the same is available on the following link: https://www.cgglobal.com/financials#annual_report

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors of the Company had not reported any matter under Section 143(12) of the Act. Therefore, disclosure is not applicable in terms of Section 134(3)(ca) of the Act.

OTHER DISCLOSURES / REPORTING

a) Issue of equity shares with differential rights

The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.

b) Insolvency and Bankruptcy Code ("IBC")

There are no applications or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) against the Company.

c) Onetime settlement with any bank or financial Institution

During the year under review, the Company has not entered into one-time settlement with any banks or financial institutions.

d) Material changes and commitments affecting the financial position of your company

There were no material changes and commitments affecting the financial position of the Company, between the end of the financial year and the date of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors confirm that the Company has in place a framework of internal financial controls and compliance system, which is monitored and reviewed by the Audit Committee and the Board besides the statutory, internal and secretarial auditors. To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a) the annual Financial Statements for the year ended 31 March 2023 have been prepared in conformity with the applicable accounting standards along with proper explanation relating to material departures, if any;

b) that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2023 and of the profit of the Company for the year ended on that date;

c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the annual Financial Statements have been prepared on a going concern basis;

e) that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and were operating effectively;

f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board of Directors wishes to convey its gratitude and appreciation to all employees for their tremendous efforts as well as their exemplary dedication and contribution to the Company's performance. The Directors would also like to thank the Central and State Governments, Shareholders, State Bank of India, Ministry of Corporate Affairs, Customers, Suppliers, Dealers, Employees and Employee Unions and all other business associates for their continued support extended to your Company.

On behalf of the Board of Directors

Vellayan Subbiah
Chairman
(DIN: 01138759)

Mumbai, 8 May 2023

Annexures to Directors' Report

ANNEXURE 1

Information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo under Section 134 of the Companies Act, 2013 and rules made thereunder

A. CONSERVATION OF ENERGY

1. ENERGY CONSERVATION MEASURES TAKEN

All the business units of the Company continued their efforts on conservation and optimal utilization of energy by improving operational efficiencies, minimizing consumption of natural resources and water while maximizing production volumes.

MEASURES TAKEN TOWARDS ENERGY CONSERVATION AT VARIOUS UNITS:

Industrial

- Sewage treatment plant installed at Colvale unit helps in recycle of 12 KLD water.
- In FHP plant, domestic network re-furbished, helps in gathering water for treatment & recycle to garden after treatment.
- At FHP plant, timer installed for office AC's (3 nos – total 40 Ton) to ensure timely on / off.
- LTM Unit 2 drives with a view of arresting air leakage in tank so as to reduce load of compressor.
- LTM units 1 and 2 ensured optimum utilisation of melting furnace for die casting operation to reduce power consumption.
- Battery operated Forklift and hand pallet truck procured in Stamping division to reduce pollution in the premises, also helps in reduction of diesel consumption.
- LED replacement done at FHP, Colvale & Karaswada Unit.
- Water reservoir of 10 Lac Litres constructed in LIM plant.
- LIM plant, common resin storage activity helps in reduction of electricity consumption.
- Established rotor insertion in shaft at the time of Rotor Die casting to reduce power consumption to heat the rotor as a separate preparation.
- Change over from manual dip and bake oven to auto - Conveyorised baking oven to reduce the electricity consumption, varnish cake wastage generation.
- Replaced old reciprocating compressor at Karaswada unit by VFD operated new Screw Compressor.

Railway

- VFD based energy efficient test plant has been installed and commissioned at TMS for AC Traction Motors, which will reduce energy consumption during testing per motor by 25%.
- About 5000 Litres of less diesel consumption has been achieved by optimization of outward logistics, which has further contributed in reduction of carbon emission.
- Replacement of 42 number industrial fans of 200W based on Induction motor technology with 85W BLDC motor-based technology fans, resulted in good saving of energy consumption.

Power

a) Transformers

- The Distribution Transformer Plant at Gwalior replaced 92 Nos of 150W and 250W Metal Halide light fixtures by 80W, 90W and 100W LED Street light fixtures. Also installed 26 Nos. 36w LED light fixtures resulting in annual saving of 40,032 KWh.
- Up-gradation of compressed air pipe – The conventional airline replaced with leak proof compressed air pipe line, it has potential of saving 25% of air compressor energy consumption. It will result in energy savings of 30,000 KWh annually. Also Installed VFD on 3 Nos. winding machines, it will result in about 15% energy saving on the machine power consumptions.
- The Power Transformer plant at Bhopal installed lower capacity generator in Test lab for testing of smaller range of 220kV Transformer. Also motion sensors for auto switching ON/OFF lights. All these steps resulting in saving 46,800 KWh and saving of ₹ 4.5 Lakhs.

b) Switchgears

- Completed conversion of high wattage conventional lighting to energy efficient LED lighting along with smart/intelligent lighting solutions resulting in 82KW reduction in lighting load.
- Conservation of Natural Resources in Switchgear Division -
  a. Water: 4000m^3 through water balance monitoring and replacement of underground old fire hydrant water pipeline, installation of industrial dish washing machine at canteen and upgradation of Sprinkler Irrigation System at Switchgear Complex garden.
  b. High Speed Diesel: 2KL through Condition Monitoring of DG Sets, Fork lifts.
  c. Light Diesel Oil: 3KL through condition monitoring of Thermopacks, replacement of old hot Rockwool insulation of Autoclaves.
  d. Paper: 24MT through modification and upgradation through winding machine.
- Installation of VFDs (AC Drives) along with Control Panels for Air Handling Units **("AHU")** of Narrow Band Winding Room, MV GIS and RMU Assembly Shop and Exhaust Chimney of Canteen Kitchen (For total 25HP capacity motors).
- Energy conservation of compressor through elimination of artificial demand, leakages, improving efficiency, condition monitoring of FRLs etc. (Optima Air Approach) in EHV and MV Switchgear Division.
- Condition monitoring of Autoclave Process Plants of Instrument Transformer Unit along with SCADA upgradation for Cycle Time reduction.
- Installation of Timers, Motion and Temperature Controller Sensors (sub-zero) for Refrigeration and Air Conditioning Systems all over complex.
- Efficient utilization of Solar Power Generation Plant (Renewable Energy) to maximize the power generation of Solar PV System through shedding, soiling and cleaning.
- Installation of Thyristor Module to Heater Bank of 750KV EHV Lab Transformer Oil Filtration Plant.
- Installation of Timers for Industrial Heating Ovens all over complex.
- Energy Conservation for FY23 of complete Nashik Switchgear Plant is 1.21 Lakhs KWh and Cost saving of ₹13.31 Lakhs.

2. ALTERNATE SOURCES OF ENERGY

- Industrial Division units (excluding Unit 3 and Stamping) are harnessing around 16.9% of electricity requirement through the use of energy generated from roof top solar panels
- At our new M6 Goa unit, we have installed rooftops with sunlight reflector for good illumination on shop-floor. No need to switch on lights during day time.
- 500kW rooftop solar power plant is installed and commissioned at TMS. This will substantially increase the percentage of renewable energy utilization from current 5% to 20% of total energy consumption in Railway Division, which will in turn decrease carbon emission by 10%.
- Under Power Purchase agreement, the Transformers Division carried out execution of Solar generation plant with capacity of 348KW for Distribution Transformer plant based at Gwalior. For FY23, 4.32 Lakhs solar units were generated from Solar plant and saving of ₹22.41 Lakhs were achieved.
- Under the 'Solar as A Service' Model, execution of roof top solar panels (992kWp) for EHV and MV Switchgear plants based at Nashik were carried out and achieved energy conservation of 12.28 Lakh units and cost savings of ₹72.08 Lakhs.

3. CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

Industrial

- Replacement of CFL office lamps with energy efficient LEDs at all locations.
- This year Industrial Division invested in area for water conservation.

Railway

- New AC Traction Motor Testing setup installed for routine testing, resulting in reduction of energy consumption from 40KW to 30KW per motor testing.

Power

- Capital Investment of ₹ 7.20 Lakhs and ₹ 8 Lakhs was made in financial year 2022-23 by Distribution Transformer plants based at Gwalior and by EHV and MV Switchgear plants based at Nashik respectively.

B. TECHNOLOGY ABSORPTION

1. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION

Industrial

DAI

- Installed automated wave soldering machine for Elco (PCBA) thereby reduction on cost of Elco board.

Industrial

- HT motor developed and supplied to replace diesel engine drive to electric motor drive for Earth mover equipment.
- Motor Division and DAI is in the process of developing solution for EV application.

Railway

- Indigenously designed and developed Auxiliary power converter and Traction Motor for on Board MEMU (Mainline Electric Multiple Unit).
- Indigenously designed and developed Composite converter for 6000 HP Electric Locomotive, which is based on AFE (Active Front End) technology and Inverter technology.
- Developed switch board cabinets for LHB AC coaches which operates on 3 Phase 750V AC, 50 Hz and consists of all power and control switchgear for coach lighting, air conditioning, pantry, pump control, sanitary system, public addressing system and Head on Generation **("HOG")** filters selection etc. Product offered to RDSO for type test.

Power

In Power Transformer plant based at Bhopal following efforts were made:

- Up-gradation of reactor technology.
- Development of special transformers for Railway application.
- Knowledge and skill upgradation in application of simulation software for product validation.
- Widened spectrum of FEA simulation tools to cover unexplored product aspects.
- Engagement with international experts to improve know-how.

And in Distribution Transformer plant based at Gwalior following efforts were made

- For Solar Application, Inverter duty transformer of 12.5 MVA 33/0.630*4 kV, 5 Winding with Aluminium Foil wound. Successful completion of Short Circuit Test.
- Introduction of new technology Cladded Copper Aluminum Conductor: CCAC Bus Bar in place of Solid Bus Bar.
- Implementation of temperature measurement, arrangement in cable boxes and self-communicating type monitoring devices in Power transformers.
- Implementation of 3D software for structural designing.
- New design practice introduced for direct flow of oil resulting in higher cooling efficiency. Lead time reduction in HV Winding Manufacturing Process using Contra shield winding. Change in shunt arrangement resulting in process time reduction.

2. THE BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION

Industrial

- Use of alternate grade of electric steel for cost optimization.
- Lamination design optimization to improve utilization factor of steel sheet.

- FHP Unit initiated the vendor development for Import substitution of mechanical switch.
- LT Motors has completed its entire range development for IE4.
- DAI has gone ahead with digitization of online test reports which reduced the paper consumption of approx. 22.5 kg Per Month.
- DAI launched new VSS Series up to 2.2 KW.
- Division has started migrating to tools with Carbide cutting technology for longer tool life better productivity. 4 Carbide tools introduced during 22-23.
- Division has started migrating to Double Row tooling's technology for better productivity, low PLH. 3 tools planned during 23-24.
- 10 to 15% motor weight reduction achieved through design optimisation in selective frames.
- Use of alternate grade of electric steel for cost optimization like 710 frame / 8P motors.
- Development of new IE2 Entice series for M1 Range of Motors with better aesthetics and cost optimisation which will be launched from April 2023.
- Design optimisation in the A1 range to reduce Copper and Steel consumption.
- Developed entire M1 range of new IE3 series Motor and established capacity more than market requirement.

DAI

- In-house Ribbon Cable Assembly machine, thereby saving of ₹ 80K per month.
- Installed micro drive test bed in which 10 drives can be tested at a time, thereby reduction in zero hour failure.
- Cost reduction of ₹ 80 Lakh achieved by localization of raw materials / alternate packing scheme / suppliers.

Railways

The benefits derived from these efforts are:

- Optimized the core length of Traction Motor and enhanced power to weight ratio by 10%.
- Initiated and implemented import substitution of Electric Switch used in Loco panels resulted in 25% cost reduction.
- Indigenization of cooling solutions used in Traction Converter enhanced thermal performance by 5%.
- Successfully validated and upgraded Traction Convertor with improved semiconductor technology.

Power

The benefits derived from these efforts are:

- Development of new products in line with business needs and market trends.
- Design Optimization.
- Improved quality and reliability in terms of test bed and field performance.
- Reduction in Lead time and Process time.

3. IMPORTED TECHNOLOGY

The data for details of the technology imported is given in **Table 1.**

01 IMPORTED TECHNOLOGY

Details of Technology Imported	Year of Import	Whether the technology has been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof
Nil			

4. EXPENDITURE ON R&D

The Company's expenditure on Research & Development on standalone basis for the year ended 31 March 2023 is given in **Table 2**.

02 EXPENDITURE ON R&D (in ₹ Crore)

PARTICULARS	AMOUNT
A. Capital	10.44
B. Revenue	23.99
C. Total (A + B)	**34.43**
Total R & D expenditure	
As a percentage of turnover (continuing operations)	0.52%
As a percentage of profit before tax (continuing operations)	3.50%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The total foreign exchange earned and used by the Company during the year under review is given in **Table 3**.

03 FOREIGN EXCHANGE EARNING & OUTGO (in ₹ Crore)

PARTICULARS	AMOUNT
Total Foreign Exchange Earned	308.26
Total Foreign Exchange Used	342.15

On behalf of the Board of Directors

Vellayan Subbiah
Chairman
(DIN: 01138759)
Mumbai, 8 May 2023

ANNEXURE 2

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES FOR FINANCIAL YEAR 2022-23

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

CSR POLICY

CG Power and Industrial Solutions Limited is committed to upholding the Group's tradition by earmarking a part of its income for carrying out its social responsibilities. We believe that social responsibility is not just a corporate obligation that has to be carried out but it is one's dharma. Therefore, our philanthropic endeavours are a reflection of our spiritual conscience and this provides us a way to discharge our responsibilities to the various sections of the society.

The Company shall seek to impact the lives of the underprivileged by supporting and engaging in activities that aim to improve their well-being. We are dedicated to the cause of empowering people, educating them and in improving their quality of life. While we will undertake programme based on the identified needs of the community, education and healthcare shall remain our priority. Across the different programme areas identified by the Company, it would be our endeavour to reach the underprivileged and the marginalised sections of the society to make a meaningful impact on their lives.

We are committed to identifying and supporting programmes aimed at:

- Empowerment of the underprivileged sections of the society through education, access to and awareness about financial services and the like;
- Provision of access to basic necessities like healthcare, drinking water and sanitation and the like;
- Work towards eradicating hunger and poverty, through livelihood generation and skill development;
- Supporting environmental and ecological balance through afforestation, soil conservation, rain water harvesting, conservation of flora and fauna, and similar programmes;
- Promotion of sports through training of sports persons;
- Undertake rural development projects;
- Any other programme that falls under our CSR Policy and is aimed at the empowerment of underprivileged sections of the society;
- Any other programme that falls under Schedule VII of the Companies Act, 2013.

2. COMPOSITION OF CSR COMMITTEE

As on the date of this report, the CSR Committee comprises of the following Members:

Sl. No.	Name of Member	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1.	Mr. M A M Arunachalam*	Chairman, Non-Executive Director	1	1
2.	Mrs. Vijayalakshmi Rajaram Iyer*	Member, Independent Director	1	1
3.	Ms. Sasikala Varadachari	Member, Independent Director	1	1

Note: Mr. Shailendra Roy, Non-Executive Independent Director ceased to be the Member/Chairman of CSR Committee w.e.f. 18 September 2022 on completion of his tenure as a Director of the Company. Mr. P S Jayakumar ceased to be Member of the CSR Committee w.e.f. 12 October 2022.

*Mr. M A M Arunachalam was appointed as the Chairman of the CSR Committee and Mrs. Vijayalakshmi Rajaram Iyer as a Member of CSR Committee w.e.f. 12 October 2022.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.

https://www.cgglobal.com/about_csr

4. Provide the Executive Summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable.

Not applicable.

5. (a) Average Net Profit of the Company as per Section 135(5):
The average net profit of the Company as per Section 135(5) was ₹ 34.42 Crore.

(b) Two percent of average net profit of the Company as per Section 135(5):
Two percent of average net profit of the Company as per Section 135(5) is ₹ 69 lakhs.

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
Nil, since no CSR projects or programmes or activities were carried out by the Company in the previous financial years.

(d) Amount required to be set off for the financial year, if any; - Nil

(e) Total CSR obligation for the financial year [(b)+(c)-(d)] - ₹ 69 lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) - ₹ 69 lakhs

(b) Amount spent in Administrative Overheads - Nil

(c) Amount spent on Impact Assessment, if applicable - Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] - ₹ 69 lakhs

(e) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year (in ₹ Crore)	Amount Unspent (in ₹ Crore)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (6) of Section 135		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
0.69	-	-	-	-	-

(f) Excess amount for set-off, if any:

Sl. No.	Particulars	Amount (in ₹ Crore)
(1)	(2)	(3)
(i)	Two percent of average Net Profit of the Company as per Section 135(5)	0.69
(ii)	Total amount spent for the Financial Year	0.69
(iii)	Excess amount spent for the Financial Year [(ii) - (i)]	Nil
(iv)	Surplus arising out of the CSR Projects or Programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii) – (iv)]	Nil

7. (a) Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹ Crore)	Balance Amount in Unspent CSR Account under Section 135(6) (in ₹ Crore)	Amount spent in the Financial Year (in ₹ Crore)	Amount transferred to a fund specified under Schedule VII as per second proviso to Section 135(5), if any.		Amount remaining to be spent in succeeding Financial Years (in ₹ Crore)	Deficiency, if any
					Amount (in ₹ Crore)	Date of transfer		
1	FY-1							
2	FY-2				NIL			
3	FY-3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired - Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (in ₹ Crore)	Details of Entity / Authority/ Beneficiary of the Registered Owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Address
			Not Applicable				

9. Specify the reason(s), if the Company has failed to spend two per cent of the average Net Profit as per sub-section (5) of section 135 - Not Applicable.

M A M Arunachalam
Chairman, CSR Committee
(DIN: 00202958)

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Mumbai, 8 May 2023

ANNEXURE 3

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Note: The information provided below is on stand-alone basis of the Company.

1. Details of the ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the financial year ended 31 March 2023 are provided in **Table 1**.
2. Details of percentage increase/decrease in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary in the financial year under review are provided in **Table 1**.
3. The median remuneration of employees increased by 5.62% as compared to previous financial year.
4. The number of permanent employees on the rolls of the Company as on 31 March 2023: 2,771 (as against 2,586 as on 31 March 2022).
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

   Average increase in salary of Company's employees is 16.18% other than the Managerial personnel. On the other hand, the managerial remuneration increased by 2.23% in FY 2022-23 as compared to FY 2021-22. However, this is not comparable for the reason mentioned in the Notes appended to Table 1 below.
6. Remuneration is as per the Remuneration Policy of the Company.

01 Ratio of the remuneration of each Director to the median remuneration of all the employees of the Company for the financial year ended 31 March 2023 and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year under review:

Sr. No.	Name of Director/Key Managerial Personnel	Designation	Ratio of remuneration of director to median remuneration of all employees	% increase/(decrease) in comparison to previous financial year
1.	Mr. Vellayan Subbiah	Chairman, Non-Executive Non-Independent Director	2.84	(21.86)
2.	Mr. Natarajan Srinivasan	Managing Director	202.20	223.03
3.	Mr. M A M Arunachalam	Non-Executive Non-Independent Director	2.26	7.20
4.	Mr. P S Jayakumar	Non-Executive Independent Director	2.68	(16.32)
5.	Ms. Sasikala Varadachari	Non-Executive Independent Director	2.58	(10.00)
6.	Mr. Shailendra Roy**	Non-Executive Independent Director	-	@
7.	Mr. Sriram Sivaram	Non-Executive Independent Director	2.26	#
8.	Mr. Kalyan Kumar Paul	Non-Executive Non-Independent Director	2.11	#
9.	Mrs. Vijayalakshmi R Iyer*	Non-Executive Independent Director	-	@
10.	Mr. Susheel Todi	Chief Financial Officer	36.89	58.98
11.	Mr. P Varadarajan	Company Secretary	16.51	51.01

* Appointed w.e.f. 24 September 2022
** Ceased to be a Non-Executive Independent Director w.e.f. 18 September 2022
@ Part of FY 2022-23
# Part of FY 2021-22

Notes:

1. For the aforesaid purposes, median remuneration has been computed by ascertaining the cost to Company of all employees as on 31 March 2023, in all categories, whether workmen or white collar employees. Remuneration includes variable pay paid during the year under review.
2. The deemed benefit on exercise of options under the Company's ESOP Plan 2021 has not been considered as there is no cost to the Company.
3. There was a decrease in the sitting fees for the financial year 2022-23. Consequent to which there is change in the percentage of Director's remuneration in comparison with the previous year.
4. The remuneration of Non-Executive Directors includes the amount of Commission in addition to sitting fees for the FY 2022-23. The commission will be payble during the FY 2023-24.

On behalf of the Board of Directors

Vellayan Subbiah
Chairman
(DIN: 01138759)
Mumbai, 8 May 2023

ANNEXURE 4

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(PURSUANT TO SECTION 204 (1) OF THE COMPANIES ACT, 2013 AND RULE NO. 9 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014)

To,
The Members,
CG Power and Industrial Solutions Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CG Power and Industrial Solutions Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company, and to the extent made available to us and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act)

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client; (Not applicable to the Company during the audit period)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

(vi) Other laws specifically applicable to the Company namely

a. The Electricity Act, 2003 and Rules

b. Explosives Act, 1884 and Rules

c. Batteries (Management and Handling), Rule 2001

d. Petroleum Act, 1934 and rules

e. The Energy Conservation Act, 2001

f. The Air (Prevention and Control of Pollution) Act, 1981 and corresponding rules.

g. The Contract Labour (Regulation and Abolition) Act, 1970 and corresponding state rules.

h. The Environment (Protection) Act, 1986 and corresponding rules.

i. The Factories Act, 1948 and corresponding rules.

j. The Industrial Disputes Act, 1947 and corresponding rules.

k. The Apprentices Act, 1961 and corresponding rules.

l. The Water (Prevention and Control of Pollution) Act, 1974 and corresponding rules.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board and General Meetings

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice, and a system generally exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings/ Committee meetings were taken unanimously or by requisite majority, as required.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, as represented by the Company.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Company has during the period under review, allotted 8,52,88,405 equity shares of ₹ 2 each, fully paid up, as detailed below:

   a) 8,52,33,645 equity shares were allotted to Tube Investments of India Limited ('TII') on 18 May 2022 pursuant to conversion of balance 8,52,33,645 warrants by TII into equal number of equity shares, and receipt of the balance amount due on the warrants so exercised by them. Pursuant to the above conversion, the aggregate shareholding of TII has increased to 58.05% of the share capital of the Company.

   b) 54,760 shares under ESOP Scheme 2021 - 19,760 equity shares were allotted on 22 December 2022 and 35,000 equity shares were allotted on 9 March 2023 to the option grantees who had exercised their options.

2. The Board of Directors of the Company had on 19 October 2022 considered and approved the draft Scheme of Arrangement between the Company and its shareholders ('Scheme') pursuant to Section 230 and other applicable provisions of the Companies Act, 2013 ('the Act') as recommended by the Audit Committee and Independent Directors of the Company. The draft Scheme provides for the reorganisation of capital of the Company, whereby it is proposed to transfer an amount of ₹ 400 Crore (Rupees Four Hundred Crore only) from the credit balance lying in General Reserves to the Retained Earnings account, in order to offset the accumulated losses of the Company from the past years with effect from the Appointed Date as mentioned in the draft Scheme. The Company has already filed an application for NOC from BSE (Designated Stock Exchange). The NOC is awaited and subject to the approval of NCLT.

3. SEBI levied a fine of ₹ 5,00,000/- on the Company in connection with delay in making quarterly disclosures to the Stock Exchanges, regarding default in repayment of loans/interest on loans to the lenders in the prescribed format, as required under SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated 21 November 2019, relevant to the quarters ended 31 December 2019 and 31 March 2020. The Company preferred an appeal before the Securities Appellate Tribunal challenging the said order of SEBI. The Securities Appellate Tribunal (SAT) has set aside the said SEBI order. Except as aforesaid, there has been no penalty imposed on the Company or no strictures have been passed against it by SEBI or Exchanges or any other statutory authorities on any such matters, during the last three years.

For Parikh & Associates
Company Secretaries

Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511
UDIN: F008331E000267733
PR No.: 1129/2021

Place: Mumbai
Date: May 08, 2023

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
CG Power and Industrial Solutions Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

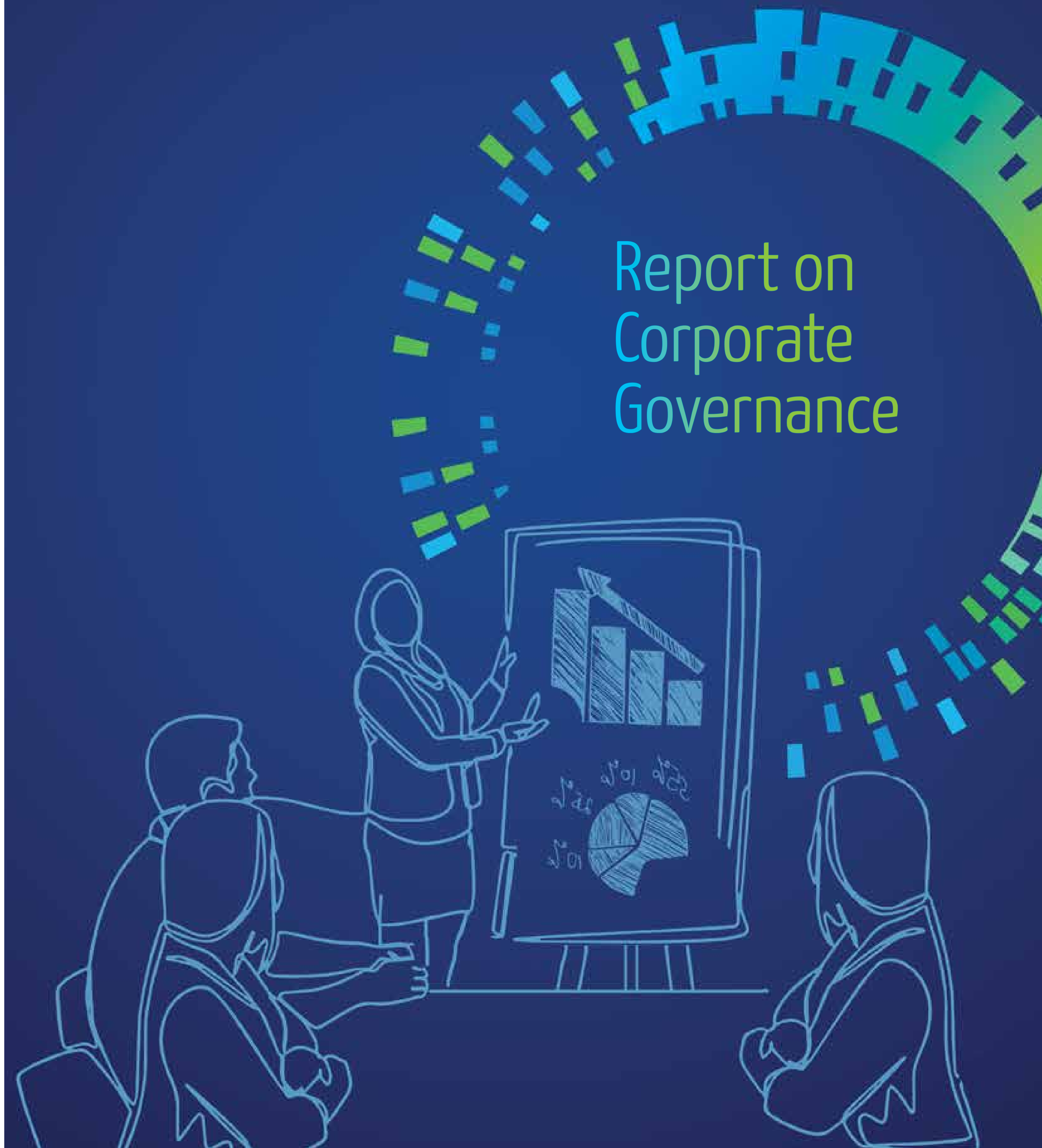
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511
UDIN: F008331E000267733
PR No.: 1129/2021

Place: Mumbai
Date: May 08, 2023

Report on Corporate Governance



Report on Corporate Governance

A report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India in Chapter IV read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI LODR"**).

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes that the fundamental objective of Corporate Governance is to enhance the interests of all stakeholders. The Company's Corporate Governance practices emanate from its commitment towards discipline, accountability, transparency and fairness. Key elements in corporate governance are timely and adequate disclosures, establishment of internal controls and high standards of accounting fidelity, product and service quality. Your Company also believes that good Corporate Governance practices help to enhance performance and valuation of the Company.

BOARD OF DIRECTORS COMPOSITION

The composition of the Board of Directors is in conformity with the provisions of the Companies Act, 2013 (**'the Act'**) and Rules made thereunder including SEBI LODR, as amended from time to time. The Board has an optimum combination of Executive/Non-Executive Directors, Woman Directors and Independent Directors with diversified skill sets, professional knowledge and relevant business experience in diverse fields.

As on 31 March 2023, your Company's Board comprised of 8 Directors, out of which 7 Directors were Non-Executive Directors. The Company has a Non-Executive Chairman. The Company has 4 Independent Directors (**'IDs'**), including 2 Women IDs, which comprise half of the total strength of the Board.

The Profile of Directors are available on the website of the Company at https://www.cgglobal.com/board_of_directors

INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of the Act, each of the Independent Director has confirmed that he / she meets the criteria of independence laid down in Section 149(6) of the Act and Regulation 16 of SEBI LODR.

Further, in terms of Regulation 25(8) of SEBI LODR, the Independent Directors have also confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Based on the declarations received from the Independent Directors, the Board is of the opinion that Independent Directors of your Company fulfill the conditions of independence as specified in the Act and SEBI LODR and are independent of the management. They are persons of integrity and possess relevant experience and do not hold, together with their relatives, 2% or more of the voting power in the Company. They are not related to any of the Promoters and Directors of the Company or of its Holding, Subsidiary or Associate companies and are independent of the management.

The Company has received confirmation from all the existing Independent Directors of their registration with the Independent Directors Databank maintained by the Indian Institute of Corporate Affairs pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

BOARD MEETINGS

Board Meetings are convened at appropriate intervals with a maximum time gap of not more than 120 days between two consecutive meetings. Notice along with the agenda papers is sent to the Directors in advance. In case of exigencies or urgency of matters, resolutions are passed by circulation for such matters as permitted by law and noted at the subsequent meeting. The Company uses the facility of Video Conferencing, permitted under Section 173(2) of the Act read together with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014.

The Board critically evaluates Company's strategic direction, risks and opportunities, key mergers and amalgamations, investments, financial performance, asset optimization, management policies and their effectiveness. Additionally, the Board reviews the compliance processes, internal control systems, material occurrences, if any, in the areas of environment, health and safety, financial liabilities, regulatory claims and developments in human resources.

Five (5) Board Meetings were held during the year. The dates on which the Meetings were held are as follows:

Sr. No	Date of Board Meeting	Board Strength	No of Directors Present
1.	2 May 2022	8	8
2.	27 July 2022	8	8
3.	19 October 2022	8	8
4.	24 January 2023	8	8
5.	2 March 2023	8	7

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the financial year, attendance at the last Annual General Meeting (**"AGM"**), the number of Directorships and Committee Chairmanships/ Memberships held by them in all public limited companies (including this Company) as on 31 March 2023, are given in Table 1.

Pursuant to provisions of Regulation 17(3) of SEBI LODR, the Board periodically reviews the compliance reports of all laws applicable to the Company.

The required information, including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the SEBI LODR is made available to the Board of Directors, for discussions and consideration at Board Meetings.

Pursuant to Regulation 27(2) of the SEBI LODR, the Company also submits a quarterly Compliance Report on Corporate Governance to the Stock Exchanges.

01 Composition, attendance and details of the Board of Directors during the financial year 2022-23

Name of Director	Category	Attendance Particulars		No. of Representations		
		Board Meeting	Last AGM	Directorship#	Committee Chairmanship##	Committee Membership##
Mr. Vellayan Subbiah	Non-Executive; Non-Independent; Chairman	5	Yes	6	1	3
Mr. M A M Arunachalam	Non-Executive; Non-Independent	5	Yes	7	1	5
Mr. Kalyan Kumar Paul	Non-Executive; Non-Independent	5	Yes	1	-	-
Mr. P S Jayakumar	Non-Executive; Independent	5	Yes	10	3	10
Ms. Sasikala Varadachari	Non-Executive; Independent	5	Yes	6	1	3
Mr. Shailendra Roy$	Non-Executive; Independent	2	Yes	NA	NA	NA
Mr. Sriram Sivaram	Non-Executive; Independent	5	Yes	2	-	1
Mrs. Vijayalakshmi R Iyer$$	Non-Executive; Independent	3	NA	10	3	10
Mr. Natarajan Srinivasan	Managing Director	4	Yes	3	3	5

$ Ceased to be a Non-Executive Independent Director with effect from closure of business hours on 18 September 2022 upon completion of his tenure of appointment in the Company.

$$ Appointed as a Non-Executive Independent Director of the Company with effect from 24 September 2022.

Directorships include directorships as on 31 March 2023 in only Indian companies (including this Company) but excludes alternate directorships, private companies, limited liabilty partnership and companies registered under Section 8 of the Companies Act, 2013.

Includes Chairmanship/Membership of only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (including this Company) as on 31 March 2023.

OTHER DIRECTORSHIPS

As on 31 March, 2023, none of the Directors on the Board hold directorships in more than twenty companies (including ten public limited companies) or is an Independent Director in more than seven listed companies. Further, none of the Director is a member of more than ten Committees or a chairperson of more than five Committees across all public limited companies. For the purpose of determination of limit of the Board Committees, the chairpersonship/ membership of only the Audit Committee and the Stakeholders' Relationship Committee have been considered as provided in Regulation 26(1)(b) of SEBI LODR. Further, the Directorship of Directors is in conformity with Regulation 17A of SEBI LODR.

Names of other listed entities where Directors of the Company hold directorship and the category of such directorship as on 31 March 2023 are given in Table 2.

02 Directors and their Directorships in other listed companies as on 31 March 2023

Name of the Director	Directorship in other Listed Companies	Category
Mr. Vellayan Subbiah	SRF Limited	NENI
	Tube Investments of India Limited	EVC
	Cholamandalam Financial Holdings Limited	NENI
	Cholamandalam Investment and Finance Company Limited	NENIC
Mr. M A M Arunachalam	Shanthi Gears Limited	NENIC
	Tube Investments of India Limited	EC
	Cholamandalam Investment and Finance Company Limited	NENI
Mr. Kalyan Kumar Paul	-	-
Mr. P S Jayakumar	Adani Ports and Special Economic Zone Limited	NEI
	JM Financial Limited	NEI
	HT Media Limited	NEI
Ms. Sasikala Varadachari	Sundaram - Clayton Limited	NEI
	Tube Investments of India Limited	NEI
Mrs. Vijayalakshmi R Iyer	Glenmark Pharmaceuticals Limited	NEI
	Poonawalla Fincorp Limited	NEI
	Computer Age Management Services Limited	NEI
	ICICI Securities Limited	NEI
	Aditya Birla Capital Limited	NEI
Mr. Sriram Sivaram	-	-
Mr. Natarajan Srinivasan	Godrej Agrovet Limited	NEI
	Computer Age Management Services Limited	NEI

- Non-Executive Non-Independent - NENI
- Non-Executive Independent - NEI
- Executive Vice Chairman - EVC
- Executive Chairman - EC
- Non-Executive Non-Independent Chairman - NENIC

SELECTION AND APPOINTMENT OF DIRECTORS

The Nomination and Remuneration Committee ascertains the qualification, expertise and experience of the person being considered for appointment as Director and recommends the appointment to the Board. In case of appointment of an Independent Director, such person shall additionally meet the requirements as stipulated in Section 149 of the Act read with Schedule IV of the said Act and Regulation 16 of the SEBI LODR.

In terms of the requirement of Regulation 46(2)(b) of the SEBI LODR and Schedule IV of the Act, your Company has issued formal letters of appointment to the Independent Directors. The terms and conditions of such appointment are available on the Company's website and can be accessed at https://www.cgglobal.com/assets/pdf_files/TandC_IndependentDirectorsAppt.pdf

BOARD EFFECTIVENESS EVALUATION

The annual performance evaluation was carried out pursuant to the provisions of the Act and the SEBI LODR. As part of the performance evaluation process, an evaluation questionnaire based on the relevant criteria was circulated to all the Board Members, in advance. The Directors evaluated themselves, the Chairman, the Managing Director, other Board Members, the Board as well as the functioning of the Board Committees viz., Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee based on well-defined evaluation parameters as set out in the questionnaire. The duly filled in questionnaires were received back from the Chairman and all the other Directors. The Board reviewed the process of evaluation of the Board of Directors and its Committees including the Managing Director and the individual Directors.

INDEPENDENT DIRECTORS' MEETING

Independent Directors' Meeting in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulations 25(3) and 25(4) of SEBI LODR was convened on 1 March 2023 *inter-alia* to review the performance of Non-Independent Directors and the Board as a whole and review the performance of the Chairman for FY 2022-23 and the flow of information between the Board and the Management. All Independent Directors were present at the said Meeting.

DIRECTORS' SHAREHOLDING AND RELATIONSHIP INTER-SE

As on 31 March 2023, except Mr. M A M Arunachalam and Mr. Kalyan Kumar Paul who held 1,85,000 equity shares and 30,000 equity shares of the Company, respectively, none of the other Directors held any shares in the Company. Further, none of the Directors on the Board is related to each other.

DIRECTORS' INDUCTION AND FAMILIARISATION

Pursuant to the provisions of Regulation 25(7) and Regulation 46 of the SEBI LODR, your Company has in place the practice of familiarizing the Independent Directors about Company's business through induction and regular updates. The program aims to provide information on your Company's background, operations, procedures and policies, director's roles, responsibilities, rights and duties under the Act and other statutes. The Board Members are provided with necessary documents, brochures, forms, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Board Members are appraised on operations, strategic and future plans of the Company through the business review meeting as well as the quarterly Board Meetings.

The details of familiarization programme imparted to the Independent Directors can be accessed on the Company's website at https://www.cgglobal.com/assets/pdf_files/Familiarisation_Programme_for_Independent_Directors.pdf

CORE SKILLS / EXPERTISE / COMPETENCE

The present Board comprises of qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Financial Management
- Global Business Environment perspective
- Business Leadership
- Technology
- Mergers and Acquisitions
- Board Insights

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skills identified by the Board as above. The Directors possess experience and knowledge in diverse fields and also take active participation at deliberations in the meetings.

The mapping of the skills mentioned above for all the Directors is as follows:

Skills / Expertise / Competencies	Name of the Director							
	VS	MAM	KKP	PSJ	SV	VRI	SS	NS
Financial Management	✓	✓	-	✓	✓	✓	✓	✓
Global Business Environment Perspective	✓	✓	✓	✓	✓	✓	✓	✓
Business Leadership	✓	✓	✓	✓	✓	✓	✓	✓
Technology	✓	✓	✓	-	-	-	✓	✓
Mergers and Acquisitions	✓	✓	-	✓	✓	-	✓	✓
Board Insights	✓	✓	✓	✓	✓	✓	✓	✓

VS - Vellayan Subbiah
MAM - M A M Arunachalam
KKP - Kalyan Kumar Paul
PSJ - P S Jayakumar
SV - Sasikala Varadachari
VRI - Vijayalakshmi R Iyer
SS - Sriram Sivaram
NS - Natarajan Srinivasan

THE COMMITTEES OF THE BOARD

Given below are the composition and the terms of reference of various Committees constituted by the Board, *inter-alia* including the details of meetings held during the year and attendance thereat. All Committee decisions are taken, either at the meetings of the Committee or by passing of Circular Resolutions. The Company Secretary acts as the Secretary for all Board constituted Committees. During the financial year under review, all recommendations made by the various Committees have been accepted by the Board. The Chairman of each Committee briefs the Board on the significant discussions that have taken place at its meeting. The Minutes of the meetings of all Committees of the Board are placed before the Board for noting.

AUDIT COMMITTEE ("AC")

The composition of the Audit Committee ("**AC**") of the Board of Directors is in compliance with the provisions of Section 177 of the Act and Regulation 18 read with Part C of Schedule II of SEBI LODR, including the scope and terms of reference.

As of 31 March 2023, the AC comprised of 3 Non-Executive Directors of which 2 are Independent Directors, who are financially literate and have relevant finance exposure.

The composition of the Committee is as under:

Name	Designation	Category of Directorship	Attendance
Mr. P S Jayakumar	Chairman	Non-Executive; Independent	5
Ms. Sasikala Varadachari	Member	Non-Executive; Independent	5
Mr. Vellayan Subbiah	Member	Non-Executive; Non-Independent	5

TERMS OF REFERENCE:

The terms of reference of the Audit Committee includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment, removal and terms of appointment of external auditors, fixation of audit fees and also approval of payment for any other services.
- Reviewing and monitoring the external auditor's independence and performance, and effectiveness of audit process
- Reviewing with management the annual financial statements and auditor's report thereon before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualifications in the draft audit report.
  - Significant adjustments arising out of the audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e. transactions of the Company of a material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the larger interests of the Company.
  - Matters to be included in the Directors Responsibility Statement included in the Board Report.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Reviewing the adequacy of internal control systems with the management, external and internal auditors.
- Reviewing the quarterly financial statements before submission to the board for approval.
- Reviewing the adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the executive heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings in their reports and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, expenditure of an extravagant nature, and reporting the matter to the Board of Directors.
- Discussions with the external auditors before the audit commences, as regards the nature and scope of audit as well as have post-audit discussions to ascertain any areas of concern.
- To look into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing, with the management, the application of funds raised through any issue, funds utilized for purposes other than those stated in the offer documents and the report submitted by the monitoring agency monitoring the utilisation of proceeds of the issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing the functioning of the Vigil Mechanism such as Whistle Blower or any other similar mechanism of the Company which may have been implemented.
- Approving appointment of Chief Financial Officer or any other person heading the finance function.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower.
- To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Five (5) Audit Committee Meetings were held during the financial year. The dates on which the Meetings were held are as follows:

Sr. No	Date of AC Meeting	Member Strength	No of Members Present
1.	2 May 2022	3	3
2.	27 July 2022	3	3
3.	19 October 2022	3	3
4.	23 January 2023	3	3
5.	2 March 2023	3	3

Members of the AC have wide exposure and knowledge in the areas of finance and accounting. The Managing Director, Chief Financial Officer and representatives of the Statutory Auditors attend the meetings of AC as invitees.

The external firm appointed by the Company to carry out internal audit, reports to AC. The AC provides assurance to the Board on the effectiveness of the Company's internal control environment. The AC monitors the financial reporting processes and other processes as per the regulatory requirements and functions in accordance with the terms of reference approved by the Board of Directors.

Your Company's management has taken all efforts to ensure that proper systems are in place to monitor the effectiveness of internal controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations, and the reliability of financial reporting.

NOMINATION AND REMUNERATION COMMITTEE ("NRC")

The Company has a duly constituted Nomination and Remuneration Committee (**"NRC"**) in compliance with the provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of SEBI LODR, including the scope and terms of reference.

As on 31 March 2023, the NRC comprised of 3 Non-Executive Directors of which 2 are Independent Directors. The composition of the Committee is as under:

Name	Designation	Category of Directorship	Attendance
Mr. P S Jayakumar	Chairman	Non-Executive; Independent	3
Mr. Vellayan Subbiah	Member	Non-Executive; Non-Independent	3
Mr. Shailendra Roy$	Member	Non-Executive; Independent	2
Mrs. Vijayalakshmi R Iyer*	Member	Non-Executive; Independent	1

Note: During the year, following changes took place:

1. $Mr Shailendra Roy was a Member of NRC upto 18 September 2022.
2. *Mrs. Vijayalakshmi R Iyer was inducted as a Member of NRC w.e.f. 12 October 2022.

The role of the NRC *inter-alia* includes the following:

- Formulate evaluation policies for performance appraisal of senior management and remuneration of Directors, Key Managerial Personnel and senior management.
- Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Review and recommend to the Board all remuneration payable to senior management.
- Review all major aspects of HR processes, including hiring, training, talent management, succession planning and the compensation structure of the Directors and senior management.
- Identify persons who can be considered as Directors and who may be appointed in senior management.
- Evaluate each Director's performance.
- Set up a policy on Board diversity.
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.

Three (3) Nomination and Remuneration Committee Meetings were held during the year. The dates on which the Meetings were held are as follows:

Sr. No.	Date of NRC Meeting	Member Strength	No of Members Present
1.	2 May 2022	3	3
2.	27 July 2022	3	3
3.	19 October 2022	3	3

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

Pursuant to the provisions of the Act and SEBI LODR, the performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee which *inter-alia* includes contribution to the Board, safeguarding stakeholder interest, knowledge of Company's strategy and objectives, etc.

REMUNERATION OF DIRECTORS

i. Remuneration of Managing Director

Managing Director is paid remuneration as per the terms and conditions of his appointment in compliance with the Company's Remuneration Policy in force from time to time, and subject to applicable provisions of the Act and Rules made thereunder, read with Schedule V of the Act and approval of the Shareholders.

The details of remuneration paid to the Managing Director for the year ended 31 March 2023 is as follows:

(Amount in ₹)

Name	Salary and Allowances	Perquisites and Contribution	Variable Pay, High Performance Bonus and Special Incentive	Total
Mr. Natarajan Srinivasan, Managing Director	3,04,62,720	87,17,994	8,06,00,000	11,97,80,714

Note 1: No severance pay is payable. Service contract and notice period are as per the terms of agreement entered into with him by the Company.

Note 2: During the year under review, a sum of ₹ 1.53 Crore was paid towards incentive/ variable pay and ₹ 1.53 Crore was paid towards high performance bonus for the year 2021-22 to Mr. Srinivasan. He was also paid a special incentive of ₹ 5 Crore. Provisions for the said amounts were made in the accounts for that year.

Note 3: During the year under review, Mr. Natarajan Srinivasan, Managing Director, was granted 4,53,140 Options, pursuant to Employee Stock Option Scheme 2021 at an exercise price of ₹ 251.65 per equity share, being the market price.

ii. Remuneration of Non-Executive Directors

During the year under review, your Company had no pecuniary relationship or transactions with its Non-Executive Directors other than payment of sitting fees for attending the Board and Committee meetings, within the limits as approved by the Board and commission.

The details of sitting fees and commission paid to Non-Executive Directors for the year ended 31 March 2023 are as follows:

Name of the Director	Sitting fees (Amount in ₹)	Commission (Amount in ₹@)
Mr. Vellayan Subbiah	6,80,000	10,00,000
Mr. M A M Arunachalam	3,40,000	10,00,000
Mr. Kalyan Kumar Paul	2,50,000	10,00,000
Mr. P S Jayakumar	5,90,000	10,00,000
Ms. Sasikala Varadachari	5,30,000	10,00,000
Mr. Shailendra Roy*	1,60,000	4,68,493
Mr. Sriram Sivaram	3,40,000	10,00,000
Mrs Vijayalakshmi R Iyer**	2,10,000	5,17,808

*Ceased to be a Director w.e.f. close of business hours on 18 September 2022.

** Appointed as a Director w.e.f. 24 September 2022.

@ For the year 2022-23, payable in the year 2023-24.

CORPORATE SOCIAL RESPONSIBILITY ("CSR") COMMITTEE

The composition of the Corporate Social Responsibility (**"CSR"**) Committee is in line with the provisions of Section 135 of the Act.

As on 31 March 2023, the CSR Committee comprised of 3 Non-Executive Directors of which 2 are Independent Directors.

The composition of the Committee is as under:

Name	Designation	Category of Directorship	Attendance
Mr. M A M Arunachalam	Chairman	Non-Executive; Non-Independent	1
Ms. Sasikala Varadachari	Member	Non-Executive; Independent	1
Mrs. Vijayalakshmi R Iyer	Member	Non-Executive; Independent	1

Note: During the year, the following changes took place:

1. Mr. Shailendra Roy (Chairman of the Committee) and Mr. P S Jayakumar ceased to be Members of the CSR Committee w.e.f. 18 September 2022 and 12 October 2022 respectively. No Meeting was attended by them during the year under review.
2. Mr. M A M Arunachalam and Mrs. Vijayalakshmi R Iyer were appointed as Members of the CSR Committee w.e.f. 12 October 2022. Mr. M A M Arunachalam was appointed as Chairman w.e.f. from the said date.

Your Company's CSR Policy, as adopted by the Board, articulates its CSR principles of responsible corporate citizenship envisaging inclusive growth, diversity and equitable development, making sustained efforts at environment preservation, working with under-served communities around its operating locations and preserving the ecosystem that supports your Company.

The CSR Committee recommends, and the Board approves, the CSR expenditure budget and project plan. CSR projects of the Company are approved by the Board based on the recommendation of the CSR Committee. The Committee reviews CSR expenditure, activities undertaken and milestones achieved.

One (1) CSR Meeting was held during the year. The date on which the Meeting was held is as follows:

Sr. No	Date of CSR Meeting	Member Strength	No of Members Present
1	19 October 2022	3	3

The details of CSR spending done by the Company during the FY 2022-23 are mentioned in the 'Annual Report on CSR Activities', which is annexed to the Directors' Report.

STAKEHOLDERS' RELATIONSHIP COMMITTEE ("SRC")

The composition of the Stakeholders' Relationship Committee **("SRC")** constituted by the Board of Directors is in compliance with the provisions of Regulation 20 read with Part D of Schedule II of SEBI LODR and Section 178 of the Act, including the scope, role and terms of reference.

As on 31 March 2023, the SRC consisted of four Directors, of which three are Non-Executive Directors.

The Composition of the Committee is as under:

Name	Designation	Category of Directorship	Attendance
Mr. Vellayan Subbiah	Chairman	Non-Executive; Non-Independent	1
Mr. M A M Arunachalam	Member	Non-Executive; Non-Independent	1
Mr. Natarajan Srinivasan	Member	Managing Director	0
Mr. Sriram Sivaram	Member	Non-Executive; Independent	1

One (1) Stakeholder Relationship Committee Meeting was held during the year. The date on which the Meeting was held is as follows:

Sr. No	Date of SRC Meeting	Member Strength	No of Members Present
1	2 March 2023	4	3

Reports at periodic intervals are placed before the Board providing the number and category of shareholder complaints received and the status of their resolution. In order to expedite the process, the Board of Directors has also delegated authority to the Company Secretary to approve the service requests such as share transmission, sub-division, etc.

Details of investor complaints received and redressed during FY 2022-23 are as follows:

Opening Balance	--
Received During the Year	28
Resolved During the Year	28
Closing Balance	--

These complaints were related to non-receipt of share certificates sent for transfer / demat, non-receipt of dividend, non-receipt of Annual Report, complaint with respect to processing of shares and dividend transferred to IEPF, transmission of shares, KYC updation, and legal notice in relation to transmission case. None of the Complaints were pending for a period exceeding 30 days. All requests for transfer of shares have been processed on time and there are no transfers pending for more than 15 days.

The Company Secretary acts as Secretary to this Committee.

RISK MANAGEMENT COMMITTEE ("RMC")

The Risk Management Committee **("RMC")** is constituted in compliance with the provisions of Regulation 21 of SEBI LODR in order to manage the risks associated with the Company.

As on 31 March 2023, the RMC Consisted of the following four Directors and a senior employee of the Company:

Name	Designation	Category	Attendance
Mr. Vellayan Subbiah	Chairman	Non-Executive; Non-Independent	2
Mr. Sriram Sivaram	Member	Non-Executive; Independent	2
Mr. M A M Arunachalam	Member	Non-Executive; Non-Independent	1
Mr. Natarajan Srinivasan	Member	Managing Director	2
Mr. Ramesh Kumar	Member	President - Industrial Division	2

Terms of reference:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Two (2) Risk Management Committee Meetings were held during the year. The dates on which the Meetings were held are as follows:

Sr. No	Date of RMC Meeting	Member Strength	No of Members Present
1.	29 June 2022	5	4
2.	20 December 2022	5	5

CODE OF CONDUCT AND BUSINESS PRACTICES

Your Company has adopted 'Code of Conduct and Business Practices' in terms of Regulation 17(5) of the SEBI LODR. Pursuant to Regulation 26(3) of the SEBI LODR, all the Board Members and Senior Management of the Company as on 31 March 2023 have affirmed compliance with the Code of Conduct. The said Code of Conduct is available on the website of the Company.

The certificate required under Regulation 34 read with Schedule V of SEBI LODR stating that the Members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct, signed by Mr. Natarajan Srinivasan, Managing Director, is annexed at the end of this Report.

Pursuant to the provisions of Regulations 8 and 9 under the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted and endeavors adherence to the Code for Fair Disclosure of Unpublished Price Sensitive Information. Kindly refer to the Company's website https://www.cgglobal.com/assets/pdf_files/Code_for_Fair_Disclosure_of_UPSI.pdf for the detailed Code for Fair Disclosure of Unpublished Price Sensitive Information of the Company.

INFORMATION ON GENERAL BODY MEETINGS

ANNUAL GENERAL MEETING ("AGM")

Details of the last three Annual General Meetings of the Company held along with Special Resolutions passed are indicated in Table 3 below:

03 Last three Annual General Meetings held and Special Resolutions passed

Financial Year	Location	Date	Time (IST)	Special Resolutions Passed
2019-20	The meeting was conducted through Video Conferencing and Other Audio Visual Means. The deemed venue of the meeting was the registered office of the Company.	19 October 2020	3.00 p.m.	1. Approval for waiver of recovery and ratification of managerial remuneration paid to Mr. Sudhir Mathur, Whole Time Executive Director for the financial year 2019-20, due to loss in the said financial year. 2. Approval for Payment of remuneration to Mr. Sudhir Mathur, Whole Time Executive Director in case of loss or inadequacy of profit.
2020-21	Same as above	31 January 2022	1.30 p.m.	Nil
2021-22	Same as above	27 July 2022	3.00 p.m.	Nil

EXTRAORDINARY GENERAL MEETING

There were no Extraordinary General Meetings of the Company held during the FY 2022-23.

POSTAL BALLOT

The following was approved by way of a Special Resolution through Postal Ballot during the financial year 2022-23:

Appointment of Mrs. Vijayalakshmi Rajaram Iyer (DIN: 05242960), as a Non-Executive Independent Director of the Company.

The Postal Ballot was conducted in accordance with the procedure laid down under Section 110 of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014. Mr. Prashant S. Mehta, Proprietor of P. Mehta & Associates, Practicing Company Secretary acted as the Scrutiniser for Postal Ballot. The Resolution was passed with requisite majority by the Shareholders on 14 December 2022.

The procedure for Postal Ballot was mentioned in the Postal Ballot Notice issued by the Company.

The details of voting pattern of the Postal Ballot is as follows:

Special Resolution for appointment of Mrs. Vijayalakshmi Rajaram Iyer (DIN: 05242960), as a Non-Executive Independent Director of the Company:

Mode	Total votes Cast	In Favour			Against		
		No. of Share-holders	Votes	% of votes in favour	No. of Share-holders	Votes	% of votes against
E-Voting	1,19,16,47,340	1,087	1,18,03,78,668	99.05	77	1,12,68,672	0.94
Total	1,19,16,47,340	1,087	1,18,03,78,668	99.05	77	1,12,68,672	0.94

No Special Resolution is proposed to be conducted through Postal Ballot.

MEANS OF COMMUNICATION

The Company recognizes communication as a key element to the overall Corporate Governance framework, and therefore emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies.

Your Company strives to achieve full and timely disclosure of information. To this end, it:

- Prepares and dispatches through permitted modes, a full version of its Annual Report, despite an abridged version being allowed by the regulations.
- Submits quarterly, half yearly and annual results of your Company to the National Stock Exchange of India Limited and BSE Limited through their designated web portals and also uploads it on the Company's website (www.cgglobal.com) in the "Investors" Section. These results are simultaneously published in two leading newspapers: Financial Express (English) and Loksatta (Marathi).
- Discloses to the Stock Exchanges the presentations made to institutional investors or to the analysts and is also uploaded on Company's website: www.cgglobal.com
- Promptly reports all material information including official Press Releases etc. to all the Stock Exchanges on which shares of your Company are listed. All information and disclosures made to Stock Exchanges and investors are simultaneously displayed on your Company's website: www.cgglobal.com
- The 'Information to Investor' section on your Company's website provides 'live' share prices, as well as graphical information relating to the historical share prices and published financials. Graphs relating to income and profitability, balance sheet and equity position, ratios, share returns on the standalone and consolidated position of your Company across a number of years are readily available in a user friendly manner for retail investors and researchers.

Reinforcing its commitment towards the environment and to have e-enabled regulatory compliances, your Company sends its Annual Report as well as other shareholder correspondences electronically to Members whose e-mail address is registered with the Company / Depository Participants / RTA.

GENERAL SHAREHOLDER INFORMATION

CIN: L99999MH1937PLC002641

Registration Date: 28/04/1937

Address of the Registered Office and Contact Details:

6th Floor, CG House, Dr. A. B. Road, Worli,
Mumbai 400030,

Tel No.: +91 22 2423 7777

86TH ANNUAL GENERAL MEETING

Date: Thursday, 27 July 2023

Time: 3.00 p.m

Venue: The 86th Annual General Meeting of the Company is being conducted through Video Conferencing **('VC')** / Other Audio Visual Means **('OAVM')** facility and the deemed venue for the AGM shall be the Registered Office of the Company.

DIVIDEND PAYMENT DATE

The Company had declared on 2 March 2023 an Interim Dividend for the financial year 2022-23 @ ₹ 1.50/- (75%) per equity share of ₹ 2/- (Rupees Two only) each. The interim dividend was paid to the shareholders on 29 March 2023. Directors have not recommended any further dividend for the financial year 2022-23.

FINANCIAL YEAR AND TENTATIVE CALENDAR FOR FINANCIAL YEAR ENDING 31 MARCH 2024

Your Company's accounting year comprises of twelve months period from 1 April to 31 March.

Tentative calendar of Board Meetings for consideration of financial results for remaining part of financial year ending 31 March 2024 is given below:

First quarter results:
On/before 14 August 2023

Second quarter results:
On/before 14 November 2023

Third quarter results:
On/before 14 February 2024

Last quarter results and annual audited results:
On/before 30 May 2024

NAME AND ADDRESS OF THE STOCK EXCHANGES

Name of Stock Exchange	Address
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
National Stock Exchange of India Limited	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai-400051

STOCK CODE

BSE Limited (BSE): 500093

National Stock Exchange of India Limited (NSE): CGPOWER

ISIN: INE067A01029

Depository: National Securities Depository Limited and Central Depository Services (India) Limited

Your Company has paid the annual listing fees for the FY 2023-24 to each Stock Exchange on which its securities are listed.

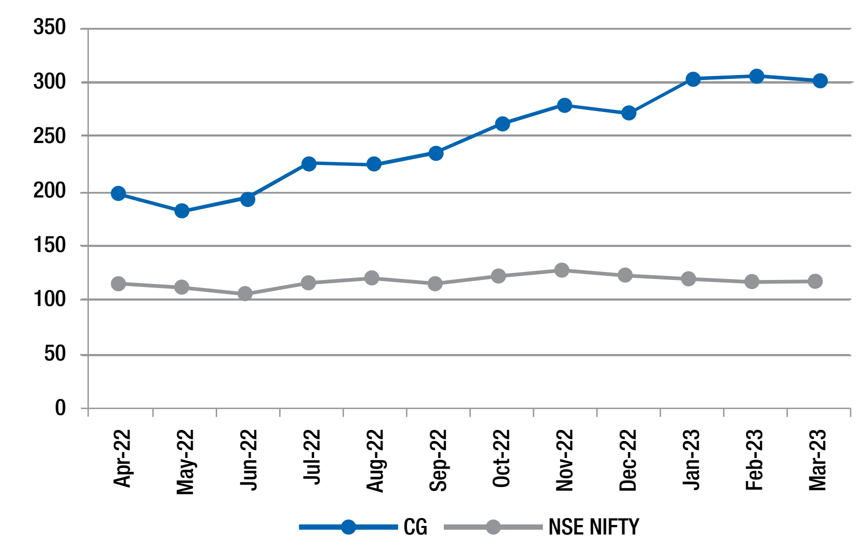
Market Price Data and Comparison

Monthly high and low price of the equity shares of the Company from 1 April 2022 to 31 March 2023 is given in Table 05 and performance in comparison to NSE Nifty is given in Chart A below:

05 Market Price Data (Amount in ₹)

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	High	Low	High	Low
Apr-22	219.60	185.00	219.65	184.55
May-22	200.20	157.90	200.20	155.00
Jun-22	194.50	162.00	194.65	162.00
Jul-22	231.90	186.00	231.50	186.15
Aug-22	246.85	220.95	247.00	221.00
Sep-22	263.95	212.30	263.30	212.10
Oct-22	269.70	224.65	270.00	224.60
Nov-22	283.75	246.05	283.75	247.75
Dec-22	287.90	245.55	288.00	247.55
Jan-23	315.50	265.00	315.40	265.00
Feb-23	338.50	291.30	338.60	291.55
Mar-23	309.80	276.90	309.80	276.65

A Performance of the share price of the Company in comparison to the NSE Nifty



SHARE TRANSFER SYSTEM

All transfer, transmission or transposition of securities, are conducted in accordance with the provisions of the Companies Act, 2013 and SEBI LODR.

All requests for dematerialization of securities shall be lodged with the Company's Registrar and Share Transfer Agent, Datamatics Business Solutions Limited, through Depository Participant.

All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrar within 15 days.

The following compliances pertaining to share transfers, grievances, etc. have been complied with.

- Pursuant to Regulation 7(3) of the SEBI LODR, certificate is filed with the stock exchanges on yearly basis by the Company Secretary & Compliance Officer of the Company and the representative of the Registrar and Share Transfer Agent for maintenance of an appropriate share transfer facility;
- Pursuant to Regulation 13 of the SEBI LODR, a statement on pending investor complaints is filed with the stock exchanges and placed before the Board of Directors on a quarterly basis;
- Pursuant to Regulation 39(3) of the SEBI LODR, information regarding loss of Share Certificates and issue of Letter of Confirmations in lieu of the Duplicate Share Certificates, are submitted to the stock exchanges within 2 days of the Company receiving the information;
- Pursuant to Regulation 40(9) of the SEBI LODR, the Company obtains a yearly certificate from a Practicing Company Secretary certifying that the RTA has issued all Share Certificates within 30 days of the date of lodgment for transfer, subdivision, consolidation, renewal, exchange or endorsement of calls/ allotment monies and this certificate is simultaneously filed with the Stock Exchanges pursuant to Regulation 40(10) of the SEBI LODR;

Your Company's shares are compulsorily traded in dematerialized form. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Pursuant to SEBI circular dated 25 January 2022 and as amended from time to time, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates / folios, transmission and transposition.

DISTRIBUTION AND CATEGORIES OF SHAREHOLDING

Data on the distribution and categories of shareholders is given in Table 6 and Table 7 respectively below:

The shareholding pattern is posted on the Company's website www.cgglobal.com and also filed electronically with BSE and NSE.

06 Distribution of Shareholding as on 31 March 2023

No of Shares	No of Shares	% of Capital	No. of Shareholders	% of Total
Upto 500	1,49,29,183	0.98	1,47,488	82.81
501 – 1,000	87,03,664	0.57	11,115	6.24
1,001 – 2,000	1,09,84,395	0.72	7,379	4.14
2,001 – 3,000	78,27,510	0.51	3,083	1.73
3,001 – 4,000	60,00,547	0.39	1,683	0.95
4,001 – 5,000	65,29,173	0.43	1,394	0.78
5,001 – 10,000	1,88,21,555	1.23	2,569	1.44
10,001 – above	1,45,33,35,407	95.17	3,384	1.90
Total	**1,52,71,31,434**	**100.00**	**1,78,095**	**100.00**

07 Categories of Shareholders/ Shareholding pattern as on 31 March 2023

Category	No of Shares of ₹ 2 each	% of Shareholding
Promoters	88,75,97,772	58.12
Financial Institutions / Banks	43,970	0.00
Mutual Funds	6,19,85,458	4.06
Provident Funds / Pension Funds	8,86,806	0.06
Alternate Investment Funds	3,50,76,165	2.30
Central Government / State Government(s) / President of India	22,140	0.00
Qualified Institutional Buyer	1,14,78,610	0.75
Foreign Investors	24,14,84,908	15.81
Directors	30,000	0.00
Domestic Companies	6,35,36,677	4.16
Individuals	22,49,88,928	14.73
Total	**1,52,71,31,424**	**100.00**

Dematerialization of Shares

As on 31 March 2023, 99.84% of the total equity shares of your Company were held in dematerialized form, compared to 99.81% in the previous year.

Data on number of shares held in dematerialized and physical mode as on 31 March 2023 is given in Table 8 below:

08 No. of shares held in dematerialized and physical form as on 31 March 2023

Sr. No.	Particulars	No. of Shares	% of Total Capital Issued
1.	Held in dematerialized form in NSDL	1,41,90,75,947	92.92
2.	Held in dematerialized form in CDSL	10,56,22,818	6.92
3.	Held in Physical form	24,32,669	0.16
	Total	**1,52,71,31,434**	**100.00**

REGISTRAR AND SHARE TRANSFER AGENT

Your Company's Registrar and Share Transfer Agent is Datamatics Business Solutions Limited, registered with SEBI, whose contact details are:

Datamatics Business Solutions Limited

Unit: CG Power and Industrial Solutions Limited
Plot No B-5, Part B Cross Lane, MIDC,
Andheri (East) Mumbai 400 093

Tel: + 91 22 6671 2001 to 6671 2006
Fax: + 91 22 6671 2011
Email: cginvestors@datamaticsbpm.com

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

A Practicing Company Secretary carries out a Reconciliation of Share Capital Audit on a quarterly basis, as per Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 read with SEBI Circular No. D&CC/FITTC/Cir-16/2002 dated 31 December 2002, to reconcile the total admitted capital with depositories viz. National Securities Depository Limited (**"NSDL"**) and Central Depository Services (India) Limited (**"CDSL"**) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

NON-CONVERTIBLE DEBENTURES

The Company, Tube Investments of India Limited **("TII")** and Lenders of the Company had executed binding agreements for One Time Settlement and restructuring of funding facilities and guaranteed debt of the Company. In terms of the said binding agreements, the Company had allotted to Lenders, 20,000 unlisted, unsecured, redeemable, Non-Convertible Debentures **("NCDs")** at a face value of ₹ 1,00,000 aggregating to ₹ 200 Crore by way of conversion of part of the fund based facilities as part of the settlement. SBICAP Trustee Company Limited was appointed as the debenture trustee in relation to the NCDs.

As per the terms of issue of the said NCDs, on completion of two years from the date of allotment i.e. 4 December 2020 the Company has exercised its right of early redemption and redeemed all the Debentures aggregating to ₹ 200 Crore (Indian Rupees Two Hundred Crore Only) on 5 December 2022. With the said redemption and payment of interest due thereon, the Company is discharged of its liabilities on the NCDs.

As on 31 March 2023, the Company had no outstanding NCDs.

PREFERENTIAL ALLOTMENT / PRIVATE PLACEMENT

The Company had on 26 November 2020 issued and allotted 17,52,33,645 warrants to Tube Investments of India Limited **("TII")** each carrying a right exercisable by the Warrant holder to subscribe to one Equity Share per Warrant within 18 months from the date of allotment of warrants, i.e. on or before 25 May 2022. The aggregate consideration for subscribing to equity shares upon exercise of the warrants was ₹ 150,00,00,001/- (Rupees One Hundred Fifty Crore and One only), of which ₹ 37,50,00,000.25 (Rupees Thirty Seven Crore Fifty Lakhs and Paise Twenty Five only) constituting 25% of the aggregate consideration was paid on warrant subscription by TII, the promoter of the Company, on a preferential allotment basis and the balance amount constituting 75% of the aggregate consideration was payable by TII upon exercising their right for conversion of warrants into equity shares in terms of the Securities Subscription Agreement dated 7 August 2020 **("SSA")** executed between the Company and TII in this regard. Out of the total warrants issued and allotted, TII had exercised the options attached to the warrants and consequently the Company had allotted 9,00,00,000 equity shares on conversion of equal number of warrants on 11 February 2022 and the remaining 8,52,33,645 warrants were converted into equity shares on 18 May 2022.

In view of the above, there are no outstanding warrants as on 31 March 2023.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company does not trade in commodities. Hence, disclosure relating to commodity price risks and commodity hedging activities is not given. For details of foreign exchange risk and hedging activities, please refer to the notes to Standalone and Consolidated Financial Statements.

MONITORING AGENCY REPORT

In compliance with the provisions of Regulation 32 of SEBI LODR, read with Regulation 164A(6) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Company obtains the Monitoring Agency Report quarterly, issued by ICICI Bank Limited, the Monitoring Agency appointed to monitor the utilization of proceeds of the Preferential Issue of the Company. The Company has utilised the entire amount received on allotment of equity shares on conversion of the warrants. There are no funds remaining to be utilised.

PLANT LOCATIONS

Detailed information on plant locations, products, establishments and service centers with their contact details, is provided at the end of this Annual Report.

Address for Correspondence

The shareholders can direct their communication to the Corporate Secretarial at:
CG House, 10th Floor
Dr. Annie Besant Road
Worli, Mumbai 400 030

In addition to the Share Registrar and Transfer Agent **("RTA")**, Company's Corporate Secretarial Department assist the investors if they experience any difficulties while interacting with the RTA.

Time: 2.00 p.m. to 5.00 p.m. (IST) (Monday to Friday)
Tel: +91 22 2423 7806
Fax: +91 22 2423 7733
E-mail: investorservices@cgglobal.com

CREDIT RATING

The details of credit rating for Non-Fund based facilities, Derivative Limits and Term Loan / Fund based facilities of the Company are available on the website of the Company at https://www.cgglobal.com/credit_rating

OTHER DISCLOSURES

DISCLOSURE OF MATERIAL RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year under review were on arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions during the year which may have a potential conflict with the interest of the Company at large.

Details of transactions with related parties as specified in Indian Accounting Standards **(IND AS 24)** have been reported in the Financial Statements. The Audit Committee approves the related party transactions, from the perspective of fulfilling the criteria of meeting arm's length pricing and being transacted in the ordinary course of business. The detailed Policy on Related Party Transactions is available on the website of the Company at https://www.cgglobal.com/assets/pdf_files/India_Related_Party_Transactions_Policy.pdf

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

Company has set up a vigil mechanism, viz. a Whistle Blower Policy, as per the provisions of Section 177 of the Act and Regulation 22 of the SEBI LODR to enable its employees, Directors, customers and vendors to report violations, genuine concerns, unethical behavior and irregularities, if any, which could adversely affect the Company. The mechanism also provides for adequate safeguards against victimization of the persons using the mechanism and provides direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. No person has been denied access to the Audit Committee of the Board.

The said policy is displayed on the Company's website viz. www.cgglobal.com.

FEES PAID TO STATUTORY AUDITORS

Total fees for all services paid by your Company and its Subsidiaries, on a consolidated basis, to Statutory Auditors of the Company and other firms in the network entity of which the Statutory Auditors are a part, during the year ended 31 March 2023, is as follows:

(₹ in Crore)

Particulars	SRBC & CO LLP and their Network Entities
Fees for audit and related services	1.29
Other Fees	0.41
Total	**1.70**

COMPLAINTS RELATING TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year under review, no incident of sexual harassment was reported, pursuant to Prevention of Sexual Harassment Policy adopted by the Company.

DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF 'LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT': Nil

RECOMMENDATIONS OF THE COMMITTEES OF THE BOARD

There are no recommendations of the statutory committees of the Board which have not been accepted by the Board.

CEO/CFO CERTIFICATION

For the FY2022-23, Mr. Natarajan Srinivasan, Managing Director and Mr. Susheel Todi, Chief Financial Officer of the Company have furnished the annual certification on financial reporting and internal controls to the Board in terms of the SEBI LODR, which forms part of this report.

SUBSIDIARY COMPANIES

The Company does not have any material unlisted Indian Subsidiaries in terms of Regulation 24 of SEBI LODR. The Minutes of the Meetings of the Board of Directors of all the Subsidiary Companies are periodically placed before the Board of Directors of the Company. The policy on Material Subsidiary is available on the website of the Company at https://www.cgglobal.com/assets/pdf_files/Policy_determining_Mat_Subsidiaries.pdf

The Company is compliant with other requirements under Regulation 24 of the SEBI LODR with regard to its subsidiary companies.

The Company does not have any material subsidiaries for the financial year ended 31 March 2023. Hence, there is no requirement for disclosure of the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

UNCLAIMED SHARES

Regulation 39 of the SEBI LODR requires a listed company to transfer shares which have remained unclaimed pursuant to a public issue or any other issue to an Unclaimed Suspense Account with a Depository Participant. The voting rights with respect to the shares held in such Unclaimed Suspense Account are frozen; and future share allotments are also to be issued directly to such account.

There were no unclaimed shares at the beginning of the year or at the end of the year.

TRANSFER OF UNCLAIMED/ UNPAID DIVIDENDS TO THE INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

During the FY2022-23, there were no dividend(s) which remained unclaimed / unpaid for a period of seven consecutive years, from the date they became due for payment which were required to be transferred to IEPF, in terms of the provisions of Sections 124 and 125 of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time.

The contact details of the Nodal Officer - CG Power and Industrial Solutions Limited, 10th Floor, CG House, Dr. Annie Besant Road, Worli, Mumbai - 400 030.
Tel: +91 22 2423 7777
Email: ho.secretarial@cgglobal.com

STRICTURES / PENALTY / DETAILS OF NON-COMPLIANCE

During the year, SEBI levied a fine of ₹ 5,00,000/- on the Company in connection with delay in making quarterly disclosures to the Stock Exchanges, regarding default in repayment of loans/interest on loans to the lenders in the prescribed format, as required under SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated 21 November 2019, relevant to the quarters ended 31 December 2019 and 31 March 2020. The Company preferred an appeal before the Securities Appellate Tribunal challenging the said order of SEBI. The Securities Appellate Tribunal **("SAT")** has set aside the said SEBI order. Except as aforesaid, there has been no penalty imposed on the Company or no strictures have been passed against it by SEBI or Exchanges or any other statutory authorities on any such matters, during the last three years.

MANAGEMENT DISCUSSION AND ANALYSIS

The Report on Management Discussion and Analysis is given separately and it forms part of the Annual Report.

DISCRETIONARY REQUIREMENTS

The discretionary requirements as stipulated in Part E of Schedule II of the SEBI LODR, have been adopted to the extent and in the manner as stated under the appropriate headings in this Corporate Governance Report.

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Certificate from M/s Parikh & Associates, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI, Ministry of Corporate Affairs, or any such other Statutory Authority, as stipulated under Regulation 34 of the SEBI LODR, is attached to this Report.

COMPLIANCE WITH CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance Requirements specified under Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the SEBI LODR.

CERTIFICATE ON CORPORATE GOVERNANCE

Your Company has obtained a certificate from M/s. Parikh & Associates, Practising Company Secretaries, (Firm Registration Number P1988MH009800), as prescribed by Regulation 34 of the SEBI LODR, which forms part of this Report.

On behalf of the Board of Directors

Vellayan Subbiah
Chairman
(DIN: 01138759)

Mumbai, 8 May 2023

CEO/CFO CERTIFICATION

To
The Audit Committee and Board of Directors
CG Power and Industrial Solutions Limited

We have reviewed the Standalone and Consolidated Financial Statements and Cash Flow Statements of the Company for the **year ended 31 March 2023** and certify that:

(A) These statements, to the best of our knowledge and belief:

(1) do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(2) present a true and fair view of the Company's affairs and are in compliance with the applicable accounting standards, applicable laws and regulations.

(B) To the best of our knowledge and belief, no transactions entered into by the Company during the year, are fraudulent, illegal or violate the Company's Code of Conduct and Business Practices.

(C) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls of which we are aware, and the steps taken or proposed to be taken to rectify these deficiencies.

(D) we have indicated to the Auditors and the Audit Committee that:

(1) there was no significant change in internal control over financial reporting during the year ended 31 March 2023;

(2) there was no significant change in accounting policies during the year ended 31 March 2023 other than what have been disclosed in the notes to the financial statements; and

(3) There are no instances of significant fraud of which we have become aware during the year ended 31 March 2023.

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Susheel Todi
Chief Financial Officer

Mumbai, 5 May 2023

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of,
CG Power and Industrial Solutions Limited

We have examined the compliance of the conditions of Corporate Governance by CG Power and Industrial Solutions Limited **('the Company')** for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI Listing Regulations")**.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, subject to the disclosures made by the management in the Corporate Governance Report and to the stock exchanges and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

Mitesh Dhabliwala
Partner
FCS: 8331 CP No: 9511
UDIN: F008331E000267920
PR No.: 1129/2021

Mumbai, May 08, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of,
CG Power and Industrial Solutions Limited
6th Floor, CG House,
Dr Annie Besant Road, Worli,
Mumbai 400 030

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **CG Power and Industrial Solutions Limited** having CIN **L99999MH1937PLC002641** and having registered office at 6th Floor, CG House, Dr Annie Besant Road, Worli, Mumbai 400 030 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company*
1.	Vellayan Subbiah	01138759	26.11.2020
2.	M A M Arunachalam	00202958	26.11.2020
3.	Sriram Sivaram	01070444	11.06.2021
4.	Palamadai Sundararajan Jayakumar	01173236	26.11.2020
5.	Sasikala Varadachari	07132398	26.11.2020
6.	Kalyan Kumar Paul	08935145	11.06.2021
7.	Natarajan Srinivasan	00123338	26.11.2020
8.	Vijayalakshmi Iyer	05242960	24.09.2022

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

Mitesh Dhabliwala
Partner
FCS: 8331 CP No: 9511
UDIN: F008331E000267964
PR No.: 1129/2021

Mumbai, May 08, 2023

DECLARATION OF COMPLIANCE WITH CG CODE OF CONDUCT AND BUSINESS PRACTICES

To,
The Members,
CG Power and Industrial Solutions Limited

I, the undersigned, hereby declare that all the Board Members and Senior Management of the Company have affirmed compliance with 'CG Code of Conduct and Business Practices' laid down and adopted by the Company, during the year ended 31 March 2023.

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Mumbai, 8 May 2023

Business Responsibility & Sustainability Report

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

Aim of Business Responsibility and Sustainability Reporting:

This is the first edition of our Business Responsibility & Sustainability **("BRSR")** report for the financial year ended 31 March 2023, in which we have endeavored to disclose all the relevant financial, non-financial and Environment, Social and Governance **("ESG")** disclosures required by SEBI in line with the National Guidelines on Responsible Business Conduct **("NGRBC")**. The Report offers to all our stakeholders a comprehensive perspective and insight of the Company's initiatives around the business, environment and society, as a commitment to shared value creation for all with sustainable development. To suit the needs of our investors and other stakeholders, the Report continues to enhance our disclosures on ESG practices with strategic approaches to create value for all the stakeholders while managing risks in the external environment.

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L99999MH1937PLC002641
2.	Name of the Listed Entity	CG Power and Industrial Solutions Limited ('the Company' or 'CG')
3.	Year of incorporation	1937
4.	Registered office address	CG House, 6th Floor, Dr. Annie Besant Road, Worli, Mumbai - 400 030, Maharashtra, India
5.	Corporate address	CG House, 6th Floor, Dr. Annie Besant Road, Worli, Mumbai - 400 030, Maharashtra, India
6.	E-mail	investorservices@cgglobal.com
7.	Telephone	+91 22 2423 7777
8.	Website	www.cgglobal.com
9.	Financial year for which reporting is being done	1 April 2022 to 31 March 2023
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited and BSE Limited
11.	Paid-up Capital	₹ 305.43 Crore
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR	Mr. Ranjan Singh, Executive Vice President - Railway Business +91 22 2423 7777 ranjan.singh@cgglobal.com
13.	Reporting boundary - Are the disclosures under this Report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures made in this Report are on a standalone basis and pertain to CG Power and Industrial Solutions Limited (CG)

II. Products/services

14. **Details of business activities (accounting for 90% of the turnover):**

S. no.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Electrical equipment, general purpose and special purpose machinery & equipment, transport equipment.	100%

The Company is an engineering conglomerate with a diverse portfolio of products, solutions and services for Power and Industrial equipment and solutions. Its two main business segments are: Power Systems and Industrial Systems for the year ended 31 March 2023.

Industrial Systems Business is engaged in the business of manufacture and sale of power conversion equipment which includes a wide spectrum for all industrial applications of Medium and Low Voltage Rotating Machines (Motors, Generators, Alternators), Drives and Stampings for all industrial applications, equipment and solutions to Indian Railways for Rolling Stock, Traction Machines, Railway Propulsion Control Equipment, Coach Panels and Signaling Equipment.

Power Systems Business is engaged in the business of manufacture of electric equipment for the Power and Industrial sector and manufactures and sells products such as Transformers and Reactors, Switchgear Products and also offers turnkey solutions in Power Distribution and Generation.

15. **Products/Services sold by the entity (accounting for 90% of the entity's Turnover)**

S. no.	Product/service	NIC Code	% of total Turnover contributed
1	Low Tension Motors & Alternators, Large Motors & Alternators and Traction motors	27103	55%
2	Power Transformers & Reactors	27102	15%
3	Switchgears	27104	15%
4	Traction Converters Signaling Equipments	30205	8%

III. Operations

16. **Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	17	20	37
International	0	0	0

*Refer Annual Report's "Establishment" section on page no. 258.

17. **Markets served by the entity:**

a. **Number of locations**

Locations	Numbers
National (No. of States)	PAN India
International (No. of Countries)	The Company is catering to a large customer base in more than 50 countries across Europe, Americas, Asia Pacific, Africa and Middle East.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contributes to 5% of the total turnover of CG.

c. A brief on types of customers –

CG is in the business of products, solutions and services for Power and Industrial equipment and solutions. Its major type of customers are Channel Partners, Original Equipment Manufacturers **(OEMs)**, State, Central and Private Utilities, Indian Railways. Our product portfolio includes motors, drives and consumer products, rolling stocks and signaling products, transformers and switchgears.

IV. Employees

18. **Details as at the end of Financial Year: 31 March 2023**

a. **Employees and workers (including differently abled)**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	1631	1537	94%	94	6%
2.	Other than Permanent (E)	340	297	87%	43	13%
3.	Total Employees (D+E)	1971	1834	93%	137	7%
Workers						
1.	Permanent (D)	1140	1120	98%	20	2%
2.	Other than Permanent (E)	2875	2732	95%	143	5%
3.	Total Workers (D+E)	4015	3852	96%	163	4%

CG encourages diversity and equal opportunity with commitment to promote equality across all its management and non-management levels (Board of Directors, KMPs, Employees and Workers). CG is committed to create a people-centric culture by providing equal opportunities in all the aspects of association and employment regardless of gender, ethnic background, disabilities, age, transgender people, pregnancy, religion or other beliefs, sexual orientation or any other status protected by law.

b. **Differently abled Employees and Workers**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	% (C/A)
The Company has no PWD employees and workers in the reporting year.						

19. **Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	2	25%
Key Management Personnel	3	0	0%

Key Management Personnel comprises of the Managing Director, Chief Financial Officer and Company Secretary.

20. **Turnover rate for permanent employees and workers**

	Turnover rate in FY 2022-23			Turnover rate in FY 2021-22			Turnover rate in FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14.5%	41.3%	16.0%	38.4%	41.6%	38.6%	14.0%	23.9%	14.5%
Permanent Workers	8.0%	0.0%	7.8%	5.6%	0.0%	5.5%	3.4%	0.0%	3.4%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) **Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Tube Investments of India Limited	Holding Company	58.05%	No. CG is reporting on Business Responsibility and Sustainability Reporting on Standalone basis.
2	CG Power Equipments Limited	Subsidiary	100%	
3	CG Adhesive Products Limited (Formerly CG-PPI Adhesive Products Limited)	Subsidiary	82.76%	
4	CG Power Solutions Limited (NCLT has allowed the initiation of CIRP under the provision of Insolvency and Bankruptcy Code, 2016)	Subsidiary	100%	
5	CG International Holdings Singapore Pte. Ltd. (Proposed for voluntary winding up)	Subsidiary	100%	
6	CG Sales Networks Malaysia Sdn. Bhd. (Under Voluntary Liquidation)	Subsidiary	100%	
7	PT Crompton Prima Switchgear Indonesia (Proposed the sale of the stake)	Subsidiary	51%	
8	CG International B.V.	Subsidiary	100%	
9	CG Power Americas, LLC	Subsidiary	100%	
10	QEI, LLC	Subsidiary	100%	
11	CG Holdings Belgium NV (CG Belgium) (under Bankruptcy)	Subsidiary	100%	
12	CG Power Systems Belgium NV (under Bankruptcy)	Subsidiary	100%	
13	CG Sales Networks France SA (Subsidiary of CG Belgium whose bankruptcy procedure is ongoing)	Subsidiary	100%	
14	CG Power Solutions Saudi Arabia Co. (Subsidiary of CG Belgium whose bankruptcy procedure is ongoing)	Subsidiary	100%	
15	CG Electric Systems Hungary Zrt. (declared insolvent)	Subsidiary	100%	
16	CG Power Solutions UK Ltd. (under liquidation)	Subsidiary	100%	
17	CG Power Systems Canada Inc. (under liquidation)	Subsidiary	100%	
18	CG Industrial Holdings Sweden AB	Subsidiary	100%	
19	CG Drives & Automation Sweden AB	Subsidiary	100%	
20	CG Drives & Automation Germany GmbH	Subsidiary	100%	
21	CG Drives & Automation Netherlands BV	Subsidiary	100%	
22	CG Middle East FZE (The liquidation was completed on 24 April 2023)	Subsidiary	100%	

VI. CSR Details

22. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No): Yes, CSR is applicable.

(ii) Turnover (in ₹) ₹ 6,579.63 Crore

(iii) Net worth (in ₹) ₹ 2,430.06 Crore

VII. Transparency and Disclosures Compliances

23. **Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism (GRM) in Place (Yes/ No) (If Yes, then provide web-link for grievance redressal policy	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, "CSR Committee of the Board overlooks the CSR activities of the Company". At site level, site heads engage with the communities on a need basis. https://www.cgglobal.com/assets/pdf_files/CG_CSR_Policy.pdf	-	-	-	-	-	-
Investors (other than shareholders)	Whistleblower Policy https://www.cgglobal.com/assets/pdf_files/Whistleblower_Policy.pdf	-	-	-	-	-	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism (GRM) in Place (Yes/ No) (If Yes, then provide web-link for grievance redressal policy	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
	Code of conduct https://www.cgglobal.com/admin/uploads_new/CG_Code_of_Conduct__Business_Practices.pdf						
Shareholders	Whistleblower Policy https://www.cgglobal.com/assets/pdf_files/Whistleblower_Policy.pdf Code of conduct https://www.cgglobal.com/admin/uploads_new/CG_Code_of_Conduct__Business_Practices.pdf	28	NIL	Complaints were related to non-receipt of share certificates sent for Transfer / Demat, non-receipt of dividend, non-receipt of Annual Report and Legal Notice in relation to transmission case. None of the Complaints were pending for a period exceeding 30 days. All requests for transfer of shares have been processed on time and there are no transfers pending for more than 15 days.	19	NIL	Complaints were related to non-receipt of share certificates sent for Transfer / Demat, non-receipt of dividend, non-receipt of Annual Report and Legal Notice in relation to transmission case. None of the Complaints were pending for a period exceeding 30 days. All requests for transfer of shares have been processed on time and there are no transfers pending for more than 15 days.
Employees and workers	Human Resource Policy, Occupational Health and Safety **("OHS")** Policy, Human Rights Policy https://www.cgglobal.com/policy	-	-	-	-	-	-
Customers	Customer Care Policy https://www.cgglobal.com/policy	115243	311	Pending grievances as on 31 March 2023 are service centric and are under review for the redressal as per the Grievance Redressal process.	64482	132	Pending grievances were closed post 31 March 2022.
Value Chain Partners	Supply chain sustainability policy https://www.cgglobal.com/policy	-	-	-	-	-	-
Other (please specify)	Other stakeholders may raise their grievances on the Company's Grievance Portal help@cgglobal.com						

24. **Overview of the entity's material responsible business conduct issues**

Indicate material responsible business conduct and sustainability issues pertaining to environmental and social and governance matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

We have conducted our first materiality assessment during the financial year ended 31 March 2023. This materiality assessment enabled us to align our sustainability and business objectives with societal needs and expectations, thereby ensuring long-term sustainability and enhancement of stakeholder value. The below table depicts material responsible business conduct and sustainability issues pertaining to environmental and social matters.

We have assessed our material issues as a risk or an opportunity with a holistic approach to take appropriate measures and mitigate risks along with financial implications.

S no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Action	Risk	Climate change is one of the major risks identified across the globe. It has transitional impacts on supply chain, sourcing and overall business strategy.	The Company is proactively working on the emissions and resource management by creating local procurement ambience, adding renewable energy to its energy portfolio, with energy efficiency initiatives across the manufacturing facilities.	As this is the first year of ESG initiatives and disclosures, the Company is in the process of assessing the financial implications.
2	Corporate Governance	Opportunity	Transparent Board structure, effectiveness, diversity with presence of an effective risk management system to identify and mitigate business risks (including ESG risks) and maintaining positive stakeholder relations (customers, suppliers, community, shareholders, employees, trade associations, NGOs, etc.) that supports business sustainability.	The Company's Code of Conduct and Business Practices includes guidelines for ethical behavior, anti-bribery and corruption that is applicable to all the employees, Directors of CG and all the Subsidiaries of the Company. All suppliers, services providers and related entities are bound by CG's Supplier Code of Conduct and are required to commit to the provisions contained in this Code. Acknowledgement to the provisions of these Codes is a prerequisite for any employment contract or business relationship with the Company.	The Company is in the process of assessing the financial implications of the identified risks/ opportunities
3	Human Capital Development	Opportunity	The Company believes in effective employee engagement to create a shared value for business and its workforce by adopting practices such as learning, development, robust health and safety practices and employee benefits.	Ensuring the highest standards of health and safety of employees by undertaking initiatives to reduce accidents on shop floor by improved training ensuring wellbeing of employees through varied programs, and conducting internal and external safety audits and performance disclosures.	The Company believes that "Effective people management has a positive impact on the overall business performance". A formal assessment of financial impact is not conducted by the Company.

S no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Human Rights	Risk	Managing human rights related issues like no discrimination, laws against child labour are significant to business.	The Company is creating awareness on human rights in context to health and safety, safe working conditions, prohibition of child labour, equal opportunity and grievance redressal mechanism. Vendors and suppliers are required to comply with "CG Supplier code of conduct".	The Company is in the process of calculating the financial implications of the identified risks/ opportunities.
5	Product Stewardship	Opportunity	Opportunity to make products and provide services with respect to environmental and social aspects to address issues around resource conservation, energy and climate change.	Investing in research and development, complying with the regulatory guidelines and global standards on product developments.	The Company is in the process of calculating the financial implications of the identified risks/ opportunities.
6	Innovation Management	Opportunity	Innovation management involves the process of enhancing the Company's ability to adapt with the evolving technologies by devising and implementing the business strategy to cater to the evolving market expectations.	The Company is developing a culture of innovation by developing effective learning and through development of modules to upskill the workforce to enable them to generate quality ideas by investing in new technologies.	The Company is in the process of calculating the financial implications of the identified risks/ opportunities
7	Responsible Supply Chain	Risks	Supply chain disruption with focus on localization and evolving regulatory guidance to assess value chain partners on ESG risks and parameters.	Focus on reducing negative environment impact due to the logistics. Focus on identifying and assessing local suppliers on Environment Management System, Quality Management System, Environment Health and Safety.	The Company is in the process of calculating the financial implications of the identified risks/ opportunities
8	Customer relationship management	Opportunity	Customer centricity with regular engagement with customers enables the Company to assess the customer's expectations with evolving demands.	The Company customizes its products as per client's product specifications and requirements with regular engagement and an effective customer grievance management.	The Company is in the process of calculating the financial implications of the identified risks/ opportunities
9	Responsible Investment Practices	Opportunity	Considering the uncertain economic ambience, climate change, supply chain disruptions with changing business landscape in the digital era has severe impacts on the business. As a responsible investor there is need to build a resilient and transparent business ecosystem.	The Company is considering the sustainability criteria in its investment decisions to create a shared value for its stakeholders with long term perspective.	The Company is in the process of calculating the financial implications of the identified risks/ opportunities
10	Community Relations	Opportunity	Strong community relations and effective communication helps business to create a shared value with social license to operate. Maintaining positive community relations in areas where the Company operates results in a positive impact on living conditions, contributing towards community welfare through CSR activities.	Engaging with communities on Community development, Healthcare, and education through the Company's CSR activities.	The Company is in the process of calculating the financial implications of the identified risks/ opportunities

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements. CG's goal in this section is to highlight how the NGRBC Principle and its Core Elements have been adopted through the structures, policies and procedures that have been put in place.

S. No.	Principle Description
P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe.
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
P4	Businesses should respect the interests of and be responsive to all its stakeholders.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect and make efforts to protect and restore the environment.
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
P8	Businesses should promote inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions											
Policy and management processes			P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	a.	Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b.	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c.	Web Link of the Policies, if available	https://www.cgglobal.com/policy								
2.	Whether the entity has translated the policy into procedures. (Yes / No)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)		All polices are extended to our value chain partners with respect to the clauses related to code of conduct, anti-bribery, anti-corruption, conflict of interest, fair practice etc.								

Policy and management processes	P1	P2	P3	P4	P5	P6	P7	P8	P9
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	CG measures and reports its sustainability performance in accordance with GRI principles. • P1: Code of Conduct • P2: Product Stewardship Policy and Supplier Code of Conduct, Supply Chain Sustainability Policy • P3: Human Resources Policy, ISO 45001 Occupational Health and Safety • P4: Human Rights Policy, Customer Care Policy, CSR Policy, Human Resource Policy • P5: Human Rights Policy • P6: Environment Policy, ISO 14001:2015 – Environmental Management System (EMS), BIS IS1180 Certification for Distribution Transformer • P7: Code of Conduct Policy • P8: CSR Policy • P9: ISO 9001:2015 Quality Management System, BIS IS1180 Certification for Distribution Transformer, International Railway Industry Standard ISO/TS 22163:2017 certification for Railway BU's (TMS & RTTE).								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	CG has focus on resource efficiency, emission reduction, effective waste management, and responsible supply chain management practices. Internal goals and targets on ESG parameters are in the process of development. The Company reports on its ESG performance across the nine principles of this BRSR.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	To significantly improve the lives of our employees, workers, clients, suppliers, shareholders, and the community, sustainability is being incorporated into every aspect of our business. In order to achieve this, we created a target oriented ESG approach and are currently revising and setting interim and long-term objectives on a variety of environmental factors. Our share of renewable energy is 10.5% of our total energy consumption in FY 2023. We are also making conscious efforts to reduce our carbon footprint and are focusing on various ways to develop strategies and initiatives. We will be publishing our first ESG Report this year to highlight our performance and commitment towards sustainability. We will adhere to Global Reporting Initiative **(GRI)** standards and United Nations Sustainable Development Goals **(UN SDGs)**. We extend our gratitude to our people and all our stakeholders for their constant endeavor and support.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Natarajan Srinivasan, Managing Director								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	CG has a Risk Management Committee which is currently responsible to review Enterprise Risks including Sustainability related issues. Recommendations of the Risk Management Committee are considered by the Board of Directors, as needed.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	As a practice, the policies are reviewed periodically or on a need basis by Senior Leadership Team. During this assessment, the efficacy of the policies are reviewed and necessary changes to policies and procedures are implemented.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	All of our policies are as per the requirements of the NGRBC guidelines. We are also compliant with legal requirements.																	

11.	P1	P2	P3	P4	P5	P6	P7	P8	P9
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.	Policies are periodically evaluated and updated by various department heads, business heads and approved by the management and Board of Directors. An internal review of the implementation of the policies is conducted regularly. However, third party assessment was not carried out in this reporting year.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

The first principle of BRSR gives information about the governance structure of the organisation. It shows us a bird's-eye view of how the organization's policies are distributed, shared, explained, and put into practice in all of its operations and functions.

Essential Indicators

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training	% age of persons in respective category covered by the awareness programmes
Board of Directors (BoDs) and Key Managerial Personnel **(KMPs)***	3	POSH, Code of Conduct and Leadership development program	100%
Employees other than BoD and KMPs**	51	Safety at workplace, Functional skills, Behavioral skills, Soft skills, POSH, Code of Conduct	100%
Workers***	11	Safety at workplace, Training on 5 S, Technical skills, First aid training	100%

* Updates and awareness related to regulatory changes are conducted for the Board of Directors & KMPs. All our Board Members and KMPs have reviewed the polices around the NGRBC. A brief update is shared on-business initiatives to the Board in every Board Meeting.

** The Company has onboarding and annual trainings and awareness programs for its employees with focus on the Company's policies, Code of Conduct, Anti-Bribery and Anti-Corruption, Whistleblower Policy, Health and Safety Policy, Cyber Security Policy, Employee Manual and Human Resource Policy along with the function-wise training and awareness programs.

*** The Company is creating awareness for all its employees and workers on Health and Safety with respect to use of Personnel Protective Equipment (PPEs), First Aid and daily toolbox talk with focus on encouraging the incident reporting on a regular basis.

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):**

Monetary				
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)

During the financial year 2022-23, there were no instances of any material (monetary and non-monetary) fines / penalties / punishment / award / compounding fees/ settlement amount paid in proceedings (by the entity or by Directors / KMPs) levied by the regulators / law enforcement agencies/ judicial institutions.

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed**

Not applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, CG has zero tolerance towards bribery and corruption and is committed to abiding by all laws and regulations. We have code of conduct in place which covers all the aspects of anti-corruption or anti-bribery policy. The web link for Code of Conduct is given below:

https://www.cgglobal.com/policy

https://www.cgglobal.com/assets/pdf_files/CG_Code_of_Conduct_&_Business_Practices.pdf

The Policy reflects the commitment of the Company and its management for maintaining highest ethical standards while undertaking open and fair business practices and culture.

5. **Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:**

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

There were no instances of any disciplinary action taken by any law enforcement agency for the charges of bribery/ corruption against Directors/ KMPs/employees/ workers.

6. **Details of complaints with regard to conflict of interest:**

Particulars	FY 2022-23 Current Financial Year		FY 2021-22 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

The Second Principle is primarily concerned with production and consumption of resources. It focuses on protecting natural resources by responsible consumption and creating those products which reduces negative impact to environment and society throughout its Lifecycle.

CG is committed to enhance customer satisfaction by providing products that meets high quality and safety standards. The Company has "Product Stewardship Policy" as commitment to strive for product stewardship across the product lifecycle from research and development, sourcing, manufacturing, marketing, distribution and discontinuation of products.

The Company is actively investing in the Research & Development in context to new technology, digitalization, capacity building for its workforce. The quality objectives set capabilities which are followed at all levels of the business units. This serves as a benchmark to ensure the quality of the products. There is a strong focus on resource efficiency and lead time management. The Company on a continuous basis assesses the opportunities for improvement in processes and resources used, to ensure that its products without compromising on the performance, contribute to sustainability throughout their life cycle. All the products of the Company have adequate labeling as per the regulatory guidance to avoid any accidents and have instructions with regard to its disposal.

Company encourages innovative and sustainable product design, thereby aiding in the development and management of products during the use and after use by eliminating any potential negative impacts.

The Company also actively utilizes 6-sigma techniques for quality enhancement and controls in its processes and has a full time qualified six-sigma team having black belt and green belt employees across its manufacturing units.

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Particulars	FY 2022-23 Current Financial Year (₹ in Crore) *	FY 2021-22 Previous Financial Year (₹ in Crore) *	Details of improvements in environmental and social impacts
R&D	34.43	30.33	Employee health and safety, Maintenance and Debottlenecking capex
Capex	76.37	61.41	

* The numbers mentioned here are gross capex and total R&D expenses (capex & expenses)

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

CG has "Supplier Code of Conduct" and "Supply Chain Sustainability Policy" which is a guiding instrument for its procurement management. The Company's policies have adequate guidance on complying with the regulatory, social and environment parameters.

The Company is focusing on reducing the import dependencies by creating local procurement ambience. In this reporting year, the Company has focused on procurement through local / domestic (Indian) suppliers.

There is a strong emphasis on reducing logistics distance which has positive impact on lead time reductions and overall benefits in carbon emissions reduction due to the respective fuel savings.

In addition, the Company is focusing on reducing the use of packaging plastics by exploring other viable and eco-friendly options such as replacement of plastic and wooden packaging with mild steel **(MS)**.

The Company encourages its value chain partners such as suppliers to align with the Company's policies. It values its collaborations with suppliers for raw material and components for manufacturing of products across all its business divisions.

CG has a digital portal for vendors / suppliers "CG Pulse-vendor portal" which acts as a supplier management system and has significantly reduced the use of paper in the supplier management with 100% online supplier registration to advance shipping notification attributes. Through this portal, the Company monitors supplier performance through regular audits on various parameters such as quality, cost, delivery, and compliances. The Company also encourages its suppliers to have Quality Management System **(QMS)**, Environment Management System **(EMS)**, Process Quality.

The Company's ESG objectives covers all aspects of its business and operations with emphasis on minimum to no negative impacts on environment, people and society. While procuring any new equipment or raw material, the Company focuses on environmental concerns and hazard identification. Simultaneously, focus is also on constant reduction in use of hazardous material like chrome, cyanide, lead, thermocol etc. The Company also conducts Supplier Qualification Programme (SQP) Audits, Safety Audits and EHS drives for its vendors.

b. **If yes, what percentage of inputs were sourced sustainably?**

The Company is committed to ensure adherence to the regulatory compliances while engaging with the value chain partners such as suppliers for the responsible sourcing of raw materials. In addition, the Company has a supplier manual to ensure quality of raw materials.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

CG is committed to create a positive impact on ecosystem by ensuring compliance to the regulatory guidance on waste management as per Central Pollution Control Board and State Pollution Control Board (CPCB / SPCB) with respect to waste management (plastic waste management rules, E- waste management rules and hazardous waste management rules).

CG has partnered with authorized waste management service providers such as recyclers, authorized transporters (in case of hazardous waste) for the compliant management of waste across each of the above waste category.

Considering the nature of industry, the quantum of waste is well within the permissible limits laid down by CPCB/SPCB in the "consent to operate" issued by them. All manufacturing facilities have well maintained Effluent and Sewage Treatment Plants **(ETP and STP)** as per applicability. Results of quality parameters of the treated effluents are being monitored periodically.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, EPR is applicable to CG. It has partnered with the authorized recyclers for the plastic waste management and follows the guidelines prescribed by Plastic Waste Management Rules **(PWMR, 2016)**.

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

This principle is focused on equity, dignity and quality of life of the organization's employees as well as employees of value chain partners. Entities must comply with the regulatory and statutory requirements, and further provide equal opportunity to all the employees.

The Company has always believed that success of an organization is largely dependent on the development and contribution of its employees and thus, it is committed to create and sustain a positive and healthy work culture through improving organizational effectiveness, providing safe and ethical work environment and maintaining stability and sustainability amidst growth and ever-changing business environment. CG fosters equal opportunity and diversity. It treats all its employees with respect and dignity at all levels.

The designation of an employee is decided only on the basis of merits and not by extraneous factors, which is reflected in the Company's value of Performance Excellence.

The Company believes in celebrating individuality and promotes diversity and inclusion. The various policies adopted by the Company have been instrumental in not only safeguarding the interests of the employees but also ensuring their welfare. CG's Code of Conduct, Business Practices and Handbook on Company's policies provides guidelines for employee well-being relating to participation, freedom, equality, good environment and harassment-free workplace. The safety of the women employees of the Company is secured by CG's policy on 'Prevention of Sexual Harassment.' Employee related policies are updated on timely basis in line with the amendments in laws applicable for employee's welfare. At CG, learning is a continuous process and hence training programs, team building sessions, workshops on various subjects were conducted. These initiatives pave a path towards strengthening their capabilities and a positive impact on the attitude of the employees.

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number	%	Number	%	Number	%	Number	%	Number	%
Permanent Employees											
Male	1537	1537	100%	1537	100%	0	0%	1537	100%	1537	0%
Female	94	94	100%	94	100%	94	100%	0	0%	94	100%
Total	1631	1631	100%	1631	100%	94	100%	1537	100%	1631	6%
Other than Permanent Employees											
Male	297	297	100%	297	100%	0	0%	0	0%	297	100%
Female	43	43	100%	43	100%	43	100%	0	0%	43	100%
Total	340	340	100%	340	100%	43	100%	0	0%	340	100%

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number	%	Number	%	Number	%	Number	%	Number	%
Permanent workers											
Male	1120	1120	100%	1120	100%	0	0%	0	0%	1120	0%
Female	20	20	100%	20	100%	20	100%	0	0%	20	100%
Total	1140	1140	100%	1140	0%	20	100%	0	0%	1140	100%
Other than Permanent workers											
Male	2732	2732	100%	2732	100%	0	0%	0	0%	2732	100%
Female	143	143	100%	143	100%	143	100%	0	0%	143	100%
Total	2875	2875	100%	2875	0%	143	100%	0	0%	2875	100%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI*	1.84%	18.15%	Yes	2.22%	18.89%	Yes
Others Please Specify	-	-	-	-	-	-

*The data here refers to permanent employees and workers. All contractual employees and workers are covered under ESIC scheme.

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Our facilities and plants are accessible for people with disabilities. We are in the process of further improving our infrastructure to create more ease of movement for employees with disabilities as per Rights of Persons with Disabilities Act, 2016.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy**

Yes, we have human resource policy and diversity inclusion policy in place. CG is committed to create people-centric culture by providing equal opportunity in all the aspects of association and employment regardless of gender, ethnic background, disabilities, age, pregnancy, religion or other beliefs, sexual orientation or any other status as protected by law.

The Company has "Human Resource Policy "and "Human Rights Policy" with clause on equal opportunity for people with disabilities. For policy, please refer https://www.cgglobal.com/policy

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	As of now, paternity leave is not extended to workers. However, CG is working to extend paternity leave to workers in the near future.	
Female	100%	60%	No female worker has availed maternity leave in current and previous financial year.	
Total	100%	80%	NA	NA

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	Internal Human Resource Management System (HRMS) known as 'CGHR4U' is available to employees.
Other than Permanent Employees	They can reach out to the unit HR as the first point of contact for all types of grievances.
Permanent Workers	They can reach out to the unit HR as the first point of contact for all types of grievances.
Other than Permanent Workers	They can reach out to the unit HR as the first point of contact for all types of grievances.

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	1631	0	0%	1439	0	0%
Male	1537	0	0%	1355	0	0%
Female	94	0	0%	84	0	0%
Total Permanent Workers	1140	1041	91%	1149	1050	91%
Male	1120	1021	91%	1131	1032	91%
Female	20	20	100%	18	18	100%

8. **Details of training given to employees and workers:**

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (A)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1834	177	10%	878	48%	1586	136	9%	835	53%
Female	137	22	16%	67	50%	91	7	8%	83	91%
Total	1971	199	10%	945	48%	1677	143	9%	918	55%
Workers										
Male	3852	473	12.3	182	4.7	3473	143	4.1	227	6.5
Female	163	64	39.3	21	12.9	65	30	46.2	5	7.7
Total	4015	537	13.4	203	5.1	3538	173	4.9	232	6.6

9. **Details of performance and career development reviews of employees and worker:**

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Management	114	114	100%	110	110	100%
Non-Management	1517	1517	100%	1329	1329	100%
Male	1424	1424	100%	1355	1355	100%
Female	93	93	100%	84	84	100%
Total	1631	1631	100%	1439	1439	100%
Workers						
Male	1120	0	0%	1131	0	0%
Female	20	0	0%	18	0	0%
Total	1140	0	0%	1149	0	0%

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?**

All our manufacturing facilities are certified with ISO 45001:2018 - Occupational Health & Safety Management System Standard. Occupational Health Centre **("OHC")** is present at each of our plant locations as per the requirements of the Factories Act and Health and Safety Officer is also designated at each plant location. We have Health and Safety Committee across all our facilities consisting of workmen and employees. The Committee conducts monthly meetings to provide regular updates on health and safety aspects.

We also have Event Reporting System **("ERS")** which is accessible to workmen and employees for health-related hazards and upon receiving the complaint, corrective actions are taken to provide a solution and conclude the complaints in a timely manner.

Half-yearly medical checkups are conducted for workmen who work in hazardous intensive processes and annual medical checkup is conducted for the entire workforce to ensure the safety of our people.

Safety audits, cross-functional audits and internal audits are conducted as scheduled.

Each of our manufacturing facilities is equipped with the required quantity of fire extinguishers, fire hydrant network, smoke detection and gas detection system.

Emergency Preparedness and Response Plan is also available for all our plants on which basis each plant conducts mock drills to ensure its effectiveness and employee participation.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Online portal is used for reporting, analysing and assigning the corrective actions against identified hazards. CG has implemented Hazard Identification and Risk Assessment **("HIRA")** as a part of ISO 45001:2018 and regularly revisits the documents to make it dynamic. CG inspects the workplace for safety and health hazard and information is recorded in Event Reporting System **("ERS")**. CG Power has a work-permit system implemented across all factory locations to take care of routine and non-routine activities in a safe manner.

In addition, Machine Risk Assessment **("MRA")** and Job Safety Analysis **("JSA")** is being performed for new machineries and/or activities.

c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Hazard Identification and Risk Assessment **("HIRA")** is available to workers and employees. Training is imparted to workers for safe working and evacuation in case of any emergency. Near miss reporting system available in Event Reporting System **("ERS")** facilitates the identification of hazards. Subsequent investigation and corrective action is taken and the same is reported in the system.

CG has a suggestion scheme for workers which are reviewed, analysed and corrective actions are taken based on the suggestions received.

Workers are a part of the Safety Committee, and during the meeting and safety round they bring in to notice any unsafe acts or conditions to the management and ensure its elimination.

d. **Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, as per the ESIC guidelines all eligible employees and workers are covered. In addition, the Company has extended insurance benefits to all the employees who are not covered in ESIC. They can avail such facilities related to non-occupational medical and healthcare services at designated hospitals.

11. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury **(LTI)**	Employees	1	1
	Workers	9	7
Lost Time Injury Frequency Rate **(LTIFR)** (per one million-person hours worked)	Employees	0.37	0.33
	Workers	1.98	1.51
Total recordable work-related injuries	Employees	12	3
	Workers	74	31
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

The Company has witnessed improvement in reporting of its HSE Key Performance Indicators, as the Company has encouraged incident reporting for its employees and workers. As compared to the previous year, people have greater awareness which resulted in higher reporting of work-related injuries. By taking prompt, corrective and preventive actions, organization can eliminate or reduce the lost time injuries.

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Various initiatives are being taken to ensure the mitigation of risk and hazards by the Company. Below hierarchy is followed:

1) Elimination
2) Substitution
3) Engineering control
4) Administrative control
5) Personnel Protective Equipment **("PPE")**

With all above steps, hazard is eliminated wherever possible. Our old machineries are replaced with operator safety-enhanced machines. This helps in eliminating the operator's exposure to rotating parts, flying objects etc.

We have completely replaced the Asbestos roof-sheets with Galvanized Iron **("GI")** at all our plants, to support our environment as well as to take care of safety-related aspects.

13. **Number of Complaints on the following made by employees and workers:**

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	NA	-	0	NA	-
Health & Safety	0	NA	-	0	NA	-

14. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% assessed by entity
Working Conditions	100% assessed by entity

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

CG has taken the following corrective actions:

1. During the activity of lifting and shipment of material with the help of crane, there is a risk to the person handling the object. This problem was analyzed and fixture is developed to eliminate the requirement of any individual to hold the object.

2. To solve the issue of small flying particles, the physical barrier of acrylic material is installed to address this issue.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

According to this principle, organizations must consider the expectations of all parties involved in their business, both internal and external, particularly the affected vulnerable group and Communities.

It has become necessary for CG to continue collecting and disclosing both quantitative and qualitative indicators to demonstrate transparency and effective communication with all its stakeholders and to address sustainability issues that are critical to its business operations. CG is continuously engaging with its stakeholders in order to mitigate concerns of any of the stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

CG maintains a strong stakeholder engagement process, where it identifies key stakeholder groups from the larger universe of all possible stakeholders. This is done after considering the material influence each group has on the Company's ability to create value (and vice-versa). Through this mechanism, the Company has identified internal and external stakeholder groups such as Employees, Customers, Suppliers and Investors.

Being a socially responsible organization, the Company through its Corporate Social Responsibility **("CSR")** initiatives builds active and long-term partnerships with the surrounding communities to significantly improve the condition of the most underserved amongst them. The Company does extensive work in the field of Skill Development and Education, Community outreach and Sustainability. The CSR policy of the Company is available on the website of the Company at www.cgglobal.com.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	AGM, Financial Information Release, Investor Presentations, Earnings Calls	Quarterly	To inform on how the Company is currently performing and what it plans to do in near term future
Employees	No	Email, Employee Satisfaction Surveys, Face to Face Meetings, HR Sessions, Reward and Recognition, Employee Newsletter, Team Building Workshops and Employee Grievance Portal	Frequent and as and when required	To keep employees updated on key developments and initiatives undertaken by the Company and also addressing their grievances.
Customers	No	Email, Customer Engagement Surveys, Quality Business Reviews, Channel Partner Meetings, Regular Operations Reviews and Grievance Portal	Frequent and as and when required	To acquire new customers, service the existing ones and improve customer experience.
Suppliers	No	CG Portal for Suppliers and Vendors	As and when required	Engagement on supply planning, Quality and Supply chain management.
Communities*	Yes	Focused group discussions	As and when required	Need assessment, Impact assessment, Holistic development of underprivileged communities.

*The Company through its intervention in the field of skill development and education, community outreach and sustainability contributes towards the holistic development of the underprivileged communities. The direct and indirect stakeholders involving both internal and external stakeholders having real difficulties in accessing basic necessities are identified through an exhaustive need assessment survey across CG locations in collaboration with our partner organizations. The assessment also includes obtaining views from our employees along with focused group discussions with government officials, industries and the local communities. While working with identified communities, the Company gets referrals for other needy, underprivileged communities from the existing stakeholders.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1 NO POVERTY | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES

The core belief of this principle is based on the idea that every human being has inherent rights that cannot be compromised in any way for the benefit of business. According to the UN Guiding Principles on Business and Human Rights, businesses are also held accountable for any violations of human rights and must take reasonable measures to prevent such violations from occurring as a result of their operations.

Essential Indicators

The Company strives to create and sustain discrimination free workplace, promote harmony and advocate fair employment opportunities. The Company values and recognizes every individual equally and treats them fairly and with dignity irrespective of their race, color, creed, ancestry, ethnic origin, religion, sex, nationality, age, physical handicap / disability, or marital status. The safety and health of employees are of paramount importance and the Company intends to provide and maintain a safe, healthy and productive workplace, in consultation with our employees, by addressing and remediating identified risks of accidents, injury and health impacts. The Company ensures maintaining a safe workplace and works hard to minimize the risk of incidents, injuries and health hazards for all its employees. The Company also prohibits forced labour and child labour. The Company encourages others associated with it to uphold the highest standards of human rights protection. The human rights aspects are systematically integrated into its business operations and business relationships, which promotes adhering these rights across the Company's value chain.

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1631	1631	100%	1439	1439	100%
Other than Permanent	340	340	100%	238	238	100%
Total Employee*	1971	1971	100%	1677	1677	100%
Workers						
Permanent	1140	1140	100%	1149	1149	100%
Other than Permanent	2875	2875	100%	2389	2389	100%
Total Workers*	4015	4015	100%	3538	3538	100%

*The Company has provided training on POSH and Health and Safety to all its employees.

For workers, the Company has conducted awareness on POSH, and Health and Safety Induction is mandatory for everyone, including workers and employees.

POSH and Health and Safety are two components of Human rights in line with safe working condition and zero discrimination with equal opportunity.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (A)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	1631	0	0%	1631	100%	1439	0	0%	1439	100%
Male	1537	0	0%	1537	100%	1355	0	0%	1355	100%
Female	94	0	0%	94	100%	84	0	0%	84	100%
Other than permanent	340	315	93%	25	7%	238	215	90%	23	11%
Male	297	274	92%	23	8%	231	210	91%	21	9%
Female	43	41	95%	2	5%	7	5	71%	2	29%

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (A)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Workers										
Permanent	1140	0	0%	1140	100%	1149	0	0%	1149	100%
Male	1120	0	0%	1120	100%	1131	0	0%	1131	100%
Female	20	0	0%	20	100%	18	0	0%	18	100%
Other than permanent	2875	2875	100%	0	0%	2389	2389	100%	0	0%
Male	2732	2732	100%	0	0%	2342	2342	100%	0	0%
Female	143	143	100%	0	0%	47	47	0%	0	0%

3. **Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors **(BoD)**	6	465000	2	370000
Key Managerial Personnel	3	21852276	0	0
Employees other than BoD and KMP	1534	972312	94	616536
Workers	1120	450180	20	393276

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes. At, CG, Head of Human Resources is responsible for addressing human rights issues caused or contributed by the business. In addition, CG has Internal Complaints Committee **("ICC")** across all manufacturing facilities and sales locations to prevent any form of discrimination and harassment.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company has a dedicated policy on Human Rights.

The Company believes that it has a responsibility to respect human rights by playing an affirmative role in the communities in which it operates. CG is committed to provide a platform where the human rights of all stakeholders are protected while engaging with employees, business partners and suppliers as per globally recognized guidelines on Human Rights and is committed to engage with stakeholders in a transparent and appropriate manner to address and resolve human rights related issues concerning our business activities.

A system has been put in place by the human resources department and routinely monitored by an Internal Committee which allows CG to prevent any infringement of human rights and ensure that our human rights policy is adhered to. Addressing concerns relating to human rights falls under the purview of the Head of Human Resources.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	NA	NA	0	NA	NA
Discrimination at workplace	0	NA	NA	0	NA	NA
Child Labour	0	NA	NA	0	NA	NA
Forced Labour/Involuntary Labour	0	NA	NA	0	NA	NA
Wages	0	NA	NA	0	NA	NA
Other human rights related issues	0	NA	NA	0	NA	NA

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

CG has an Internal Committee at corporate level to monitor and resolve the grievances. In addition, it has the Internal Complaints Committee (ICC) across all manufacturing facilities and sales locations to prevent any form of discrimination and harassment.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

All business agreements and contracts are in line with the regulatory requirements. CG has Human Rights Policy and Code of conduct for supplier as a guiding instrument for the engagement with value chain partners such as suppliers.

9. **Assessments for the year:**

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	NA

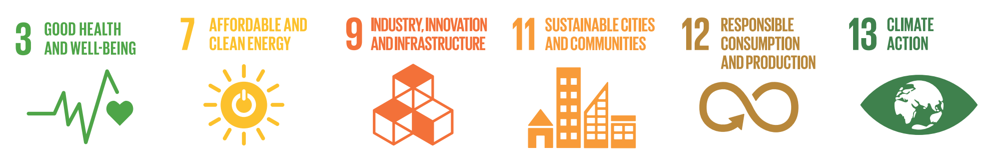
Remarks:

Company's plants have been assessed for human rights risks like child labour, forced / involuntary labour, sexual harassment, and discrimination on a regular basis by the Internal Safety Committee and IC committee. This also gets assessed by the Factory Inspector during inspection visit to establishments.

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not Applicable. No such corrective actions have been implemented as we have zero cases with respect to sexual harassment, discrimination at workplace, child labor, forced labor, involuntary labor, wages and other issues pertaining to human rights extended to supply chain partners.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT



The principle urges organizations to explore and identify the potential environmental impacts arising out of their business operations and supply chain activities carried out in order to deliver, and to address them with adequate mitigating measures. It also encourages organizations to find alternative ways of operating by reducing any negative impacts to the environment that may cause less harm to the environment.

Essential Indicators

Key Highlights:

- Focus on plastic reduction, exploring packaging opportunities through biodegradable packaging solutions. **Zero Single Use Plastic across CG.**
- Renewable energy consumption increased in FY 2022-23 by 8% compared to FY 2021-22.
- Renewable energy consumption is 10.5% of the total energy consumed.
- Railway Division has achieved Zero to Landfill.

Through initiatives in the areas of Environment, Health, and Safety **("EHS")**, the Company considers that environmental protection is an essential aspect of its operations. CG has always worked to achieve a fair balance between economic growth and environmental conservation considering it is a manufacturing company. It is made sure that EHS standards at all CG units consistently outpace legal requirements and are measured against the finest global practices. All plants have ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications for their quality management systems, environmental management systems, and occupational health and safety standards, respectively. All units in India have approval from the State Pollution Control Board to operate, as well as all comply with the guidelines specified in that approval.

All business decisions, including those involving product creation, purchasing, selecting plants and machinery, processes, providing customer service, etc., fully embrace and put into practice EHS regulating concepts. In order to benefit the industry and important players in its value chain, the Company promotes the sharing of process and product innovations within the group. The Company is committed to minimizing the negative effects on the environment and the community at large through its Corporate EHS policy and cardinal norms, as well as ensuring the health and safety of all employees and stakeholders across all factories and establishments. Its "zero-harm culture" aims to develop a significant and lasting value for the environment and the society in which it operates.

The Company has strengthened its commitment to operating its business in a way that is sustainable on all fronts -economically, socially, and environmentally, while taking stakeholder interests into account. In order to reinforce commitments made by both employees and workers to work safely and ensure integration of the environment management system and occupational health and safety through work culture and lifestyle, it also regularly conducts trainings on environmental awareness, health and safety (**"EHS"**), and sustainable growth at all its plant locations. The Company has established various programmes to recognize and reward personnel who drive EHS in their operations.

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

(In Giga Joules)

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Total electricity consumption (A)	114149.34	98638.97
Total fuel consumption (B)	30130.91	34834.94
Energy consumption through other sources (Renewable Energy)	16906.07	15670.73
Total energy consumption (A+B+C)	161186.32	149144.64
Energy intensity per crore rupee of turnover (Total energy consumption/ turnover in rupees)	24.49	28.91
Energy intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The reported data is reviewed and approved internally. The Company has not engaged any external agency for independent assessment, evaluation or assurance.

2. **Does the entity have any sites / facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade ("PAT") Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	3350.00	3300.00
(ii) Groundwater	78854.00	73706.00
(iii) Third party water	261913.20	205087.69
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	344117.20	282093.69
Total volume of water consumption (in kilolitres)	297358.17	234458.19
Water intensity per crore rupee of turnover (Water consumed / turnover)	45.19	45.44
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The reported data is reviewed and approved internally. The Company has not engaged any external agency for independent assessment, evaluation or assurance.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

As water consumption is within the limit of consent to operate and prescribed guidelines, the Company has wastewater treatment systems sewage treatment plants (**"STP"**) across its manufacturing facilities. Treated wastewater is used for the gardening and job cleaning purpose to reduce any liquid discharge. As of now there is no Zero Liquid Discharge facility.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Units	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
NOx	Tons	0.0329	0.039
SOx	Tons	0.0662	0.0217
Particulate matter (PM)	Tons	0.0588	0.1784
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The reported data is reviewed and approved internally. The Company has not engaged any external agency for independent assessment, evaluation or assurance.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Units	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	1,861.22	2,166.09
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	25,049.44	22,193.77
Total Scope 1 and Scope 2 emissions per crore rupee of turnover		4.09	4.72
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The reported data is reviewed and approved internally. The Company has not engaged any external agency for independent assessment, evaluation or assurance.

7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details**

CG is actively incorporating the energy efficient options in its manufacturing processes. In this reporting period, the Company has 4507 KW of installed solar energy and has consumed 10.5% of its total energy through renewable energy sources.

The Company operates in the "energy management" sector, accordingly it addresses, promotes, energy efficiency, energy sustainability and alternative energy use. The Company also consistently improves its products and technology in terms of energy efficiency, material utilization and recyclability. As a part of its commitment towards sustainable development and conservation of the environment, the Company is continually undertaking several initiatives for effective utilization of energy and resource efficiency.

Supply Chain Management with focus on scope 3 emission reduction by identifying and creating local vendor base to reduce the lead time and respective emissions during the logistics.

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	133.27	99.23
E Waste (B)	12.82	3.80
Bio medical waste (C)	0	0
Construction and Demolition Waste (D)	0	0
Battery Waste (E)	0	0
Radio-active waste (F)	0	0
Hazardous waste. Please specify, if any. (G)	154.91	123.98
Non-hazardous waste generated (H). Please specify, if any.(metal scrap, plastic, paper etc)	29,106.96	28,931.88
Total (A to H) (MT)	29,407.97	29,158.91

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Category of waste		
(i) Recycled	6,551.153	5,079.066
(ii) Re-used	11,274.509	12,822.232
(iii) Other recovery operations	883.345	880.711
Total	**18,709.007**	**18,782.009**

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Category of waste		
(i) Incineration	107.47	86.92
(ii) Landfilling	0.25	0
(iii) Other recovery operations	47.39	33.69
Total	**155.11**	**120.29**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The reported data is reviewed and approved internally. The Company has not engaged any external agency for independent assessment, evaluation or assurance.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

CG is committed to create a positive impact on ecosystem by ensuring compliance with the regulatory guidance on waste management as per CPCB / SPCB with respect to waste management (plastic waste management rules, E- waste management rules and hazardous waste management rules).

CG has partnered with authorized waste management service providers such as recyclers, authorized transporters (in case of hazardous waste) for the compliant management of waste across each of the above waste category.

Considering the nature of industry, the quantum of waste is well within the permissible limits laid down by CPCB/SPCB in the "consent to operate" issued by them.

The Company also encourages complete elimination of hazardous substances from its manufacturing process. Annual Environmental Statement are being submitted to State Pollution Control Board by the respective units.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable.			

The Company has no operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable, we have not conducted environmental impact assessment for any projects.					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any

The Company is compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules.

There was no incident of non-compliance received in context to the environment compliances during the reporting period.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

This principle guides that it is the organization's duty to be transparent & responsible while being engaged in advocacy of any public policy.

The Company has memberships with trade and industry associations through which it makes efforts to further contribute on specific sustainable business issues and also participates in a number of exhibitions organized by these associations/bodies.

The Company's authorized officials represent the Company in various industry forums. They understand their responsibility while representing the Company in such associations. While they engage in constructive dialogues and discussions, they refrain from lobbying or influencing public policy with vested interests. This principle is also embodied in the Code of Conduct and Business Practices of the Company applicable to its representatives and group entities.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

CG has 9 affiliations with trade and industry chambers/ associations

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Bureau of Indian Standards (BIS)	National
2	Confederation of Indian Industry (CII)	National
3	Indian Electrical & Electronics Manufacturers' Association (IEEMA)	National
4	Quality Circle Forum of India (QCFI)	National
5	Maratha Chamber of Commerce Industries and Agriculture (MCCIA)	State
6	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
7	International Facility Management Association (IFMA)	National
8	International Project Management Association (IPMA)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not Applicable, as there were no corrective action to be taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.		

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

3 GOOD HEALTH AND WELL-BEING | 8 DECENT WORK AND ECONOMIC GROWTH | 13 CLIMATE ACTION | 15 LIFE ON LAND | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | 17 PARTNERSHIPS FOR THE GOALS

Section 135 of the Companies Act, 2013 on Corporate Social Responsibility which urges for a specific attention on disadvantaged, vulnerable and marginalized populations, serves as the foundation for this Principle.

The Company believes that as a socially conscious corporation, it has a duty to fulfil multiple social responsibilities along with its financial obligations. Through its Corporate Social Responsibility (CSR) programmes, the Company seeks to align its business operations and expansion with social, environmental, and economic goals. The Company's CSR is based on the firm belief that corporate sustainability is intimately related to the sustainable development of the communities in which it operates and to the environment.

The Company has spent INR 69 lakhs towards CSR activities during the reporting year.

- CG has supported in flood mitigation work at residential colony in Mandideep.
- CG has supported with providing fans and geysers in Breach Candy hospital.
- CG has provided sticks to 417 people with disabilities (Blind people) through Bright Future Organisation.
- CG has donated to 'Sampraday Patashala' program for educating girls.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not applicable, as we are currently not undertaking any social impact assessments.					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered key R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable. We do not have any operations / facilities / plants / offices that include land acquisition from affected / displaced landowners, hence we do not have any projects that involve Rehabilitation and Resettlement (R&R).						

3. **Describe the mechanisms to receive and redress grievances of the community.**

The Company is committed to uphold the social and economic development of the communities in which it operates. The Company has a process to receive and redress concerns/grievances received from the community.

For Grievance Redressal Mechanism at site level, site heads engage with the communities on a need basis. Further, the Company also has a Whistleblower Policy in place for all its stakeholders to file their grievances.

The Company's commitment towards this includes contributing to Institutions which are engaged in activities aligned to the activities forming part of its CSR policy.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	17.78%	16.3%
Sourced directly from within the district and neighboring districts	18.4%	10.6%

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

This Principle relates to the concept that the primary objective of a business is to create wealth by delivering high-quality goods or providing services to the customer base and keeping them satisfied.

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

For client complaints and feedback, the Company has a dedicated customer desk and an around-the-clock toll-free call centre. With the aid of service centres equipped to manage all types of incidents, a focused service team addresses client concerns in real time. The management team examines these grievances in further depth and after drawing conclusions, corrective measures are implemented. During the regular visits, Company's front line sales executives interact with the customers and channel partners, understand their business needs, expectations, suggestions, feedback and other concerns. On a regular basis, all outstanding issues are addressed.

Company periodically conducts various interactive programs like Seminars, workshop, factory visits, dealer conferences, etc. to help them make informed decisions.

Customers may raise their grievances through help@cgglobal.com, https://www.cgglobal.com/countrywide_contact

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	65%
Safe and responsible usage	83%
Recycling and/or safe disposal	65%

3. **Number of consumer complaints in respect of the following:**

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	None	Not Applicable	-	None	Not Applicable	-
Advertising	None	Not Applicable	-	None	Not Applicable	-
Cyber-security	None	Not Applicable	-	None	Not Applicable	-
Delivery of essential services	None	Not Applicable	-	None	Not Applicable	-
Restrictive Trade Practices	None	Not Applicable	-	None	Not Applicable	-
Unfair Trade Practices	None	Not Applicable	-	None	Not Applicable	
Other (Consumer Complaints)	115243	311	Work in progress*	64482	132	Pending grievances were closed post 31 March 2022.

*Pending grievances are service centric as on 31 March 2023 and are under review for the redressal as per the Grievance Redressal process.

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes. Recognizing the significance of cyber security, CG has initiated a multi-year programme to strengthen and ensure its cyber health across all of its business.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Not Applicable, as there were no issues reported and received on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Standalone Financials 2022-23

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of CG Power and Industrial Solutions Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 27 of the standalone financial statements)	
The Company has two operating segments, namely, Power and Industrial Segment. The type of customers varies across these segments, ranging from Large Government companies / corporations to Original Equipment Manufacturers and Industrial Customers etc. Majority of the Company's revenue is from sale of goods which are recognized at a point in time based on the terms of the contract with customers which may vary case to case. Terms of sales arrangements with various customers within each of the operating segments, including Incoterms determine the timing of transfer of control and require judgment in determining timing of revenue recognition. Due to the judgement relating to determination of point of time in satisfaction of performance obligations with respect to sale of products, this matter is considered as Key Audit Matter.	Our audit procedures amongst others included the following: • We read the Company's accounting policy for timing of revenue recognition and assessed compliance in terms of Ind AS 115 - Revenue from Contracts with Customers. • We performed walkthroughs of the Company's revenue processes, including design and implementation of controls and tested the design and operating effectiveness of such controls in relation to revenue recognition. • On a sample basis, we tested contracts with customers, purchase orders issued by customers, and sales invoices raised by the Company to determine the timing of transfer of control along with pricing terms and the timing of the revenue recognition in respect of such contracts. • We compared revenue with historical trends and where appropriate, conducted further enquiries and testing. • On a sample basis, we analyzed revenue transactions near the reporting date and tested whether the timing of revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc. for those transactions. • We assessed the disclosures for compliance with applicable accounting standards.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED (Contd.)

Key audit matters	How our audit addressed the key audit matter
Recognition of Deferred Tax Assets (as described in Note 9 of the standalone financial statements)	
The Company has Deferred Tax Asset (DTA) of ₹ 445.32 crores as at March 31, 2023 on tax losses based on availability of future taxable profits against which DTA will be utilized. The tax losses were primarily on account of write off of receivable balances in relation to various transactions in earlier years which are under investigations by regulatory authorities. Basis legal opinion, management has considered these written-offs as an allowable expense under the Income tax and recognized deferred tax assets on such losses. The recognition of deferred tax asset is identified as key audit matter considering the significance of amounts and judgements involved.	Our audit procedures amongst others included the following: • We obtained an understanding, assessed and tested the operating effectiveness of internal control relating to the measurement and recognition of deferred tax. • We involved our tax specialist to assess tax computation as per the local fiscal regulations in India. • We tested on a sample basis the identification and quantification of differences between the recognition of assets and liabilities according to tax law and financial reporting in accordance with Indian Accounting Standards. • We have evaluated the Company's assumptions and estimates in relation to the likelihood of generating sufficient future taxable income based on most recent budgets and plans, prepared by management principally by performing sensitivity analyses and evaluated and tested the key assumptions used to determine the amounts recognized. • We assessed the reasonableness of management's business plans considering the relevant economic and industry indicators. • We obtained and read the legal opinion considered by the management for recognition of deferred tax assets on losses. • We assessed the disclosures in the Standalone Financial Statements in accordance with the requirements of Ind AS 12 "Income Taxes".
Claims and exposures relating to taxation and litigation (as described in Note 36 of the standalone financial statements)	
The Company has disclosed contingent liabilities in respect of disputed claims / levies under tax and legal matters. Taxation and litigation exposures have been identified as a key audit matter due to significant outstanding matters with authorities and management assessment towards potential financial impact of these matters will involve significant judgement and assumptions.	Our audit procedures amongst others included the following: • We understood the process and assessed the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities. • We obtained details of legal and tax disputed matters from management and assessed management's position through discussions on both the probability of success in significant cases, and the magnitude of any potential loss. • We involved tax specialists to assist us in evaluating tax positions taken by management. • We circulated legal confirmation for material litigations to external legal counsel and reviewed their assessment and had a discussion on their assessment with the senior management of the Company. • We assessed the relevant disclosures made in the Standalone Financial Statements for compliance with the requirements of Ind AS 37.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 36 to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

      iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

      v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

      vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Bharath N S
Partner
Membership Number: 210934
UDIN: 23210934BGYJLP5174
Place of Signature: Chennai
Date: May 8, 2023

ANNEXURE 1 REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: CG Power and Industrial Solutions Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipments.

(a) (B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, Plant and Equipments have not been physically verified by the management during the year but there is a regular planned programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were identified on such verification.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 4 to the standalone financial statements are held in the name of the Company except 1 of immovable property amounting to ₹ 0.25 crores as at March 31, 2023 for which title deeds were not available with the Company and hence we are unable to comment on the same.

Title deeds of immovable properties amounting to ₹ 70.13 crores are pledged with the banks. The same has been independently confirmed by the Trustee of the bank.

In respect of land and building aggregating to ₹ 179.57 crores situated at Mumbai, the land lease deed has expired in earlier years. As explained to us, the Company's application for renewal of lease in respect of property in Mumbai is considered by local municipal corporation, however documentation formalities in this regard are in progress.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate.

Discrepancies of 10% or more in aggregate for each class of inventory were not noticed in such physical verification. Majority of inventories lying with third parties have been confirmed by them as at March 31, 2023 and discrepancies were not noticed in respect of such confirmations.

(b) As disclosed in note 20 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of rupees five crores in aggregate from a bank during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the standalone financial statements, the quarterly returns / statements filed by the Company with such bank are in agreement with the books of accounts of the Company. The Company do not have sanctioned working capital limits in excess of rupees five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies, as applicable, are not prejudicial to the Company's interest.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) During the year ended March 31, 2023, the Company has not given any loans, investments, guarantees, and security in respect of which provisions of section 185 of the Companies Act, 2013 are applicable and hence not commented upon. Further, according to the information and explanations given to us, provisions of sections 186 of the Companies Act, 2013 in respect of investments have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

ANNEXURE 1 REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE (Contd.)

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture or service of Power and Industrial products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been minor delay in few cases in respect of employees' state insurance, income-tax. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of income-tax, goods and services tax, sales-tax, service tax, duty of excise, value added tax, cess and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount Unpaid (Rupees in crores)	Period to which Amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax and interest	654.63*	2013-2017	Commissioner of Income Tax (Appeals)
Goods and Service Tax Act, 2017	Trans – 1 credit and other input tax credit related	0.26	2017-2022	Additional Commissioner / Deputy Commissioner / Joint Commissioner / Commissioner (Appeals)
		0.33	2017-2018	High Court
Central Sales Tax Act, 1956 and Sales Tax Acts of various states	Sales Tax, VAT, Penalty, Interest and Pending sales tax forms including related entry tax	180.81#	1994-2018	Additional Commissioner / Deputy Commissioner / Joint Commissioner / Commissioner (Appeals)
		5.10#	1992-2017	Appellate Tribunal
		1.11#	1989-2007	High Court
Central Excise Act, 1944	Excise Duty, Penalty and Interest	3.90	2002-2016	Additional Commissioner / Deputy Commissioner / Joint Commissioner / Commissioner (Appeals)
		3.64	1999-2019	Appellate Tribunal
		0.14	2001-2002	High Court
Finance Act, 1994	Service Tax, Penalty and Interest	21.57	2006-2018	Additional Commissioner / Deputy Commissioner / Joint Commissioner / Commissioner (Appeals)
		0.05	2005-2007	Appellate Tribunal

*Bombay High Court has stayed the demand of ₹ 606.30 crores and recovery proceeding for the balance ₹ 48.33 crores is stayed by assessing officer. Further, entire demand of ₹ 654.63 crores is disputed at CIT(A).

The Company has collected 'C' Forms aggregating ₹ 113.61 crores which it expects the authorities to accept to reduce total unpaid amount to ₹ 73.41 crores and further the liability will reduce to ₹ 29.20 crores after considering related entry tax impact. Further there is stay on these demands in terms of appellate forums procedures.

(viii) According to the information and explanation given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associate or joint venture.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company and hence not commented upon. The Company does not have any associate or joint venture.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company and hence not commented upon.

(b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 as applicable in respect of conversion of warrants into equity shares during the year. The funds raised, have been used for the purposes for which the funds were raised.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor / secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirements to report on clauses 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order are not applicable to the Company.

ANNEXURE 1 REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE (Contd.)

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) The Group has two Core Investment Companies as part of the Group. For the purpose of reporting under this clause we have reported those Core Investment Companies of the Group which have been registered with the Reserve of Bank of India.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 53 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 39 to the standalone financial statements.

(b) There are no ongoing projects and hence the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company and hence not commented upon.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Bharath N S
Partner
Membership Number: 210934
UDIN: 23210934BGYJLP5174
Place of Signature: Chennai
Date: May 8, 2023

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of CG Power and Industrial Solutions Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Bharath N S
Partner
Membership Number: 210934
UDIN: 23210934BGYJLP5174
Place of Signature: Chennai
Date: May 8, 2023

₹ crores

STANDALONE BALANCE SHEET AS AT 31 MARCH, 2023

Particulars	Note No.	As at 31-03-2023		As at 31-03-2022	
ASSETS					
(1) Non-current assets					
(a) Property, plant and equipment	4	**745.09**		741.30	
(b) Capital work-in-progress	4	**18.01**		16.96	
(c) Intangible assets	5	**25.74**		26.50	
(d) Intangible assets under development	5	**11.03**		7.73	
(e) Financial assets					
(i) Investments	6	**302.76**		302.41	
(ii) Loans	7	**-**		-	
(iii) Others	8	**13.29**		11.93	
(f) Deferred tax assets (net)	9	**434.17**		622.69	
(g) Other non-current assets	10	**7.45**		4.96	
			1557.54		1734.48
(2) Current assets					
(a) Inventories	11	**490.46**		446.77	
(b) Financial assets					
(i) Investments	12	**0.01**		40.62	
(ii) Trade receivables	13	**1229.72**		889.48	
(iii) Cash and cash equivalents	14	**633.55**		320.66	
(iv) Bank balances other than (iii) above	15	**21.34**		92.61	
(v) Others	16	**18.59**		12.46	
(c) Current tax assets (net)		**78.94**		77.55	
(d) Other current assets	17	**188.28**		223.72	
			2660.89		2103.87
TOTAL ASSETS			**4218.43**		3838.35
EQUITY AND LIABILITIES					
EQUITY					
(a) Equity share capital	18	**305.43**		288.37	
(b) Other equity	19	**2124.63**		1530.95	
			2430.06		1819.32
LIABILITIES					
(1) Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	20	**2.87**		302.31	
(ii) Lease liabilities	37	**10.91**		4.82	
(iii) Other financial liabilities	21	**1.75**		14.07	
			15.53		321.20
(b) Provisions	22		**42.66**		30.15
(2) Current liabilities					
(a) Financial liabilities					
(i) Lease liabilities	37	**3.23**		3.27	
(ii) Trade payables					
(A) Total outstanding dues of micro enterprises and small enterprises; and	23	**82.46**		39.80	
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	23	**1170.47**		1085.43	
(iii) Other financial liabilities	24	**89.43**		255.15	
			1345.59		1383.65
(b) Other current liabilities	25		**236.97**		142.62
(c) Provisions	26		**147.62**		141.41
TOTAL EQUITY AND LIABILITIES			**4218.43**		3838.35
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	2				

The accompanying notes form an integral part of standalone financial statements

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

per Bharath N S
Partner
Membership No. 210934
Chennai : 08 May, 2023

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 08 May, 2023

₹ crores

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2023

Particulars	Note No.	2022-23		2021-22	
INCOME					
Revenue from operations	27		**6579.63**		5159.18
Other income	28		**79.32**		45.04
Total income			**6658.95**		5204.22
EXPENSES					
Cost of materials consumed	29	**4382.10**		3601.71	
Purchases of stock-in-trade	30	**268.61**		164.87	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	**1.81**		(33.92)	
Employee benefits expense	32	**331.35**		287.52	
Finance costs	33	**14.56**		66.38	
Depreciation and amortisation expense	34	**74.69**		73.72	
Other expenses	35	**658.83**		541.91	
Total expenses			**5731.95**		4702.19
Profit before exceptional items and tax			**927.00**		502.03
Exceptional items (net)	45		**56.07**		239.58
Profit before tax			**983.07**		741.61
Tax expense:					
Current tax	9	**7.81**		3.17	
Deferred tax (net)	9	**189.90**		111.38	
			197.71		114.55
Profit for the year			**785.36**		627.06
Other comprehensive income:					
(i) Items that will not be reclassified subsequently to profit or loss					
(a) Remeasurement gain / (loss) on defined benefit plans		**(6.93)**		(2.62)	
(ii) Income tax relating to items that will not be reclassified to profit or loss		**1.38**		0.66	
Total other comprehensive income for the year			**(5.55)**		(1.96)
Total comprehensive income for the year			**779.81**		625.10
Earnings per share (basic) (₹) (Face value of ₹ 2 each)	50		**5.18**		4.62
Earnings per share (diluted) (₹) (Face value of ₹ 2 each)	50		**5.14**		4.36
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	2				

The accompanying notes form an integral part of standalone financial statements

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

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(DIN : 01138759)

per Bharath N S
Partner
Membership No. 210934
Chennai : 08 May, 2023

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 08 May, 2023

₹ crores

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2023

		2022-23	2021-22
[A]	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax from operations	**983.07**	741.61
	Adjustments for:		
	Depreciation and amortisation expense	**74.69**	73.72
	Allowances for doubtful receivables	**12.63**	2.84
	Bad debts written off / (reversal) (net)	**(7.64)**	(19.01)
	(Gain) / loss arising on financial instruments designated as FVTPL	**(0.01)**	(0.61)
	Finance costs	**14.56**	66.38
	Interest income	**(28.42)**	(19.80)
	Expense on employee stock options outstanding	**4.42**	1.78
	Profit on sale of investments (net)	**(1.89)**	(0.05)
	Unrealised exchange (gain) / loss (net)	**2.74**	0.13
	(Profit) / loss on sale of property, plant and equipment (net)	**(2.42)**	4.83
	Liabilities no longer required written back	**(29.05)**	(8.86)
	Exceptional items (net)	**(56.07)**	(239.58)
		(16.46)	(138.23)
	Operating profit before working capital changes	**966.61**	603.38
	Adjustments for:		
	(Increase) / Decrease in trade and other receivables	**(248.70)**	(267.47)
	(Increase) / Decrease in inventories	**(43.69)**	(64.85)
	Increase / (Decrease) in trade and other payables	**213.60**	139.52
	Increase / (Decrease) in provisions	**11.79**	(6.40)
		(67.00)	(199.20)
	Cash (used in) / from operations	**899.61**	404.18
	Income tax refund / (paid) (net)	**(9.20)**	45.67
	Net cash flow (used in) / from operating activities [A]	**890.41**	449.85
[B]	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Add: Inflows from investing activities		
	Proceeds from sale of property, plant and equipment	**3.58**	1.40
	Proceeds from sale of investments	**134.51**	1.29
	Loan repaid by subsidiary	**10.19**	8.86
	Interest received	**27.70**	19.69
		175.98	31.24
	***Less:* Outflows from investing activities**		
	Purchase of property, plant and equipment (including capital work-in-progress and capital advances) and intangible assets	**(76.37)**	(61.41)
	Purchase of investments	**(92.34)**	(98.00)
	Loan given to subsidiary	**-**	(49.22)
		(168.71)	(208.63)
	Net cash flow (used in) / from continuing investing activities	**7.27**	(177.39)
	Net cash flow from discontinued investing activities	**-**	367.18
	Net cash flow (used in) / from investing activities [B]	**7.27**	189.79

₹ crores

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

		2022-23	2021-22
[C]	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Add: Inflows from financing activities		
	Proceeds from issue of equity shares and warrants (net off expenses as per below note 3)	**55.58**	57.40
	Proceeds from long-term borrowings (net off processing fees paid)	**-**	81.10
		55.58	138.50
	***Less:* Outflows from financing activities**		
	Repayment of long-term borrowings	**(300.57)**	(603.08)
	Repayment of short-term borrowings	**-**	(128.19)
	Payment of lease liabilities	**(3.82)**	(3.88)
	Finance costs paid	**(6.19)**	(46.78)
	Dividend Paid	**(229.07)**	-
	Payment towards corporate guarantee settlement	**(100.72)**	(31.88)
		(640.37)	(813.81)
	Net cash flow (used in) / from financing activities [C]	**(584.79)**	(675.31)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**312.89**	(35.67)
	Cash and cash equivalents at beginning of the year	**320.66**	356.33
	Cash and cash equivalents at end of the year (Refer note 14)	**633.55**	320.66

1. Refer note 49 in respect of disclosure for changes in liabilities arising from financing activities.
2. Purchase of property, plant and equipment and intangible assets referred above include movements of capital work-in-progress and intangible assets under development respectively during the year.
3. Proceeds from issue of equity shares and warrants is net off expenses related to raising of equity aggregating to ₹ Nil (as at 31 March, 2022 ₹ 0.38 crores).
4. The standalone statement of cash flows has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows.

The accompanying notes form an integral part of standalone financial statements

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

per Bharath N S
Partner
Membership No. 210934
Chennai : 08 May, 2023

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 08 May, 2023

₹ crores

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2023

(A) EQUITY SHARE CAPITAL

For the year ended 31 March, 2023

Balance as at 1-04-2022	Changes in equity share capital during the year*	Balance as at 31-03-2023
288.37	**17.06**	**305.43**

For the year ended 31 March, 2022

Balance as at 1-04-2021	Changes in equity share capital during the year*	Balance as at 31-03-2022
267.60	20.77	288.37

* Refer note 18

(B) OTHER EQUITY

For the year ended 31 March, 2023

	Retained Earnings	General Reserve	Capital Reserve	Capital Redemption Reserve	Securities Premium	Share Warrants Money	Share Options Outstanding Account	Total Equity
Balance as at 1 April, 2022	**(250.44)**	**415.89**	**672.49**	**12.95**	**660.04**	**18.24**	**1.78**	**1530.95**
Profit for the year	**785.36**	**-**	**-**	**-**	**-**	**-**	**-**	**785.36**
Employee stock options issued	**-**	**-**	**-**	**-**	**-**	**-**	**4.42**	**4.42**
Proceeds against share warrants	**-**	**-**	**-**	**-**	**-**	**54.72**	**-**	**54.72**
Shares issued on conversion of warrants	**-**	**-**	**-**	**-**	**56.76**	**(72.96)**	**-**	**(16.20)**
Transfer to securities premium from employee stock option outstanding	**-**	**-**	**-**	**-**	**0.18**	**-**	**(0.18)**	**-**
Other comprehensive income for the year								
- Remeasurement loss on defined benefit plans	**(5.55)**	**-**	**-**	**-**	**-**	**-**	**-**	**(5.55)**
Dividend paid during the year	**(229.07)**	**-**	**-**	**-**	**-**	**-**	**-**	**(229.07)**
Balance as at 31 March, 2023	**300.30**	**415.89**	**672.49**	**12.95**	**716.98**	**-**	**6.02**	**2124.63**

For the year ended 31 March, 2022

	Retained Earnings	General Reserve	Capital Reserve	Capital Redemption Reserve	Securities Premium	Share Warrants Money	Share Options Outstanding Account	Total Equity
Balance as at 1 April, 2021	(875.54)	415.89	672.49	12.95	502.94	37.50	-	766.23
Profit for the year	627.06	-	-	-	-	-	-	627.06
Employee stock options issued	-	-	-	-	-	-	1.78	1.78
Proceeds against share warrants	-	-	-	-	-	57.78	-	57.78
Shares issued on conversion of warrants	-	-	-	-	59.04	(77.04)	-	(18.00)
Expense on issue of equity share and share warrants	-	-	-	-	(0.38)	-	-	(0.38)
Shares issued on settlement of guarantee	-	-	-	-	98.44	-	-	98.44
Other comprehensive income for the year								
- Remeasurement loss on defined benefit plans	(1.96)	-	-	-	-	-	-	(1.96)
Balance as at 31 March, 2022	(250.44)	415.89	672.49	12.95	660.04	18.24	1.78	1530.95

The accompanying notes form an integral part of standalone financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Bharath N S
Partner
Membership No. 210934
Chennai : 08 May, 2023

For and on behalf of the Board

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 08 May, 2023

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION:

CG Power and Industrial Solutions Limited (the 'Company') with CIN No: L99999MH1937PLC002641, is a limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at 6th Floor, CG House, Dr. Annie Besant Road, Worli, Mumbai – 400 030, India.

The Company is a global enterprise providing end-to-end solutions to utilities, industries and consumers for the management and application of efficient and sustainable electrical energy. It offers products, services and solutions in two main business segments, viz. Power Systems and Industrial Systems for the year ended 31 March, 2023.

The standalone financial statements of the Company for the year ended 31 March, 2023 were authorised for issue in accordance with a resolution of the directors on 8 May, 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of preparation:

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirements of Division II of Schedule III of the Companies Act, 2013. The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and financial liabilities measured at fair value.

The standalone financial statements are presented in Indian Rupees ('₹') and all values are rounded to the nearest crores, except when otherwise indicated.

2.2 Property, plant and equipment:

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, net of trade discounts and rebates, directly attributable costs of bringing the asset to its working condition for its intended use and capitalised borrowing costs. When significant parts of the plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent expenditure related to an item of property, plant and equipment is capitalised only if it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date and stated at cost, net of accumulated impairment loss, if any.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in the statement of profit and loss when the asset is derecognised.

Depreciation is provided on straight-line method over the useful lives of assets. Depreciation commences when an asset is ready for its intended use. The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, where the useful lives was determined by technical evaluation. Freehold land is not depreciated. Depreciation on additions to / deductions from assets is provided on pro-rata basis with reference to the date of addition / deletion.

The range of useful lives of the property, plant and equipment are as follows:

- Plant and machinery – 1 to 21 years
- Furniture and fittings – 1 to 15 years
- Office equipments – 1 to 15 years
- Buildings – 3 to 60 years
- Vehicles – 1 to 8 years

Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the useful life of the building.

In other cases, buildings constructed on leasehold land are amortised over the primary lease period of the land.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year end, with the effect of any changes in estimate accounted for on a prospective basis.

On transition to Ind AS, the Company has elected to continue with the carrying value as per the previous GAAP for Plant and machinery, Furniture and fittings, Office equipments and Vehicles as its deemed cost. Also, the Company has elected to measure Freehold land, Leasehold Land and Building at its fair value and considered it as deemed cost as on the date of transition to Ind AS.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.3 Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives, if any are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The amortisation expense on intangible assets with finite lives is recognised in statement of profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangible assets are amortised as follows:

- Specialised software : Over a period of five years;
- Technical know-how : Over a period of five years (from the date of availability for its use); and
- Commercial rights : Over a period of ten years;

Research and development expenditure:

Revenue expenditure on research activities is expensed under the respective heads of account in the period in which it is incurred.

Development expenditures on an individual project are recognized as intangible asset, if all of the following criteria can be demonstrated:

(i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(ii) the Company has intention to complete the development of intangible asset and use or sell it;

(iii) the Company has ability to use or sell the intangible asset;

(iv) the manner in which the probable future economic benefit will be generated;

(v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(vi) the Company has ability to reliably measure the expenditure attributable to the intangible asset during its development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over a period of five years. During the period of development, the asset is tested for impairment annually.

On transition to Ind AS, the Company has elected to continue with the carrying value as per the previous GAAP for all intangible assets as its deemed cost.

2.4 Impairment of non-financial assets:

At least at the end of each reporting period, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognised in the statement of profit and loss, when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's (CGUs) fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.5 Inventories:

Inventories are valued as under:

- Raw materials, packing materials, construction materials, stores and spares, loose tools and traded goods at lower of cost and net realisable value. Cost is determined on weighted average basis.
- Work-in-progress and finished goods (manufacturing) at lower of cost and net realisable value. Cost includes an appropriate share of production overheads based on normal operating capacity. Finished goods cost is determined on weighted average basis.

The cost of inventories comprises all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Obsolete and slow moving items of inventories are valued at cost or net realisable value, whichever is lower. Goods and Materials in transit are valued at actual cost incurred up to the reporting date. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.6 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

2.7 Foreign currency transactions:

Initial recognition

Transactions in foreign currencies entered are accounted at the exchange rates prevailing on the date of the transaction.

Measurement as at Balance Sheet Date

Foreign currency monetary items that are outstanding at the Balance Sheet date are restated at year end exchange rates.

Non-monetary items carried at historical cost are translated using the exchange rates at the dates of initial transactions.

Treatment of exchange differences

Exchange differences arising on settlement/ restatement of foreign currency monetary assets and liabilities are recognized as income or expense in the statement of profit and loss.

2.8 Revenue recognition:

(a) Revenue from sale of goods and services

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, which generally coincides with the delivery of goods to customers. Revenue from services is recognised when services are rendered.

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognised when such freight services are rendered. Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items in a contract when they are highly probable to be provided. The variable consideration is estimated at contract inception updated thereafter at each reporting date or until crystallisation of the amount. Liquidated damages are recognised as a part of variable consideration.

In revenue arrangements with multiple performance obligations, the Company accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their standalone selling prices.

However, Goods and Services tax (GST) are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(b) Revenue from construction contracts

Performance obligations with reference to construction contracts are satisfied over the period of time, and accordingly, Revenue from such contracts is recognised based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Revenue is adjusted towards liquidated damages, and price variations / escalation, wherever, applicable. Variation in contract work and other claims are included to the extent that the amount can be measured reliably and generally when it is agreed with customer. Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognised in the period in which estimates are revised.

(c) Dividend and interest income

Dividend income is accounted for when the shareholder's right to receive the same is established, which is generally when shareholders approve the dividend.

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is recognised taking into account the amount outstanding and effective interest rate.

2.9 Employee benefits:

Short-term employee benefits

All employee benefits payable wholly within twelve months after the end of the annual reporting period in which the employees render the related services, are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amounts of the benefits expected in exchange for the related services.

Post-employment benefits

Defined contribution scheme:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions.

Defined benefit plans:

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with the actuarial valuations being carried out at the end of each annual reporting period.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the profit or loss. Past service cost is recognised in the statement of profit and loss in the period of plan amendment or when the Company recognised related re-structuring costs.

The Company recognises the following changes in the net defined benefit obligation under employee benefit expenses in profit or loss:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and settlements;
- net interest expense or income.

Gratuity:

The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. The scheme is funded with the CG Gratuity Fund. Remeasurements, comprising of actuarial gains and losses are recognised in full in other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

Leave encashment:

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognised in full in the statement of profit and loss.

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Provident Fund:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Termination benefits:

Termination benefits are recognised as an expense when the Company can no longer withdraw the offer of the termination benefits or when the Company recognises any related restructuring costs whichever is earlier.

2.10 Share Based Payments (Employee Stock Option Scheme):

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the Company are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in stock options outstanding account in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

2.11 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time (generally over twelve months) to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.12 Segment accounting:

Operating segments are those components of the business whose operating results are regularly reviewed by the Chief Operating Decision Maker in the Company to make decisions for performance assessment and resource allocation. Segment performance is evaluated based on the profit or loss of reportable segment and is measured consistently.

The Operating segments have been identified on the basis of the nature of products / services.

(i) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter- segment revenue.

(ii) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.

(iii) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.

(iv) Segment result includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Company.

(v) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.13 Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

At the date of commencement of the lease, the Company recognises right-of-use ('ROU') asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases and leases of low-value assets). For these short-term leases and leases of low-value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

A ROU asset is recognised representing its right to use the underlying asset for the lease term. The cost of the ROU asset measured at inception comprises of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses and adjusted for any remeasurement of the lease liability.

The ROU assets are depreciated from the commencement date using the straight-line method over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The range of useful lives of the ROU assets are as follows:

- Leasehold land – 30 to 99 years
- Buildings – 2 to 9 years
- Furniture and fittings – 5 years

Company as a lessor

Leases for which the Company is a lessor are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.14 Earnings per share:

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the standalone financial statements by the Board of Directors.

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.15 Income taxes:

Income tax expense for the period comprises of current and deferred tax. Income tax expense is recognised in the statement of profit and loss except when they are relating to items that are recognised in OCI or directly in equity, in which case, it is also recognised in relating to items recognised directly in OCI or equity respectively.

Current tax

Current tax comprises the expected income tax payable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. It is determined by using tax rates in accordance with the provisions of Income Tax Act, 1961.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

2.16 Provisions, Contingent liabilities, Contingent assets and Commitments:

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Warranty provisions

Provisions for the expected cost of warranty obligations are recognised at the time of sale of relevant product or service, at the best estimate of the expenditure required to settle the Company's obligation.

Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.17 Exceptional items:

An item of income or expense which by its size, type or incidence is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed as such in the standalone financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.18 Current and non-current classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period,or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period,or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets / liabilities are classified as non-current.

Operating cycle:

A portion of the Company activities (primarily long-term project activities) has an operating cycle that exceeds twelve months. Accordingly, assets and liabilities related to these long-term contracts, which will not be realised / paid within twelve months, have been classified as non-current. For all other activities, operating cycle is twelve months.

2.19 Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.20 Non-current assets held for sale and discontinued operations:

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss. Also comparative statement of profit and loss is re-presented as if the operation had been discontinued from the start of the comparative period.

Assets and liabilities classified as held for disposal are presented separately from other assets and liabilities in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.21 Financial instruments:

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

(i) Financial assets:

Initial recognition and measurement

Financial assets are measured at fair value on initial recognition, except for trade receivables that do not contain a significant financing component which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety either at amortised cost or at fair value depending on the classification of the financial assets.

Where financial assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss or 'FVTPL'), or recognised in other comprehensive income (i.e. fair value through other comprehensive income or 'FVTOCI').

A financial asset is measured at amortised cost (net of any write down for impairment) if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

All equity investments are measured at fair value, with fair value changes recognised in the statement of profit and loss, except for those equity investments for which the entity has elected to present fair value changes in other comprehensive income. However, dividend on such equity investments are recognised in statement of profit and loss when the Company's right to receive payment is established.

Investment in associates, joint venture and subsidiaries

The Company accounts for its investment in subsidiaries, associates and joint venture, at cost less impairment loss except where investments is accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

Impairment of financial assets

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss. Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables the Company applies a simplified approach under which loss allowance is recognised based on expected lifetime ECL losses to be recognised on each reporting date. The Company uses a provision matrix that is based on its historical credit loss experience adjusted for relevant forward-looking factors. For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk since initial recognition full lifetime ECL is used.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

(ii) Financial liabilities:

Initial recognition and measurement

Financial liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, which are not at fair value through profit or loss, are deducted from the fair value on initial recognition.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Subsequent measurement

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss ('FVTPL'). A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Company to make specified payment to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of, the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(iii) Derivative financial instruments and hedge accounting:

The Company uses various derivative financial instruments to hedge foreign currency / price risk on unexecuted firm commitments and highly probable forecast transactions. Such derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and presented as a separate component of equity which is later reclassified to statement of profit and loss when the hedge item affects profit or loss.

(iv) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3(A). SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities within the next financial year.

Judgements

Lease of assets not in legal form of lease

Significant judgment is required to apply lease accounting rules under Ind AS 116. In assessing the applicability to arrangements entered into by the Company, management has exercised judgment to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Ind AS 116.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(i) Useful lives of property, plant and equipment

Management reviews useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors. This reassessment may result in change in depreciation expected in future period.

(ii) Development costs

Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management assesses and monitors whether the recognition requirements for development costs continue to be met. There is inherent uncertainty in the economic success of any product development. The Company uses judgement in assessment of development cost eligible for capitalisation.

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

3(A). SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Contd.)

(iii) Impairment of non-financial assets

In case of non-financial assets Company estimates asset's recoverable amount, which is higher of an asset's or cash generating units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

(iv) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Income taxes

Deferred tax assets for unused tax losses are recognised only when it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

(vi) Defined benefit obligation

In accounting for post-retirement benefits, actuarial method uses several statistical and other factors to anticipate future events that are used to calculate defined benefit obligation. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Company may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

(vii) Revenue from contract with customers

The Company estimates variable considerations in the nature of volume rebates, discounts, performance bonuses, penalties and similar items and adjusts the transaction price for the sale of goods and services. These expected variable considerations are analysed either at customer or contracts basis against agreed terms with customers and may differ from actual results.

(viii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in notes but are not recognised, the cases which have been determined as remote by the Company are not disclosed.

3(B). NEW AND AMENDED STANDARDS

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April, 2022.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23 March, 2022, to amend the following Ind AS which are effective from 1 April, 2022.

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable costs of meeting the obligations under the contract costs (i.e., the costs that the Company cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, the Company needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 April, 2022. These amendments had no impact on the standalone financial statements of the Company.

(ii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April, 2022. These amendments had no impact on the standalone financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings	Plant and machinery	Right-of-Use assets	Furniture and fittings	Office equipments	Vehicles	Total	Capital work-in- progress
Cost / deemed cost:									
As at 1-04-2021	**49.42**	**626.87**	**415.82**	**99.43**	**27.62**	**18.31**	**6.60**	**1244.07**	**2.43**
Additions	-	3.25	28.38	3.17	0.22	2.09	2.72	39.83	16.25
Disposals / transfers	-	-	0.92	6.22	0.23	0.02	1.55	8.94	1.72
As at 1-04-2022	**49.42**	**630.12**	**443.28**	**96.38**	**27.61**	**20.38**	**7.77**	**1274.96**	**16.96**
Additions	-	11.64	37.10	10.89	2.02	7.62	2.03	71.30	13.91
Disposals / transfers	-	-	1.61	7.90	0.45	0.23	1.01	11.20	12.86
As at 31-03-2023	**49.42**	**641.76**	**478.77**	**99.37**	**29.18**	**27.77**	**8.79**	**1335.06**	**18.01**
Accumulated depreciation:									
As at 1-04-2021	**-**	**181.15**	**236.68**	**24.24**	**14.37**	**14.68**	**3.81**	**474.93**	
Depreciation charge for the year	-	22.84	29.61	4.38	2.30	1.26	0.97	61.36	
Disposals / transfers	-	-	0.68	0.71	0.15	0.02	1.07	2.63	
As at 1-04-2022	**-**	**203.99**	**265.61**	**27.91**	**16.52**	**15.92**	**3.71**	**533.66**	
Depreciation charge for the year	-	23.65	31.29	4.58	2.05	1.88	1.36	64.81	
Disposals / transfers	-	-	1.11	6.36	0.29	0.16	0.58	8.50	
As at 31-03-2023	**-**	**227.64**	**295.79**	**26.13**	**18.28**	**17.64**	**4.49**	**589.97**	
Net book value									
As at 31-03-2022	49.42	426.13	177.67	68.47	11.09	4.46	4.06	741.30	16.96
As at 31-03-2023	**49.42**	**414.12**	**182.98**	**73.24**	**10.90**	**10.13**	**4.30**	**745.09**	**18.01**

Note:

The Company's application for renewal of lease in respect of property in Mumbai is considered by local municipal corporation, however documentation formalities in this regards are in progress. The net book value of tangible assets in relation to this property as at 31 March, 2023 is ₹ 182.67 crores (as at 31 March, 2022 ₹ 187.44 crores).

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

4. PROPERTY, PLANT AND EQUIPMENT (Contd.)

Capital work in progress (CWIP) Ageing Schedule as at 31 March, 2023

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	**13.91**	**3.70**	**-**	**0.40**	**18.01**
Total	**13.91**	**3.70**	**-**	**0.40**	**18.01**

Notes:

(i) There are no projects where project cost has exceeded or projects are overdue in current year.

(ii) There are no projects which are temporary suspended.

Capital work in progress (CWIP) Ageing Schedule as at 31 March, 2022

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	16.24	-	0.32	0.40	16.96
Total	16.24	-	0.32	0.40	16.96

Notes:

(i) There were no projects where project cost exceeded or projects were overdue.

(ii) There were no projects which were temporary suspended.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

5. INTANGIBLE ASSETS

	Computer software	Technical know-how	Commercial rights	Development cost	Total	Intangible assets under development #
Cost / deemed cost:						
As at 1-04-2021	**60.79**	**12.30**	**31.09**	**114.79**	**218.97**	**7.82**
Additions	0.57	-	-	6.58	7.15	6.50
Disposals / transfers	-	-	-	-	-	6.59
As at 1-04-2022	**61.36**	**12.30**	**31.09**	**121.37**	**226.12**	**7.73**
Additions	2.05	-	-	7.07	9.12	9.35
Disposals / transfers	-	-	-	-	-	6.05
As at 31-03-2023	**63.41**	**12.30**	**31.09**	**128.44**	**235.24**	**11.03**
Accumulated amortisation:						
As at 1-04-2021	**55.90**	**11.74**	**31.09**	**88.53**	**187.26**	
Amortisation charge for the year	2.55	0.41	-	9.40	12.36	
As at 1-04-2022	**58.45**	**12.15**	**31.09**	**97.93**	**199.62**	
Amortisation charge for the year	0.83	0.06	-	8.99	9.88	
As at 31-03-2023	**59.28**	**12.21**	**31.09**	**106.92**	**209.50**	
Net book value						
As at 31-03-2022	2.91	0.15	-	23.44	26.50	7.73
As at 31-03-2023	**4.13**	**0.09**	**-**	**21.52**	**25.74**	**11.03**

This includes expenses of ₹ 8.00 crores (as at 31 March, 2022 ₹ 6.50 crores) (Refer Note 38).

Intangible assets under development (IAUD) Ageing Schedule as at 31 March, 2023

	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	4.92	4.10	-	2.01	11.03
Total	4.92	4.10	-	2.01	11.03

Notes:

(i) There are no projects where project cost has exceeded or projects are overdue in current year.

(ii) There are no projects which are temporary suspended.

Intangible assets under development (IAUD) ageing schedule as at 31 March, 2022

	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3.25	-	3.54	0.94	7.73
Total	3.25	-	3.54	0.94	7.73

Notes:

(i) There were no projects where project cost exceeded or projects were overdue.

(ii) There were no projects which were temporary suspended.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

	Face value per unit in ₹ unless otherwise specified	No. of shares / units			
		As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Details of investments:					
A) Quoted investments					
Government and trust securities					
Central Government Securities 10.18% GOI 2026 of ₹ 100 each	100	**39000**	39000	**0.39**	0.39
(Carried at amortised cost)					
Total (A)				**0.39**	0.39
B) Unquoted investments					
Investments in equity instruments					
Investment in subsidiary companies (carried at cost)					
Fully paid equity shares					
1. CG International B.V.	EUR 100	**1530000**	1530000	**617.20**	1190.54
Less : Impairment (net of reversal) in value of investment*				**(375.79)**	(949.13)
				241.41	241.41
2. CG Power Equipments Limited (*Formerly* Crompton Greaves Consumer Products Limited)	2	**250000**	250000	**0.05**	0.05
Less : Impairment in value of investment				**(0.05)**	(0.05)
				-	-
3. CG International Holdings Singapore Pte Limited	USD 1	**44121460**	44121460	**238.29**	238.29
Less : Impairment in value of investment				**(190.95)**	(190.95)
				47.34	47.34
4. CG Adhesive Products Limited (*Formerly* CG-PPI Adhesive Products Limited)	10	**3227877**	3175520	**13.37**	13.03
5. CG Power Solutions Limited	10	**50000**	50000	**0.05**	0.05
Less : Impairment in value of investment				**(0.05)**	(0.05)
				-	-
6. PT Crompton Prima Switchgear Indonesia (deemed investment)				**1.15**	1.15
Less : Impairment in value of investment				**(1.15)**	(1.15)
				-	-

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS (Contd.)

	Face value per unit in ₹ unless otherwise specified	No. of shares / units As at 31-03-2023	No. of shares / units As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
B) Unquoted investments (Contd.)					
Partly paid equity shares					
CG Power Equipments Limited (*Formerly* Crompton Greaves Consumer Products Limited)	0.20	156436537	156436537	3.13	3.13
Less : Impairment in value of investment				(3.13)	(3.13)
				-	-
Measured at fair value through profit and loss					
1. Dinette Exclusive Club Private Limited	100	500	500	0.01	0.01
2. Radiant Electronics Limited	100	190000	190000	0.00	0.00
				0.01	0.01
Investments in debentures or bonds					
Carried at fair value through profit and loss					
1. Avantha Holdings Limited **	100	-	800000	-	8.00
(Optionally Convertible, Zero Coupon, Non-marketable, transferable Debentures)					
Less : Impairment in value of investment				-	(8.00)
				-	-
2. Dinette Exclusive Club Private Limited	100	5000	5000	0.05	0.05
(0% Unsecured Irredeemable Non-convertible Debentures of ₹ 100 each)				0.05	0.05
Other non-current investments					
1. UTI Hybrid Equity Fund - Dividend Plan - Payout	10	60997	55909	0.19	0.18
2. Power Equipment Limited	USD 10	20600	20600	0.00	0.00
				0.19	0.18
Total (B)				302.37	302.02
Total (A+B)				302.76	302.41
Notes:					
Quoted investments					
Book value				0.39	0.39
Market value				0.39	0.39
Unquoted investments					
Book value				302.37	302.02

* Refer note 43 for reversal of provision for impairment in value of investment, which is written off during the year ₹ 573.34 crores.

** During the year, the Company has written off investment of ₹ 8.00 crores in Avantha Holdings Limited ('AHL').

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

7. NON-CURRENT FINANCIAL ASSETS - LOANS

	As at 31-03-2023		As at 31-03-2022	
Unsecured, considered good, unless otherwise stated				
Loans to subsidiaries (Refer note 43)*	2059.22		2777.97	
Less: Allowance for credit impaired (Refer note 43)*	2059.22		2777.97	
		-		-
Other loans and advances	7.94		7.94	
Less: Allowance for credit impaired	7.94		7.94	
		-		-
		-		-

* During the year loan amounting ₹ 10.19 crores has been repaid by a subsidiary, hence provision to that extend has been reversed by ₹ 10.19 crores (previous year ₹ Nil). Further, during the year the amount written off ₹ 708.56 crores (previous year ₹ Nil).

In previous year, the Company has given loan of ₹ 49.22 crores to a wholly owned offshore subsidiary incorporated in Netherlands for settlement of guarantee given by the said subsidiary to the bank.

Type of Borrower	As at 31-03-2023 Amount of loan or advance in nature of loan outstanding	As at 31-03-2023 % of total Loans and Advances in nature of loans	As at 31-03-2022 Amount of loan or advance in nature of loan outstanding	As at 31-03-2022 % of total Loans and Advances in nature of loans
Loan to subsidiaries	2059.22	99.6%	2777.97	99.7%
Total	2059.22	99.6%	2777.97	99.7%

8. NON-CURRENT FINANCIAL ASSETS - OTHERS

	As at 31-03-2023	As at 31-03-2022
Unsecured, considered good, unless otherwise stated		
Deposits	6.10	5.63
Fixed deposits with banks with maturity period of more than 12 months*	7.19	6.30
	13.29	11.93

* Deposits of ₹ 3.69 crores (as at 31 March, 2022 ₹ 0.01 crore) are held as margin money.

9. TAXATION

Income tax recognised in statement of profit and loss:

	2022-23	2021-22
Statement of profit and loss:		
Current income tax:		
Current period	7.81	5.43
Previous period	-	(2.26)
Deferred tax:		
Relating to origination and reversal of temporary differences	189.90	111.38
Income tax recognised in statement of profit and loss	197.71	114.55
Statement of other comprehensive income		
Deferred tax related to items recognised in other comprehensive income during the year	(1.38)	(0.66)
Income tax recognised in other comprehensive income	(1.38)	(0.66)

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

9. Taxation (Contd.)

Reconciliation of income tax expense and accounting profit multiplied by applicable income tax rate:

	2022-23	2021-22
Accounting profit before income tax	983.07	741.61
Applicable tax rate	25.168%	25.168%
Computed tax expense	247.42	186.65
Expense not deductible in determining taxable profits	(39.39)	1.62
Impact of deferred tax created at lower tax rate	-	(31.13)
Impact of fair valuation of property, plant and equipment	-	(68.73)
Other temporary differences	(10.32)	26.14
Net income tax expense charged to statement of profit and loss	197.71	114.55

Note:

Pursuant to restatement of books of account from financial year 2014-15 to 2018-19 by the Ministry of Corporate Affairs ('MCA') and taken on records by the Hon'ble National Company Law Tribunal, and consequential revision of books of account for financial year 2019-20 and 2020-21, the Company had filed an application with the Central Board of Direct Taxes ('CBDT') seeking its approval to revise the returns of income based on the recasted / revised books of account. The Company's application was rejected by the CBDT. Against this rejection the Company filed writ petition before the Hon'ble Bombay High Court. The Hon'ble Bombay High Court has asked the Income tax department to file its affidavit in reply. Next date of hearing before the Hon'ble Bombay High Court is awaited.

Deferred tax relates to the following:

	Balance sheet		Recognised in statement of profit or loss	
	As at 31-03-2023	As at 31-03-2022	2022-23	2021-22
Expenses allowable on payment basis	42.10	42.70	0.60	(9.34)
Other items giving rise to temporary differences	17.02	18.00	0.98	15.03
Accelerated depreciation for tax purposes	(37.06)	(40.68)	(3.62)	(4.91)
Fair valuation of property, plant and equipment	(91.18)	(95.42)	(4.24)	(68.73)
Provision and impairment of loans and receivables	57.97	53.35	(4.62)	31.18
Unabsorbed losses and Unabsorbed depreciation	445.32	613.28	167.96	113.99
Provision for corporate guarantee obligation settlement	-	31.46	31.46	33.50
Net deferred tax assets	434.17	622.69		
Net (income) / expense			188.52	110.72
Deferred tax expense / (benefit):				
Relating to origination and reversal of temporary differences			188.52	110.72
Total			188.52	110.72

The net deferred tax assets of ₹ 434.17 crores (as at 31 March, 2022 ₹ 622.69 crores) includes deferred tax assets of ₹ 445.32 crores (as at 31 March, 2022 ₹ 613.28 crores) related to tax losses. Based on the future forecast and current economic conditions in India, there is reasonable certainty that the deferred tax assets on tax losses will be recovered on or before expiry of 8 years period.

Reconciliation of deferred tax assets / (liabilities) net

	As at 31-03-2023	As at 31-03-2022
Opening balance	622.69	733.41
Tax expense during the year recognised in statement of profit and loss	(189.90)	(111.38)
Deferred tax on other comprehensive income	1.38	0.66
Closing balance	434.17	622.69

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

10. NON-CURRENT ASSETS - OTHERS

	As at 31-03-2023	As at 31-03-2022
Unsecured, considered good, unless otherwise stated		
Capital advances	7.45	4.96
	7.45	4.96

11. INVENTORIES

	As at 31-03-2023		As at 31-03-2022	
Raw materials	220.30		172.84	
Add: Goods-in-transit	4.04		6.11	
		224.34		178.95
Work-in-progress		178.28		194.45
Finished goods		68.43		60.23
Stock-in-trade		16.24		10.08
Stores, spares and packing materials		3.17		2.67
Loose tools		0.00		0.39
		490.46		446.77

Note: Mode of valuation of inventories is stated in Note 2.5.

12. CURRENT FINANCIAL ASSETS - INVESTMENTS

	Face value per unit in ₹ unless otherwise specified	No. of shares / units			
		As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Details of investments:					
Unquoted investments					
Investments in equity instruments*					
1 Nicco Corporation Limited	2	330390	330390	0.01	0.01
2 JCT Electronics Limited	1	250000	250000	0.00	0.00
				0.01	0.01
Investments in mutual funds*					
1 SBI Liquid Fund - Direct Growth		-	121831	-	40.61
				-	40.61
				0.01	40.62

* Carried at fair value through profit and loss.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

13. TRADE RECEIVABLES

	As at 31-03-2023		As at 31-03-2022	
Unsecured:				
Considered good	1213.14		886.14	
Credit impaired	110.91		143.49	
	1324.05		1029.63	
Less: Allowance for credit impaired	110.91		143.49	
		1213.14		886.14
Receivables from related parties	80.41		67.17	
Less: Allowance for credit impaired	63.83		63.83	
(Refer note 43)		16.58		3.34
		1229.72		889.48

Note:

Refer note 27 for trade receivable considered as contract balances.

Trade receivables ageing schedule:

As at 31 March, 2023	Not due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed trade receivables – considered good	604.52	541.84	45.12	27.16	5.95	5.13	1229.72
(ii) Undisputed trade receivable – credit impaired	-	-	0.71	7.51	19.65	146.87	174.74
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivable – credit impaired	-	-	-	-	-	-	-
Total	604.52	541.84	45.83	34.67	25.60	152.00	1404.46

As at 31 March, 2022	Not due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed trade receivables – considered good	491.81	341.32	23.97	8.82	15.16	8.40	889.48
(ii) Undisputed trade receivable – credit impaired	-	-	1.94	57.16	79.41	68.81	207.32
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivable – credit impaired	-	-	-	-	-	-	-
Total	491.81	341.32	25.91	65.98	94.57	77.21	1096.80

14. CASH AND CASH EQUIVALENTS

	As at 31-03-2023		As at 31-03-2022	
Balances with banks:				
In current accounts	96.89		87.49	
Fixed deposits with original maturity of less than 3 months	536.66		233.17	
		633.55		320.66
Cash on hand		0.00		0.00
		633.55		320.66

Note:

As at 31 March, 2023, the Company has undrawn fund based committed borrowing facilities of ₹ 500.00 crores (as at 31 March, 2022 ₹ 500.00 crores).

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

15. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31-03-2023	As at 31-03-2022
Earmarked balances with banks for unpaid dividends (Refer note (a) below)	0.12	0.00
Fixed deposits with original maturity of more than 3 months and up to 12 months (refer note (b) below)	21.22	92.61
	21.34	92.61

Notes:

(a) Amount of unclaimed dividend due to be transferred to Investor Education and Protection Fund ('IEPF') as at 31 March, 2023 ₹ Nil (as at 31 March, 2022 ₹ Nil).

(b) Deposits of ₹ 3.11 crores (as at 31 March, 2022 ₹ 7.83 crores) are held as margin money.

16. CURRENT FINANCIAL ASSETS - OTHERS

	As at 31-03-2023		As at 31-03-2022	
Unsecured, considered good, unless otherwise stated:				
Receivable from subsidiaries (Refer note 43)	4.42		0.81	
Less: Allowances for credit impaired (Refer note 43)	0.37		-	
		4.05		0.81
Derivative instruments		0.07		-
Security deposits:				
Considered good	11.70		9.60	
Considered doubtful	0.74		0.74	
	12.44		10.34	
Less: Allowance for bad and doubtful deposits	0.74		0.74	
		11.70		9.60
Other financials assets		2.77		2.05
		18.59		12.46

17. OTHER CURRENT ASSETS

	As at 31-03-2023		As at 31-03-2022	
Unsecured, considered good, unless otherwise stated:				
Advance to suppliers		45.69		51.44
Statutory and other receivables*		142.59		172.28
Receivable from erstwhile directors	0.16		0.16	
Less: Provision for doubtful receivable	0.16		0.16	
		-		-
		188.28		223.72

Note:

* Major items includes statutory receivables of ₹ 73.06 crores (as at 31 March, 2022 ₹ 84.04 crores) and deposits (includes towards disputed tax demands) of ₹ 53.53 crores (as at 31 March, 2022 ₹ 70.91 crores).

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

18. SHARE CAPITAL

	As at 31-03-2023	As at 31-03-2022
Authorised		
2,03,80,00,000 equity shares of ₹ 2 each	407.60	407.60
(2,03,80,00,000 equity shares of ₹ 2 each as at 31 March, 2022)		
Issued		
1,52,71,73,734 equity shares of ₹ 2 each	305.43	288.37
(1,44,18,85,329 equity shares of ₹ 2 each as at 31 March, 2022)		
Subscribed and paid-up		
1,52,71,31,434 equity shares of ₹ 2 each	305.43	288.37
(1,44,18,43,029 equity shares of ₹ 2 each as at 31 March, 2022)		
Forfeited shares:		
42,300 equity shares of ₹ 2 each (Amount partly paid-up ₹ 32,175)	0.00	0.00
(42,300 equity shares of ₹ 2 each, (Amount partly paid-up ₹ 32,175 as at 31 March, 2022))		
	305.43	288.37

Notes:

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

Authorised share capital	As at 31-03-2023		As at 31-03-2022	
	No of Shares	₹ crores	No of Shares	₹ crores
Balance at the beginning of the year	2038000000	407.60	2038000000	407.60
Balance at the end of the year	2038000000	407.60	2038000000	407.60

Issued share capital	As at 31-03-2023		As at 31-03-2022	
	No of Shares	₹ crores	No of Shares	₹ crores
Balance at the beginning of the year	1441885329	288.37	1338040329	267.60
Add: Issued during the year	85288405	17.06	103845000	20.77
Balance at the end of the year	1527173734	305.43	1441885329	288.37

Subscribed and paid-up share capital	As at 31-03-2023		As at 31-03-2022	
	No of Shares	₹ crores	No of Shares	₹ crores
Balance at the beginning of the year	1441843029	288.37	1337998029	267.60
Add: Issued during the year	85288405	17.06	103845000	20.77
Balance at the end of the year	1527131434	305.43	1441843029	288.37

During the year, the Company has issued following equity shares under preferential allotment and employee stock option scheme:

(i) 85233645 equity shares of the face value of ₹ 2 each at a price of ₹ 8.56 (including premium) per equity share, for an aggregate consideration of ₹ 72.96 crores on conversion of 85233645 warrants held by Tube Investments of India Limited ('TII') into equity share.

(ii) 54760 equity shares of the face value ₹ 2 each at a price of ₹ 156.20 (including premium) per equity share, for an aggregate consideration of ₹ 0.86 crores on allotment of 54760 equity shares in lieu of employee stock options.

During the year ended 31 March, 2022, the Company has issued following equity shares under preferential allotment:

(i) 13845000 equity shares of face value of ₹ 2 each issued to a bank towards guarantee settlement consideration on preferential basis at ₹ 73.10 (including premium) per equity share for an aggregate consideration of ₹ 101.21 crores.

(ii) 90000000 equity shares of the face value of ₹ 2 each at a price of ₹ 8.56 (including premium) per equity share, for an aggregate consideration of ₹ 77.04 crores on conversion of 90000000 warrants held by Tube Investments of India Limited ('TII') into equity shares.

(b) Terms / rights attached to equity shares:

The Company has one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

18. SHARE CAPITAL (Contd.)

(c) Details of shareholders holding more than 5 % shares in the Company:

	As at 31-03-2023		As at 31-03-2022	
	%	No. of Shares	%	No. of Shares
Tube Investments of India Limited	58.05	886485532	55.57	801251887

(d) Details of shares held by promoters

As on 31 March, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Tube Investments of India Limited	801251887	85233645	886485532	58.05%	10.64%
M A Murugappan Holdings LLP (*Formerly,* M A Murugappan Holdings Private Limited)	367000	-	367000	0.02%	-
M A M Arunachalam	185000	-	185000	0.01%	-
M.A.Alagappan	165000	-	165000	0.01%	-
A M Meyyammai	90000	-	90000	0.01%	-
M A M Arunachalam (M A M A & S Arunachalam hold on behalf of Arun Murugappan Children's Trust)	74000	-	74000	0.00%	-
M A M Arunachalam (In capacity of karta of HUF)	64500	-	64500	0.00%	-
Sigappi Arunachalam (Sigappi Arun, M A M Arunachalam & A M Meyyammai holds shares - Murugappan Arunachalam Children Trust)	46900	-	46900	0.00%	-
A Venkatachalam (In capacity of karta of HUF)	31300	-	31300	0.00%	-
Vedika Meyyammai Arunachalam	71000	-	71000	0.00%	-
Lakshmi Ramaswamy	7490	-	7490	0.00%	-
Uma Ramanathan	2500	-	2500	0.00%	-
Murugappa & Sons (M.V.Subbiah, M A A and M M M hold shares on behalf of the Firm)	5100	-	5100	0.00%	-
A M M Vellayan Sons P Ltd	-	1450	1450	0.00%	100.00%
Valli Annamalai	-	1000	1000	0.00%	100.00%
Total	802361677	85236095	887597772	58.12%	

As on 31 March, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Tube Investments of India Limited	711251887	90000000	801251887	55.57%	12.65%
M A Murugappan Holdings LLP (*Formerly,* M A Murugappan Holdings Private Limited)	350000	17000	367000	0.03%	4.86%
M A M Arunachalam	165000	20000	185000	0.01%	12.12%
M.A.Alagappan	165000	-	165000	0.01%	-
A M Meyyammai	90000	-	90000	0.01%	-
M A M Arunachalam (M A M A & S Arunachalam hold on behalf of Arun Murugappan Children's Trust)	64000	10000	74000	0.00%	15.63%
M A M Arunachalam (In capacity of karta of HUF)	55000	9500	64500	0.01%	17.27%
Sigappi Arunachalam (Sigappi Arun, M A M Arunachalam & A M Meyyammai holds shares - Murugappan Arunachalam Children Trust)	46900	-	46900	0.00%	-
A Venkatachalam (In capacity of karta of HUF)	31300	-	31300	0.00%	-
Vedika Meyyammai Arunachalam	31000	40000	71000	0.01%	129.03%
Lakshmi Ramaswamy	5490	2000	7490	0.00%	36.43%
Uma Ramanathan	2500	-	2500	0.00%	-
Murugappa & Sons (M.V.Subbiah, M A A and M M M hold shares on behalf of the Firm)	-	5100	5100	0.00%	100.00%
Total	712258077	90103600	802361677	55.65%	

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

19. OTHER EQUITY

	As at 31-03-2023	As at 31-03-2022
Retained earnings	300.30	(250.44)
General reserve	415.89	415.89
Capital reserve	672.49	672.49
Capital redemption reserve	12.95	12.95
Securities premium	716.98	660.04
Share warrant money (Refer note 18(a))	-	18.24
Share options outstanding account	6.02	1.78
	2124.63	1530.95

(a) Dividend paid and proposed:

The Company has declared and paid interim dividend of ₹ 1.50 per share for the financial year 2022-23 (previous year ₹ Nil).

(b) Nature and purpose of items in other equity:

(i) Retained Earnings:

Retained earnings are the profits that the Company has earned till date and includes any transfers to general reserve, dividends or other distributions paid to shareholders.

(ii) General Reserve:

General reserve comprises of transfer of profits from retained earnings for appropriation purpose, the reserves can be distributed / utilised by the Company in accordance with the Companies Act, 2013.

(iii) Capital reserve:

Capital reserve mainly represents the amount recognised on demerger of consumer product business.

(iv) Capital redemption reserve:

Capital redemption reserve was created on buy back of shares. The Company may issue bonus shares to its members out of the capital redemption reserve account.

(v) Securities premium:

Securities premium reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

(vi) Share warrant money:

Share warrant money represents amount received against instruments carrying right exercisable by the warrant holder to subscribe to one equity share per warrant at a specific fixed price within specified period from date of allotment.

(vii) Share options outstanding account:

Share options outstanding account represents fair value of the options granted which is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

20. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31-03-2023	As at 31-03-2022
Secured loans		
Term loans from banks (Refer note (a) below)	-	98.87
Unsecured loans		
Debentures (Refer note (b) below)	-	200.00
Others (Refer note (c) below)	2.87	3.44
	2.87	302.31

Notes:

Security created to the extent of :

(a) Secured term loans from banks:

During the current year, the term loans have been fully repaid (as at 31 March, 2022 ₹ 98.87 crores). The said term loans were drawn at rate of interest of 6 months MCLR plus applicable spread and were secured by first charge on fixed assets except such properties as were specifically excluded. Second charge were by way of hypothecation of inventories and book debts / receivables of the Company. The initial loans amount were additionally secured by corporate guarantee from Tube Investments Of India Limited. As at 31 March, 2022, the bank had released said corporate guarantee considering the financial performance of the Company.

(b) Unsecured loans:

Debentures:

During the year the Company has fully redeemed Non-convertible Debenture (NCDs). The Non-convertible Debenture (NCDs) were unlisted, unsecured, redeemable and non-convertible. NCDs were issued to lenders in terms of Settlement Agreement towards settlement of borrowings. NCDs carried coupon rate of 0.01% for the initial period of 2 years and thereafter 8.00% p.a. until the maturity date. The Company had the right to redeem the NCDs, in whole or part, on and after initial period of 2 years from date of allotment of the NCDs till the date of maturity.

(c) Others:

Intercompany loan from a subsidiary amounting to ₹ 2.87 crores (as at 31 March, 2022 ₹ 3.44 crores) at interest rate of 7.50% p.a. and is repayable in October 2024.

Quarterly returns to bank:

The quarterly returns submitted to the banks by the Company during the year till 31 March, 2023 are in agreement with books of accounts.

21. NON-CURRENT OTHER FINANCIAL LIABILITIES

	As at 31-03-2023	As at 31-03-2022
Deposits payable	1.75	3.69
Others*	-	10.38
	1.75	14.07

* Represents interest accrued as per amortised cost method of Ind AS

22. NON-CURRENT PROVISIONS

	As at 31-03-2023	As at 31-03-2022
Provision for gratuity (Refer note 40)	2.04	-
Provision for leave encashment	18.29	17.26
Other provisions (Refer note 26)	22.33	12.89
	42.66	30.15

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

23. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at 31-03-2023	As at 31-03-2022
Acceptances	**287.37**	234.30
Due to micro and small enterprises (Refer note below)	**82.46**	39.80
Due to other than micro and small enterprises	**875.34**	840.88
Due to subsidiaries (Refer note 43)	**7.76**	10.25
	1252.93	1125.23

Note:

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, have been determined based on the information available with the Company and the required disclosures are given below:

	As at 31-03-2023	As at 31-03-2022
(a) Principal amount due to suppliers	**82.46**	39.80
(b) Interest accrued and due to suppliers on the above amount, unpaid	**4.27**	10.25
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	**121.00**	298.25
(d) Interest paid to suppliers (other than Section 16)	**-**	-
(e) Interest paid to suppliers (Section 16)	**-**	0.04
(f) Interest due and payable towards suppliers for payments already made	**1.03**	1.83
(g) Interest accrued and remaining unpaid at the end of each year	**5.30**	12.08

Trade payables ageing schedule:

As at 31-03-2023	Not due	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed dues of micro enterprises and small enterprises	**77.84**	**4.38**	**0.15**	**0.06**	**0.03**	**82.46**
(ii) Undisputed dues of creditors other than micro enterprises and small enterprises	**883.82**	**245.37**	**2.12**	**2.98**	**17.10**	**1151.39**
(iii) Disputed dues of micro enterprises and small enterprises	**-**	**-**	**-**	**-**	**-**	**-**
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	**-**	**-**	**-**	**-**	**19.08**	**19.08**
Total	**961.66**	**249.75**	**2.27**	**3.04**	**36.21**	**1252.93**

As at 31-03-2022	Not due	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed dues of micro enterprises and small enterprises	33.13	6.51	0.07	0.09	-	39.80
(ii) Undisputed dues of creditors other than micro enterprises and small enterprises	843.62	197.80	3.58	7.95	13.40	1066.35
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	0.66	18.42	19.08
Total	876.75	204.31	3.65	8.70	31.82	1125.23

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

24. CURRENT-OTHER FINANCIAL LIABILITIES

	As at 31-03-2023		As at 31-03-2022	
Interest-free sales tax deferral loans from State Government		**0.12**		0.12
Interest accrued but not due on borrowings		**1.35**		2.25
Dues to subsidiaries (Refer note 43)		**1.05**		1.05
Investor Education and Protection Fund:				
Unclaimed dividend (Refer note below (a))		**0.12**		0.00
Security deposits		**13.54**		10.27
Due to directors (Refer Note 43)		**0.63**		-
Derivative Instruments		**-**		0.03
Other payables:				
Dues to employees	**9.66**		11.07	
Others*	**62.96**		230.36	
		72.62		241.43
		89.43		255.15

Notes :

(a) There is no amount of unclaimed dividend due to be transferred to Investor Education and Protection Fund ('IEPF') as at 31 March, 2023 (as at 31 March, 2022 ₹ Nil).

(b) * Major items includes provision towards guarantee settlement consideration as at 31 March, 2022 ₹ 124.99 crores and provision towards disputed claims as at 31 March, 2022 ₹ 40.00 crores.

25. OTHER CURRENT LIABILITIES

	As at 31-03-2023		As at 31-03-2022	
Advances from customers (Refer note 27)		**161.00**		115.52
Due to customers (Refer note 27)		**7.14**		10.25
Other payables:				
Statutory liabilities	**58.33**		8.48	
Others	**10.50**		8.37	
		68.83		16.85
		236.97		142.62

26. SHORT-TERM PROVISIONS

	As at 31-03-2023	As at 31-03-2022
Provision for gratuity (Refer note 40)	**7.98**	5.67
Provision for leave encashment	**3.62**	7.05
Other provisions (Refer note below)	**136.02**	128.69
	147.62	141.41

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

26. SHORT-TERM PROVISIONS (Contd.)

(a) Movement in other provisions:

	Warranties	Provision for tax related litigations	Other litigation claims	Total
	2022-23	2022-23	2022-23	2022-23
Carrying amount at the beginning of the year	52.77	60.90	27.91	141.58
Additional provision made during the year	38.92	-	2.74	41.66
Amounts used during the year	3.68	7.38	-	11.06
Unused amounts reversed during the year	13.47	0.36	-	13.83
Carrying amount at the end of the year	74.54	53.16	30.65	158.35
Non-current (Refer note 22)	22.33	-	-	22.33
Current (Refer note 26)	52.21	53.16	30.65	136.02
Total	74.54	53.16	30.65	158.35

(b) Nature of provisions:

(i) Product Warranties: The Company gives warranties on certain products and services in the nature of repairs / replacement, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of rectification / replacement. The timing of outflows is generally expected to be within a period of two years from the date of Balance Sheet.

(ii) Provision for Tax related Litigations include liability on account of non-collection of declaration forms and other legal matters related to Sales Tax, Excise Duty, Custom Duty and Service Tax which are in appeal under the relevant Act / Rules.

(iii) Provision for other Litigation related obligations represents estimated liabilities that are expected to materialise in respect of other matters under litigation.

27. REVENUE FROM OPERATIONS

	2022-23		2021-22	
Sale of products	6441.63		5007.58	
Sale of services	25.44		19.01	
Construction contracts	34.72		52.95	
		6501.79		5079.54
Other operating income - scrap sales		77.84		79.64
		6579.63		5159.18

Revenue from Contracts with Customers

	2022-23	2021-22
Revenue reconciliation		
Revenue as per contracted price	6650.68	5197.88
Less: Adjustments:		
Discounts	42.13	26.57
Others (includes liquidated damages, price variations, etc.)	28.92	12.13
Revenue recognised as per statement of profit and loss	6579.63	5159.18

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

27. REVENUE FROM OPERATIONS (Contd.)

	2022-23	2021-22
Revenue recognised in current year from		
Amount included in contract liability at the beginning of the year	33.79	54.70
Performance obligations satisfied in previous periods	-	-

	2022-23	2021-22
Revenue from contracts with customers		
Power Systems Business	2022.05	1515.32
Industrial Systems Business	4557.58	3643.86
Total	6579.63	5159.18

	As at 31-03-2023	As at 31-03-2022
Contract balances		
Trade receivables	1229.72	889.48
Contract assets	0.20	0.63
Contract liabilities:		
Advance from customers	161.00	115.52
Due to customers	7.14	10.25

Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration and are transferred to trade receivables on completion of milestones and its related invoicing.

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company satisfies the performance obligation.

28. OTHER INCOME

	2022-23	2021-22
Interest income from:		
Deposits with banks	23.79	10.37
Others	4.63	9.43
Profit on sale of property, plant and equipment	2.42	-
Gain on sale of investments (net)	1.89	0.05
Exchange gain (net)	-	0.46
Fair value gain on financial instruments at fair value through profit or loss	0.01	0.63
Other non-operating income:		
Income from business service centers (Refer note 37)	5.48	5.97
Miscellaneous income	41.10	18.13
	79.32	45.04

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

29. COST OF MATERIALS CONSUMED

	2022-23	2021-22
Opening inventories	178.95	148.14
Add: Purchases	4427.49	3632.52
Less: Closing inventories	224.34	178.95
	4382.10	3601.71

30. PURCHASES OF STOCK-IN-TRADE

	2022-23	2021-22
Purchases of stock-in-trade	268.61	164.87
	268.61	164.87

31. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	2022-23		2021-22	
Closing inventories:				
Finished goods	68.43		60.23	
Work-in-progress	178.28		194.45	
Stock-in-trade	16.24		10.08	
		262.95		264.76
Opening inventories:				
Finished goods	60.23		78.37	
Work-in-progress	194.45		145.06	
Stock-in-trade	10.08		7.41	
		264.76		230.84
Net (increase) / decrease in inventories		1.81		(33.92)

32. EMPLOYEE BENEFITS EXPENSE

	2022-23	2021-22
Salaries, wages and bonus	279.99	246.71
Contribution to provident and other funds (Refer note 40)	20.30	18.76
Share based payment expense (Refer note 41)	4.42	1.78
Staff welfare expenses	26.64	20.27
	331.35	287.52

Note on Social Security Code:

The date on which the Code of Social Security, 2020 ('The Code') relating to employee benefits during employment will come into effect is yet to be notified and the related rules are yet to be finalised. The Company will evaluate the code and its rules, assess the impact, if any and account for the same once they become effective.

33. FINANCE COSTS

	2022-23	2021-22
Interest expenses	13.56	65.50
Interest on lease liabilities (Refer note 37)	1.00	0.88
	14.56	66.38

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

34. DEPRECIATION AND AMORTISATION EXPENSE

	2022-23	2021-22
Depreciation of property, plant and equipment (Refer note 4)*	64.81	61.36
Amortisation of intangible assets (Refer note 5)	9.88	12.36
	74.69	73.72

Note:

* Includes depreciation of ROU assets of ₹ 4.58 crores (previous year ₹ 4.38 crores).

35. OTHER EXPENSES

	2022-23	2021-22
Consumption of stores and spares	27.15	19.51
Power and fuel	35.48	29.19
Rent	8.30	6.44
Repairs to buildings	6.33	3.79
Repairs to machinery	21.36	18.89
Insurance	4.60	5.96
Rates and taxes	5.25	3.92
Freight and forwarding	120.10	104.38
Packing materials	59.17	52.83
After sales services including warranties	49.78	35.38
Sales promotion	7.42	2.72
Sub contracting charges	109.13	93.19
Foreign exchange loss (net)	3.49	-
Directors' sitting fees	0.31	0.99
Allowance for doubtful debts and advances	12.63	2.72
Corporate social responsibility expenses (Refer note 39)	0.69	-
Legal and professional charges	54.35	55.16
Miscellaneous expenses (Refer note below)	133.29	106.84
	658.83	541.91

Note:

Miscellaneous expenses includes the following:

	2022-23	2021-22
Auditors remuneration (excluding Goods and Service Tax)		
Audit fees	0.81	1.23
Limited review fees	0.48	0.62
Certification work	0.06	0.10
Other services	0.15	0.21
Out of pocket expenses	0.20	0.05
	1.70	2.21

Audit fees for previous year include ₹ 0.30 crores towards remuneration for audit of revised financial statements for the year ended 31 March, 2021.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

36. CONTINGENT LIABILITIES AND COMMITMENTS

		As at 31-03-2023	As at 31-03-2022
A.	**Contingent liabilities:**		
	(to the extent not provided for)		
(a)	Claims against the Company not acknowledged as debts	**4.69**	4.80
(b)	Sales tax / VAT / goods and service tax liability that may arise in respect of matters in appeal	**4.81**	4.80
(c)	Excise duty / custom duty / service tax liability that may arise in respect of matters in appeal	**13.05**	14.08
(d)	Income tax liability that may arise in respect of matters in appeal	**0.69**	0.69
B.	**Commitments:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**24.52**	12.50

Notes:

(i) From time to time, the Company is involved in claims and legal matters arising in the ordinary course of business. Management is not currently aware of any matters that will have a material adverse effect on the financial position, results of operations, or cash flows of the Company.

(ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at A(a) to A(d) above, pending resolution of the arbitration / appellate proceedings.

(iii) Sales tax / VAT / goods and service tax cases include disputes pertaining to disallowances of input tax credit and non-submission of various forms with authorities.

(iv) Excise duty / custom duty / service tax cases include disputes pertaining to inadmissibility of cenvat credit, short payment of service tax on work contracts, refund of excise duty on export of transformers, interest payment on provisional assessment cases, etc.

(v) Contingent liabilities for Income tax cases pertains to difference on account of cenvat credit and valuation of closing inventory, disallowance of expenses, etc.

(vi) The Company had received notice of demand under Income Tax Act for ₹ 606.30 crores for financial year 2016-17, and the Hon'ble Bombay High Court has granted the interim stay against the notice of demand until admission of appeal before the High Court. The Company has filed its detailed submissions in response to notices received for the appeal filed before Commissioner of Income Tax (Appeals). Considering the facts and underlying documents with respect to the demand raised under Section 68 of the Income Tax Act, 1961, the management strongly believes that the demand is not sustainable, bad in law and will be reversed at appellate levels.

37. LEASES

(i) Company as a lessee

The Company has lease contracts for various items of land, building, furniture and vehicles used in its operation. Lease of land generally have lease terms between 30 to 99 years while furniture & fittings and building generally have lease terms between 2 to 9 years. The Company's obligation under the lease is secured by the lessor's title to leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts right of use assets and lease liabilities included under financial liabilities and the movements during the year:

Movement in carrying value of right of use assets

	Land	Building	Fixture and fittings	Total
Opening balances as at 1-04-2021	68.94	6.07	0.18	75.19
Additions	-	3.17	-	3.17
Less: Deletion	5.43	0.08	-	5.51
Less: Depreciation	1.42	2.89	0.07	4.38
Closing balances as at 31-03-2022	**62.09**	**6.27**	**0.11**	**68.47**
Additions	**1.50**	**9.39**	**-**	**10.89**
Less: Deletion	**-**	**1.54**	**-**	**1.54**
Less: Depreciation	**1.36**	**3.11**	**0.11**	**4.58**
Closing balances as at 31-03-2023	**62.23**	**11.01**	**-**	**73.24**

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

37. LEASES (Contd.)

Movement in lease liabilities during the year

	2022-23	2021-22
Opening Balance	**8.09**	8.01
Add: Addition	**10.89**	3.17
Add: Accretion of interest	**1.00**	0.88
Less: Payment	**3.82**	3.88
Less: Removal of asset	**1.54**	0.08
Less: Gain on removal of asset	**0.48**	0.01
Closing balance	**14.14**	8.09

Breakup of lease liabilities

	As at 31-03-2023	As at 31-03-2022
Current lease liabilities	**3.23**	3.27
Non-current lease liabilities	**10.91**	4.82
Total	**14.14**	8.09

Amounts recognized in the statement of profit and loss

	2022-23	2021-22
Other Expenses		
Short-term lease rent expense	**3.61**	3.29
Low value asset lease rent expense	**0.02**	0.04
Variable lease rent expense	**0.16**	0.21
Finance Cost		
Interest expense on lease liability	**1.00**	0.88
Depreciation and amortisation expense		
Depreciation of ROU lease assets	**4.58**	4.38

Amounts recognised in the statement of cash flows

	2022-23	2021-22
Total cash outflow for leases	**3.82**	3.88

Contractual maturities of lease liabilities on an undiscounted basis

	As at 31-03-2023	As at 31-03-2022
Less than 1 year	**4.74**	3.85
1 - 5 years	**10.53**	4.19
More than 5 years	**4.67**	4.24
Total	**19.94**	12.28

(ii) Company as a lessor

Amounts recognised in the statement of profit and loss

	2022-23	2021-22
Other Income		
Non-operating lease income	**5.48**	5.97

Note:

Non-operating lease income is in respect of lease of land and / or building.

Undiscounted future payment to be received

	As at 31-03-2023	As at 31-03-2022
Maturity analysis :		
Less than 1 year	**-**	0.33
1 to 5 years	**-**	-
More than 5 years	**-**	-
Total	**-**	0.33

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

38. EXPENDITURE ON RESEARCH AND DEVELOPMENT

	2022-23	2021-22
(a) Capital Expenditure:		
Plant and equipments	0.33	0.15
Furnitures and Fixtures	0.26	0.03
Vehicles	0.06	-
Intangible assets	1.19	0.20
Intangible assets under development	8.00	6.50
Capital work-in-progress - Plant and machinery	0.60	0.34
Sub-total (a)	10.44	7.22
(b) Revenue expenditure:		
Raw materials consumed	0.00	0.01
Employee benefits	11.13	10.58
Depreciation and amortisation	10.15	10.97
Other expenses:		
Consumption of stores and spares	0.70	0.34
Power and fuel	0.15	0.13
Rent	0.02	-
Repairs to machinery	0.28	0.00
Insurance	0.00	0.01
Miscellaneous expenses	1.56	1.07
Sub-total (b)	23.99	23.11
Total (a) + (b)	34.43	30.33

39. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

	2022-23	2021-22
Gross amount required to be spent by the Company during the year	0.69	-
Amount approved by Board to be spent during the year	0.69	-

Amount spent during the year	2022-23			2021-22		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i) Construction / acquisition of asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	0.69	-	0.69	-	-	-

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

40. EMPLOYEE BENEFITS

(a) Defined contribution plans:

Amount of ₹ 17.21 crores (as at 31 March 2022 ₹ 15.71 crores) is recognised as an expense and included in Employee benefits expense as under:

Benefits (Contribution to)	2022-23	2021-22
Provident fund	11.72	10.93
Superannuation fund	4.13	3.64
Employee state insurance scheme	0.11	0.15
Labour welfare scheme	0.01	0.01
National pension scheme	1.24	0.98
Total	17.21	15.71

(b) Defined benefit plans:

Gratuity:

Under the Gratuity plan operated by the Company, every employee who has completed at least five years of service gets a Gratuity on departure at 15 days on last drawn salary for each completed year of service as per Payment of Gratuity Act, 1972.

The Company makes annual contributions to the CG Gratuity Fund, which is funded defined benefit plan for qualifying employees. The Board of Trustees of the fund is entrusted with responsibility for the administration of the plan assets and for the investment strategy.

The following table summarizes the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the Balance Sheet.

		Gratuity (Funded)	
		2022-23	2021-22
I	**Change in present value of defined benefit obligation during the year**		
1	Present value of defined benefit obligation at the beginning of the year	43.97	44.61
2	Interest cost	3.07	3.06
3	Current service cost	2.69	2.59
4	Benefits paid	(5.68)	(8.87)
5	Actuarial changes arising from changes in demographic assumptions	0.88	1.10
6	Actuarial changes arising from changes in financial assumptions	3.28	0.54
7	Actuarial changes arising from changes in experience adjustments	1.91	0.94
8	Present value of defined benefit obligation at the end of the year	50.12	43.97
II	**Change in fair value of plan assets during the year**		
1	Fair value of plan assets at the beginning of the year	38.30	37.92
2	Interest Income	2.67	2.60
3	Contributions paid by the employer	5.67	6.69
4	Benefits paid from the fund	(5.68)	(8.87)
5	Return on plan assets excluding interest income	(0.86)	(0.04)
6	Fair value of plan assets at the end of the year	40.10	38.30
III	**Net asset / (liability) recognised in the balance sheet**		
1	Present value of defined benefit obligation at the end of the year	50.12	43.97
2	Fair value of plan assets at the end of the year	40.10	38.30
3	Amount recognised in the balance sheet	(10.02)	(5.67)
4	Net (liability) / asset current	(7.98)	(5.67)
5	Net (liability) / asset non-current	(2.04)	-
IV	**Expenses recognised in the statement of profit and loss for the year**		
1	Current service cost	2.69	2.59
2	Interest cost on benefit obligation (net)	0.40	0.46
3	Total expenses included in employee benefits expense	3.09	3.05

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

40. EMPLOYEE BENEFITS (Contd.)

		Gratuity (Funded)	
		2022-23	2021-22
V	**Recognised in other comprehensive income for the year**		
1	Actuarial changes arising from changes in demographic assumptions	0.88	1.10
2	Actuarial changes arising from changes in financial assumptions	3.28	0.54
3	Actuarial changes arising from changes in experience adjustments	1.91	0.94
4	Return on plan assets excluding interest income	0.86	0.04
5	Recognised in other comprehensive income	6.93	2.62
VI	**Maturity profile of defined benefit obligation**		
1	Within the next 12 months (next annual reporting period)	9.17	6.78
2	Between 2 and 5 years	22.81	20.63
3	Between 6 and 10 years	20.70	17.50
VII	**Quantitative sensitivity analysis for significant assumption is as below:**		
1	**Increase / (decrease) on present value of defined benefits obligation at the end of the year**		
	(i) One percentage point increase in discount rate	(2.29)	(2.13)
	(ii) One percentage point decrease in discount rate	2.54	2.38
	(i) One percentage point increase in rate of salary Increase	2.56	2.43
	(ii) One percentage point decrease in rate of salary Increase	(2.34)	(2.21)
	(i) One percentage point increase in employee turnover rate	0.21	0.45
	(ii) One percentage point decrease in employee turnover rate	(0.23)	(0.49)
2	**Sensitivity Analysis Method**		
	Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.		
VIII	**The major categories of plan assets as a percentage of total plan assets**		
	Insurer managed funds	100.00%	100.00%
IX	**Weighted average duration of the defined benefit obligation (in years)**	8	8
X	**Actuarial assumptions**		
1	Discount rate	7.57% p.a.	6.98% p.a.
2	Salary escalation	6.00% p.a.	4.00% p.a.
3	Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban
4	Rate of employee turnover	8.00%p.a.	6.00%p.a.

	2022-23	2021-22
Expected contribution to the defined benefit plan for the next annual reporting period	7.98	6.98

Notes :

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at 31 March, 2023 and as at 31 March, 2022. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(iii) The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

(c) **Provident Fund:**
The Company made contribution towards provident fund to CG Provident Fund which was administered by the trustees till 31 March, 2022. During the year, the Company has surrendered its Provident Fund to Government administered Employee's Provident Fund Organisation ('EPFO'). Accordingly, the assets held by trust were sold based on best prevailing market price and amount received on sale of assets was transferred to EPFO. However, there was some shortfall towards employees provident fund liability which has been paid by the company (the employer) to EPFO.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

41. STOCK OPTIONS

During the year, 453140 (previous year 1834100) stock options were granted to eligible employees at the rate of one stock option of the Company for every stock option held and outstanding in the Company.

In this regard, the Company has recognised expense amounting to ₹ 4.42 crores (previous year ₹ 1.78 crores) for employees services received during the year, shown under employee benefit expenses (Refer Note 32).

The movement of stock options are given below :

Particulars	Date of grant	Options outstanding as at 1-04-2022	During the year 2022-23			Options outstanding as at 31-03-2023	Options vested but not exercised as at 31-03-2023
			Options granted	Options cancelled / lapsed	Options exercised and allotted		
Grant 1	18-Nov-21	838020	-	-	54760	783260	783260
Grant 2	18-Nov-21	317120	-	-	-	317120	-
Grant 3	18-Nov-21	339480	-	-	-	339480	-
Grant 4	18-Nov-21	339480	-	-	-	339480	-
Grant 5	26-Dec-22	-	453140	-	-	453140	-

Particulars	Date of grant	Options outstanding as at 1-04-2021	During the year 2021-22			Options outstanding as at 31-03-2022	Options vested but not exercised as at 31-03-2022
			Options granted	Options cancelled / lapsed	Options exercised and allotted		
Grant 1	18-Nov-21	-	838020	-	-	838020	-
Grant 2	18-Nov-21	-	317120	-	-	317120	-
Grant 3	18-Nov-21	-	339480	-	-	339480	-
Grant 4	18-Nov-21	-	339480	-	-	339480	-

Details of stock options granted to certain employees for the financial year 2022-23 are given below:

Particulars	Date of grant	Weighted average exercise price (₹)	Options granted	Options cancelled / lapsed	Options exercised and allotted	Options vested and outstanding at the end of the year	Options unvested and outstanding at the end of the year	Vested date	Weighted average remaining contractual life (in years)
Grant 1	18-Nov-21	156.20	838020	-	54760	783260	-	18-Nov-22	-
Grant 2	18-Nov-21	156.20	317120	-	-	-	317120	-	0.64
Grant 3	18-Nov-21	156.20	339480	-	-	-	339480	-	1.64
Grant 4	18-Nov-21	156.20	339480	-	-	-	339480	-	2.64
Grant 5	26-Dec-22	251.65	453140	-	-	-	453140	-	0.74

Details of stock options granted to certain employees for the financial year 2021-22 are given below:

Particulars	Date of grant	Weighted average exercise price (₹)	Options granted	Options cancelled / lapsed	Options exercised and allotted	Options vested and outstanding at the end of the year	Options unvested and outstanding at the end of the year	Vested date	Weighted average remaining contractual life (in years)
Grant 1	18-Nov-21	156.20	838020	-	-	-	838020	-	0.64
Grant 2	18-Nov-21	156.20	317120	-	-	-	317120	-	1.64
Grant 3	18-Nov-21	156.20	339480	-	-	-	339480	-	2.64
Grant 4	18-Nov-21	156.20	339480	-	-	-	339480	-	3.64

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

41. STOCK OPTIONS (Contd.)

The following table list the input to the Black Scholes model used for the plans for the year ended 31 March, 2023:

Particulars	Date of grant	Risk free rate (%) p.a.	Expected life (in years)	Expected volatility of share price (%)	Dividend yield
Grant 1	18-Nov-21	3.81	1	47.82	-
Grant 2	18-Nov-21	4.46	2	55.99	-
Grant 3	18-Nov-21	4.96	3	56.02	-
Grant 4	18-Nov-21	5.36	4	53.10	-
Grant 5	26-Dec-22	6.60	1	35.99	-

42. SEGMENT REPORTING

The Company has the following reportable segments:

Power Systems	:	Transformer, Switchgear and Turnkey Projects
Industrial Systems	:	Electric Motors, Alternators, Drives, Traction Electronics and SCADA

Identifications of Segments:

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products / services and have been identified as per the quantitative criteria specified in the Ind AS.

Segment revenue and results:

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

Segment assets and liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets / liabilities.

Inter segment transfer:

Inter segment prices are normally negotiated amongst segments with reference to the costs, market price and business risks. Profit or loss on inter segment transfers are eliminated at the Company level.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

42. SEGMENT REPORTING (Contd.)

Summary of the segmental information as at and for the year ended 31 March, 2023 is as follows:

	Power Systems	Industrial Systems	Eliminations / Unallocable Expenditure / Assets*	Total
Revenue				
External sales	2022.05	4557.58	-	6579.63
Add : Inter segment sales	0.87	0.07	(0.94)	-
Total revenue	2022.92	4557.65	(0.94)	6579.63
Segment results	227.07	748.08	-	975.15
Less: Finance costs				14.56
Less: Other unallocable expenditure net of unallocable income				33.59
Profit after finance cost but before exceptional items and tax				927.00
Exceptional items (net)				56.07
Tax expense				197.71
Profit for the year				785.36
Other information:				
Segment assets	1220.99	1166.60	1830.84	4218.43
Segment liabilities	848.91	792.32	147.14	1788.37
Capital expenditure	26.59	44.16	5.62	76.37
Depreciation and amortisation	34.72	32.19	7.78	74.69
Non-cash expenses / (reversal) other than depreciation and amortisation	7.03	(0.97)	(1.07)	4.99

Summary of the Segmental Information as at and for the year ended 31 March, 2022 is as follows:

	Power Systems	Industrial Systems	Eliminations / Unallocable Expenditure / Assets*	Total
Revenue				
External sales	1515.32	3643.86	-	5159.18
Add : Inter segment sales	0.34	0.28	(0.62)	-
Total revenue	1515.66	3644.14	(0.62)	5159.18
Segment results	144.56	464.49	-	609.05
Less: Finance costs				66.38
Less: Other unallocable expenditure net of unallocable income				40.64
Profit after finance cost but before exceptional items and tax				502.03
Exceptional items (net)				239.58
Tax expense				114.55
Profit for the year				627.06
Other information:				
Segment assets	1036.95	976.33	1825.07	3838.35
Segment liabilities	739.16	695.60	584.27	2019.03
Capital expenditure	17.06	40.44	3.91	61.41
Depreciation and amortisation	36.09	28.10	9.53	73.72
Non-cash expenses / (reversal) other than depreciation and amortisation	3.96	(12.12)	(8.01)	(16.17)

* Unallocable assets comprise assets and liabilities which cannot be allocated to the segments.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

42. SEGMENT REPORTING (Contd.)

Geographical Information:

	2022-23			2021-22		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Revenue from contracts with customers	6261.98	317.65	6579.63	4831.93	327.25	5159.18

Note:

During the year ended 31 March, 2023 and 31 March, 2022 revenues from transactions with a single external customer did not amount to 10% or more of the Company's revenues from external customers.

	As at 31-03-2023			As at 31-03-2022		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Non-current assets	807.32	-	807.32	797.45	-	797.45

Non-current assets for this purpose consist of property, plant and equipment, capital work-in-progress, intangible assets, intangible assets under development and other non-current assets.

43. RELATED PARTY DISCLOSURES

(a) **List of related parties**

(i) **Holding company:**

1 Tube Investments of India Limited

(ii) **Subsidiaries:**

Sr. No	Name of the Related Parties	Country of Incorporation	% Equity Interest As at 31-03-2023	% Equity Interest As at 31-03-2022
1	CG Power Solutions Limited	India	100.00	100.00
2	CG Adhesive Products Limited (*formerly known as* "CG-PPI Adhesive Products Limited")	India	82.76	81.42
3	CG Power Equipments Limited	India	100.00	100.00
4	CG International Holdings Singapore Pte. Limited	Singapore	100.00	100.00
5	CG Sales Networks Malaysia Sdn. Bhd.	Malaysia	100.00	100.00
6	CG International B.V.	The Netherlands	100.00	100.00
7	CG Power Solutions UK Limited	United Kingdom	100.00	100.00
8	CG Power Systems Canada Inc.*	Canada	-	100.00
9	CG - Ganz Generator and Motor Limited Liability Company (ceased to be subsidiary w.e.f. 15 December, 2021)	Hungary	-	-
10	CG Industrial Holdings Sweden AB	Sweden	100.00	100.00
11	CG Drives & Automation Sweden AB	Sweden	100.00	100.00
12	CG Drives & Automation Germany GmbH	Germany	100.00	100.00
13	CG Drives & Automation Netherlands B.V.	The Netherlands	100.00	100.00
14	CG Middle East FZE*	UAE	-	100.00
15	QEI, LLC	USA	100.00	100.00
16	CG Power Americas, LLC	USA	100.00	100.00
17	PT Crompton Prima Switchgear Indonesia	Indonesia	51.00	51.00
18	CG Power and Industrial Solutions Limited Middle East FZCO*	UAE	-	100.00

* Entities were deconsolidated / liquidated during the year

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

43. RELATED PARTY DISCLOSURES (Contd.)

(iii) **Key Management Personnel:**

1 Natarajan Srinivasan - Managing Director (Re-appointed for one year till 25 November, 2023)
2 Susheel Todi - Chief Financial Officer
3 P Varadarajan - Company Secretary and Compliance Officer (Appointed w.e.f. 1 April, 2021)

Non Executive Directors

1 Vellayan Subbiah - Chairman, Non-Independent Non-Executive Director
2 M A M Arunachalam - Non-Independent Non-Executive Director
3 P S Jayakumar - Independent Non-Executive Director
4 Shailendra Narain Roy - Independent Non-Executive Director (Ceased w.e.f. 18 September, 2022)
5 Sasikala Varadachari - Independent Non-Executive Director
6 Kalyan Kumar Paul - Non-Independent Non-Executive Director (Appointed w.e.f. 11 June, 2021)
7 Sriram Sivaram - Independent Non-Executive Director (Appointed w.e.f. 11 June, 2021)
8 Vijayalakshmi R Iyer - Independent Non-Executive Director (Appointed w.e.f. 24 September, 2022)

(iv) **Other Related Parties:**

1 Shanthi Gears Limited
2 Clean Max Enviro Energy Solutions Private Limited (Ceased to be a related party w.e.f. 2 September, 2021)
3 Parry Enterprises India Limited
4 Cellestial E-Trac Private Limited
5 Carborundum Universal Limited
6 Coromandel International Limited
7 Zetwerk Manufacturing Businesses Private Limited
8 E.I.D. Parry (India) Limited
9 Net Access India Limited
10 Cholamandalam MS General Insurance Company Limited
11 Murugappa Management Services Private Limited

(v) **Post Employment Benefit Entity:**

1 CG Provident Fund (Refer note 40(c))
2 CG Gratuity Fund

(b) **The following transactions were carried out with the related parties (Refer Note 1 below):**

Sr. No.	Nature of transaction / relationship	2022-23	2021-22
1	**Purchase of goods and services**		
	Holding company		
	Tube Investments of India Limited	0.04	-
		0.04	-
	Subsidiaries		
	CG Adhesive Products Limited	7.51	7.27
	CG Drives & Automation Sweden AB	1.01	0.97
		8.52	8.24
	Other related parties		
	Shanthi Gears Limited	3.10	4.61
	Carborundum Universal Limited	6.02	-
		9.12	4.61
	Total	17.68	12.85

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

43. RELATED PARTY DISCLOSURES (Contd.)

Sr. No.	Nature of transaction / relationship		2022-23	2021-22
2	**Sales of goods and services**			
	Holding company			
	Tube Investments of India Limited		1.03	1.20
			1.03	1.20
	Subsidiaries			
	CG Drives & Automation Sweden AB		7.73	6.87
	CG Drives & Automations Germany GmbH		7.53	4.18
			15.26	11.05
	Other related parties			
	Shanthi Gears Limited		0.47	0.43
	Coromandel International Limited		1.72	-
	Carborundum Universal Limited		0.01	-
	Zetwerk Manufacturing Businesses Private Limited		14.91	-
	E.I.D. Parry (India) Limited		2.43	-
	Cellestial E-Trac Private Limited		0.01	-
			19.55	0.43
		Total	35.84	12.68
3	**Rent paid**			
	Subsidiary			
	CG Adhesive Products Limited		0.21	-
		Total	0.21	-
4	**Interest expenses**			
	Subsidiary			
	CG Adhesive Products Limited		0.36	0.38
		Total	0.36	0.38
5	**Dividend paid**			
	Holding company			
	Tube Investments of India Limited		132.97	-
			132.97	-
	Other related party			
	Promotor's Group		0.17	-
			0.17	-
		Total	133.14	-
6	**Investment in equity shares**			
	Subsidiary			
	CG Adhesive Products Limited		0.34	-
		Total	0.34	-
7	**Proceeds against warrants issued**			
	Holding company			
	Tube Investments of India Limited		54.72	57.78
		Total	54.72	57.78

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

43. RELATED PARTY DISCLOSURES (Contd.)

Sr. No.	Nature of transaction / relationship		2022-23	2021-22
8	**Issue of equity shares on conversion of warrants**			
	Holding company			
	Tube Investments of India Limited		72.96	77.04
		Total	72.96	77.04
9	**Purchase of fixed assets**			
	Holding company			
	Tube Investments of India Limited		0.30	0.10
		Total	0.30	0.10
10	**Payment to Key Management Personnel**			
	Salaries, commission and perquisites*		17.55	6.58
	Non-executive Director's commission		0.70	-
	Dividend paid		0.02	-
		Total	18.27	6.58
11	**Other expenses**			
	Subsidiary			
	CG Adhesive Products Limited		0.08	0.04
			0.08	0.04
	Other Related Parties			
	Clean Max Enviro Energy Solutions Private Limited		-	0.38
	Parry Enterprises India Limited		2.95	1.19
	Net Access India Limited		0.34	-
	Murugappa Management Services Private Limited		4.17	-
	Cholamandalam MS General Insurance Company Limited		0.08	-
			7.54	1.57
		Total	7.62	1.61
12	**Brand royalty income**			
	Subsidiaries			
	CG International B.V.		-	1.64
	CG Drives & Automation Sweden AB		1.32	-
	CG Drives & Automation Netherlands B.V.		0.68	-
	CG Drives & Automation Germany GmbH		1.82	-
		Total	3.82	1.64
13	**Other income**			
	Subsidiary			
	CG Drives & Automation Sweden AB		0.90	0.87
			0.90	0.87
	Other related party			
	Zetwerk Manufacturing Businesses Private Limited		0.16	-
			0.16	-
		Total	1.06	0.87

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

43. RELATED PARTY DISCLOSURES (Contd.)

Sr. No.	Nature of transaction / relationship	2022-23	2021-22
14	**Written back of liability**		
	Subsidiary		
	CG Sales Networks Malaysia Sdn.Bhd.	2.91	-
	Total	**2.91**	-
15	**Write off of investment and loan and advances**		
	Subsidiary		
	CG International B.V.	1281.90	-
	Total	**1281.90**	-
16	**Reversal of provison against investment and loan and advances**		
	Subsidiary		
	CG International B.V.	1281.90	-
	Total	**1281.90**	-
17	**Advance given during the year**		
	Subsidiary		
	CG Power Solutions Limited	0.40	-
	Total	**0.40**	-
18	**Reversal of provision against loan and advances**		
	Subsidiaries		
	CG International B.V.	10.19	-
	CG International Holdings Singapore Pte Limited	0.00	-
	Total	**10.19**	-
19	**Provision against advances**		
	Subsidiaries		
	CG Power Solutions Limited	0.37	-
	CG International B.V. (net of reversal)	-	40.36
	Total	**0.37**	40.36
20	**Loans given during the year**		
	Subsidiary		
	CG International B.V. (net of recovery ₹ 8.86 crores)	-	40.36
	Total	**-**	40.36
21	**Reversal of provision for doubtful trade receivable**		
	Subsidiary		
	CG Power Americas, LLC	-	0.14
	Total	**-**	0.14

*Remuneration does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Company as a whole.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

43. RELATED PARTY DISCLOSURES (Contd.)

(c) **Amount due to / from related parties :**

Sr. No.	Nature of balance / relationship		As at 31-03-2023	As at 31-03-2022
1	**Trade payable**			
	Holding company			
	Tube Investments of India Limited		0.05	-
		(A)	0.05	-
	Non-current		-	-
	Current		0.05	-
			0.05	-
	Subsidiaries			
	CG Adhesive Products Limited		1.17	1.98
	CG Sales Networks Malaysia Sdn.Bhd.		-	2.32
	CG Drives & Automation Sweden AB		0.82	0.63
	CG Power Americas, LLC		5.77	5.32
		(B)	7.76	10.25
	Non-current		-	-
	Current		7.76	10.25
			7.76	10.25
	Other related parties			
	Shanthi Gears Limited		0.47	0.93
	Parry Enterprises India Limited		0.08	0.07
	Carborundum Universal Limited		2.60	-
		(C)	3.15	1.00
	Non-current		-	-
	Current		3.15	1.00
			3.15	1.00
		Total (A+B+C)	10.96	11.25
2	**Trade receivable**			
	Holding company			
	Tube Investments of India Limited		0.09	0.62
		(A)	0.09	0.62
	Non-current		-	-
	Current		0.09	0.62
			0.09	0.62
	Subsidiaries			
	CG Sales Networks Malaysia Sdn.Bhd.		-	0.01
	CG Drives & Automation Sweden AB		2.26	1.42
	CG Drives & Automation Germany GmbH		2.64	0.80
	CG Power Americas, LLC		0.22	0.20
		(B)	5.12	2.43
	Non-current		-	-
	Current		5.12	2.43
			5.12	2.43
	Other related parties			
	Shanthi Gears Limited		0.22	0.29
	E.I.D. Parry (India) Limited		0.03	-
	Coromandel International Limited		0.13	-
	Zetwerk Manufacturing Businesses Private Limited		10.98	-
	Cellestial E-Trac Private Limited		0.01	-
		(C)	11.37	0.29
	Non-current		-	-
	Current		11.37	0.29
			11.37	0.29
		Total (A+B+C)	16.58	3.34

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

43. RELATED PARTY DISCLOSURES (Contd.)

Sr. No.	Nature of balance / relationship	As at 31-03-2023	As at 31-03-2022
3	**Loans and advances payable**		
	Subsidiaries		
	CG Power Americas, LLC	1.05	1.05
	CG Adhesive Products Limited (including accrued interest ₹ 1.35 crores as on March 31, 2022 ₹ 1.03 crores)	4.22	4.47
	(A)	5.27	5.52
	Other related parties		
	E.I.D. Parry (India) Limited	0.03	-
	Carborundum Universal Limited	0.05	-
	Zetwerk Manufacturing Businesses Private Limited	1.05	-
	Parry Enterprises India Limited	-	0.00
	(B)	1.13	0.00
	Non-current	2.87	3.44
	Current	3.53	2.08
	Total (A+B)	6.40	5.52
4	**Other current assets**		
	Other related parties		
	Parry Enterprises India Limited	0.12	0.75
	Cholamandalam MS General Insurance Company Limited	0.03	-
	Carborundum Universal Limited	0.23	-
	Total	0.38	0.75
5	**Loans and advances receivable and other financial assets (net)**		
	Subsidiaries		
	CG International Holdings Singapore Pte. Limited	19.44	19.44
	CG Power Solutions Limited	0.40	-
	CG Drives & Automation Netherlands B.V	0.71	-
	CG Drives & Automation Germany GmbH	1.92	-
	CG Drives & Automation Sweden AB	1.39	-
	CG International B.V.	2039.78	2759.34
	(A)	2063.64	2778.78
	Less : Provision against loans and advances		
	CG International Holdings Singapore Pte. Limited	19.44	19.44
	CG International B.V.	2039.78	2758.53
	CG Power Solutions Limited	0.37	-
	(B)	2059.59	2777.97
	Non-current	-	-
	Current	4.05	0.81
	Total (A-B)	4.05	0.81

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

43. RELATED PARTY DISCLOSURES (Contd.)

Sr. No.	Nature of balance / relationship	As at 31-03-2023	As at 31-03-2022
6	**Due to Key Management Personnel**		
	Non-executive Director's commission	0.63	-
		0.63	-
	Non-current	-	-
	Current	0.63	-
	Total	0.63	-
7	**Guarantees outstanding (utilized)**		
	Subsidiaries		
	CG International B.V.^	-	503.19
	PT Crompton Prima Switchgear Indonesia	19.54	18.00
	Total	19.54	521.19

^ Represents outstanding amount.

(d) Compensation of Key Management Personnel of the Company:

Nature of transaction	2022-23	2021-22
Short-term employee benefits	14.82	5.50
Post-employment benefits	0.33	0.26
Fair value cost of stock options granted	2.40	0.82
Non-executive Director's commission	0.70	-
Dividend paid	0.02	-
Total compensation paid to Key Management Personnel	18.27	6.58

Notes:

1. The sales to and purchases from Related Parties are made on terms equivalent to those that prevail in arm's length transactions.
2. During the year, the Company has transferred the provident fund to government administered Employee's Provident Fund Organisation ('EPFO') which was earlier managed by "CG Provident Fund". The Company contributed to "CG Provident Fund" as at 31 March, 2023 ₹ Nil (as at 31 March, 2022 ₹ 10.91 crores).
3. The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (CG Gratuity Fund). During the year, the Company contributed ₹ 5.67 crores (as at 31 March, 2022 ₹ 6.69 crores).
4. Following subsidiaries are under liquidation process:
   i) CG Power Solutions Limited#
   ii) CG Power Solutions UK Limited
   iii) CG Sales Networks Malaysia Sdn. Bhd.
   iv) PT Crompton Prima Switchgear Indonesia

During the year, a subsidiary of the Company i.e. CG Power Solutions Limited ('CGPSOL') admitted to Insolvency and Bankruptcy Code 2016 ('IBC') and Corporate Insolvency Resolution Process ('CIRP') was initiated as per National Company Law Tribunal ('NCLT') order dated 27 April, 2022 ('effective date'). As per order, Interim Resolution Professional ('IRP') was appointed and subsequently IRP was confirmed to continue as the Resolution Professional ('RP') by Committee of Creditors ('CoC') on 30 July, 2022 to manage the affairs of the CGPSOL. As per provisions of IBC, RP has invited claims from concern parties. In absence of having any resolution plan after publishing the expression of interest, the RP has filed for liquidation / dissolution of CGPSOL with NCLT as on 24 December, 2022 after receiving due approval from CoC. As on 31 March, 2023, said application is with NCLT, Mumbai Bench and hearing is scheduled on 5 June, 2023.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

44. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Transformer Division - Kanjurmarg

In previous year 2021-22, the Company has completed the sale transaction of remaining portion of land at Kanjurmarg and received net sale consideration ₹ 367.18 crores and accounted profit of ₹ 123.62 crores of this transaction.

Hence, provision made towards delay in completion of contractual obligation and land sale aggregating to ₹ 156.90 crores has been reversed in financial year 2021-22 and formed part of the exceptional items in the standalone financial statements.

Net cash flows attributable to the operating, investing and financing activities of discontinued operations:

	2022-23	2021-22
Operating	-	-
Investing	-	367.18
Financing	-	-

45. EXCEPTIONAL ITEMS

	2022-23	2021-22
Cessation of liability arising on settlement and restructuring of borrowings including interest thereon as per resolution plan (Refer note (a) below)	-	0.35
Reversal of excess provision towards settlement of corporate guarantee obligation including net foreign exchange gain / (loss) (Refer note (b) below)	24.30	(1.29)
Written off of investment / loan and advances given to subsidiary	(1281.90)	-
Reversal of provision against investment / loan and advances given to subsidiary	1281.90	-
Reversal of provision towards delay in completing contractual obligation towards completion of land sale and expected restructuring cost (Refer note 44)	-	156.90
Reversal / (provision) towards other litigations (Refer note (c) below)	31.77	(40.00)
Gain on sale of land at Kanjur Marg (Refer note 44)	-	123.62
Total	**56.07**	239.58

Notes:

(a) In previous year, the Company had discharged and settled the borrowings facilities. Consequent to settlement, the gain on extinguishment of liability on account of reduction of certain portion of agreed debt including interest thereon as per resolution plan aggregating to ₹ 0.35 crores were recognised in statement of profit and loss as an exceptional item.

(b) During the year, the Company has reversed excess provision of ₹ 24.30 crores towards settlement of corporate guarantee obligation including net foreign exchange gain / (loss). In previous year, the unrealised foreign exchange loss of ₹ 1.29 crores accrued on outstanding balance towards corporate guarantee obligation settlement.

(c) During the year, the Company has reversed excess provision related to claims under dispute / litigation of ₹ 31.77 crores (provision made in previous year of ₹ 40.00 crores).

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

46. FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. The Company has not disclosed the fair value of financial instruments such as trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, current financial assets - loans, current financial assets - others, current financial liabilities - borrowings, trade payables and other financial liabilities because their carrying amounts are a reasonable approximation of fair value and hence these have not been categorised in any level in the table given below. Further, for financial assets, the Company has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.

2. The fair values of the quoted investments / units of mutual fund schemes are based on market price / net asset value at the reporting date.

3. The fair values for loans given are calculated based on discounted cash flows using current lending rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these loans given. Accordingly, fair value of such instruments are not materially different from their carrying values. They are classified as level 2 fair values in the fair value hierarchy.

4. Fair values of the Company's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values, accordingly non-current borrowings are classified as level 2 fair values in the fair value hierarchy.

   The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

   Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

   Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

   Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.

	Note No.	Carrying amount	Fair value		
		As at 31-03-2023	Level 1	Level 2	Level 3
Financial assets at amortised cost:					
Non-current investments*	6	0.39	0.39	-	-
Non-current financial assets others	8	13.29	-	13.29	-
Total		13.68	0.39	13.29	-
Financial assets at fair value through profit or loss:					
Non-current investments	6	0.25	-	0.25	-
Current investments	12	0.01	0.01	-	-
Total		0.26	0.01	0.25	-
Financial liabilities at amortised cost:					
Long term loans - others	20	2.87	-	2.87	-
Non-current other financial liabilities	21	1.75	-	1.75	-
Total		4.62	-	4.62	-

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

46. FAIR VALUE MEASUREMENTS (Contd.)

	Note No.	Carrying amount As at 31-03-2022	Fair value Level 1	Level 2	Level 3
Financial assets at amortised cost:					
Non-current investments*	6	0.39	0.39	-	-
Non-current financial assets others	8	11.93	-	11.93	-
Total		12.32	0.39	11.93	-
Financial assets at fair value through profit or loss:					
Non-current investments	6	0.24	-	0.24	-
Current investments	12	40.62	40.62	-	-
Total		40.86	40.62	0.24	-
Financial liabilities at amortised cost:					
Long term loans from bank	20	98.87	-	98.87	-
Long term loans - debentures	20	200.00	-	200.00	-
Long term loans - others	20	3.44	-	3.44	-
Non-current other financial liabilities	21	14.07	-	14.07	-
Total		316.38	-	316.38	-

* Excludes investment in subsidiaries measured at cost.

During the reporting period ending 31 March, 2023 and 31 March, 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to certain financial risks namely credit risk, market risk and liquidity risk. The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and equity price risk. Financial instruments affected by market risk include foreign currency receivables, payables, loans and borrowings, derivative financial instruments and FVTOCI investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company has managed its interest rate risk by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest risk

	As at 31-03-2023	As at 31-03-2022
Floating rate borrowings	-	98.87

Interest rate sensitivity

	2022-23	2021-22
25 bps increase - Decrease in profit	-	(0.25)
25 bps decrease - Increase in profit	-	0.25

Foreign currency risk

The Company's functional currency is Indian Rupee. The Company undertakes transactions denominated in foreign currencies and consequently the Company is exposed to foreign exchange risk. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies.

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Unhedged foreign currency exposure as at 31 March, 2023

	USD	Euro	JPY	CHF	Others	Total
Trade receivables	109.73	104.99	-	-	3.60	218.32
Trade payables	(82.44)	(21.33)	(0.80)	(0.81)	(0.82)	(106.20)
Commission payable	(23.60)	(3.87)	-	-	(0.12)	(27.59)

Unhedged foreign currency exposure as at 31 March, 2022

	USD	Euro	JPY	CHF	Others	Total
Trade receivables	60.85	26.67	-	-	5.41	92.93
Trade payable	(70.12)	(5.59)	(1.04)	(1.22)	(1.16)	(79.13)
Commission payable	(26.05)	(3.85)	-	-	(0.12)	(30.02)

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit or loss before tax.

	2022-23		2021-22	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD	(0.11)	0.11	0.75	(0.75)
Euro	0.18	(0.18)	0.36	(0.36)
JPY	(0.01)	0.01	0.01	(0.01)
CHF	(0.01)	0.01	0.01	(0.01)
Others	0.03	(0.03)	0.07	(0.07)
Increase / (decrease) in profit or loss	0.08	(0.08)	1.20	(1.20)

Credit risk

Credit risk refers to the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including loans, foreign exchange transactions and other financial instruments. Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are generally set to manage credit risk. General payment terms include credit period ranging from 45 to 90 days and where applicable, mobilisation advance, progress payments and certain retention money to be released at the end of the project.

Where the loans or receivables are impaired, the Company continues to engage in enforcement activity to attempt to recover the receivable due.

The Company is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans given, other financial assets and financial guarantees.

In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon or in case where settlement is agreed, the settlement amount. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided except as otherwise stated in respect of guarantees where settlement is agreed.

Exposure to credit risk

	As at 31-03-2023	As at 31-03-2022
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Investments in Government or trust securities	0.39	0.39
Investments in Debentures or bonds	0.05	0.05
Other non-current investments	0.19	0.18
Non-current financial assets - others	13.29	11.93
Cash and cash equivalents and other bank balances	654.89	413.27
Current financial assets - others	18.59	12.46
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade receivables	1404.46	1096.80

Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks. Refer note 45 in respect of provision / write off towards non-current loans and non-current financial assets others.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

The ageing analysis of the trade receivables (gross of provision) (current as well as non-current) has been considered from the date the invoice falls due.

As at 31-03-2023	
Up to 3 months	**1070.20**
3 to 6 months	**76.16**
More than 6 months	**258.10**
	1404.46
As at 31-03-2022	
Up to 3 months	784.84
3 to 6 months	48.29
More than 6 months	263.67
	1096.80

The following table summarizes the change in the loss allowances for trade receivables measured using life-time expected credit loss model:

As at 1-04-2021	224.54
Provided during the year	20.72
Amounts written off	(25.10)
Reversals of provision	(12.84)
As at 31-03-2022	207.32
Provided during the year	**15.00**
Amounts written off	**(44.84)**
Reversals of provision	**(2.74)**
As at 31-03-2023	**174.74**

No significant changes in estimation techniques or assumptions were made during the reporting period.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31-03-2023	Less than 1 year	1 to 5 years	Over 5 years	Total
Interest-free sales tax deferral loans from State Government	**0.12**	**-**	**-**	**0.12**
Deposits payable	**0.53**	**0.54**	**0.68**	**1.75**
Long term borrowing	**-**	**2.87**	**-**	**2.87**
Trade payables#	**1252.93**	**-**	**-**	**1252.93**
Other financial liabilities	**89.31**	**-**	**-**	**89.31**
Lease liabilities	**4.74**	**10.53**	**4.67**	**19.94**

Includes disputed Trade Payable of ₹ 19.08 crores (Refer note 23).

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

As at 31-03-2022	Less than 1 year	1 to 5 years	Over 5 years	Total
Interest-free sales tax deferral loans from State Government	0.12	-	-	0.12
Deposits payable	0.08	2.92	0.69	3.69
Long term borrowings (excluding unamortised upfront fees of ₹ 1.13 crores)	-	203.44	100.00	303.44
Trade payables#	1125.23	-	-	1125.23
Other financial liabilities	253.11	-	-	253.11
Lease liabilities	3.85	4.19	4.24	12.28

Includes disputed Trade Payable of ₹ 19.08 crores (Refer note 23).

General credit terms for the trade payables are in the range of 30 to 180 days. The Company has access to credit facilities to mitigate any short-term liquidity risk.

Collaterals:

The Company has hypothecated its trade receivables, other current assets, cash and cash equivalents, entire movable assets and mortgaged the specific immovable properties in order to fulfil collateral requirements for the banking facilities extended to the Company.

48 CAPITAL MANAGEMENT

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

	As at 31-03-2023	As at 31-03-2022
Total debt	**2.99**	302.43
Equity	**2430.06**	1819.32
Total debt and Equity	**2433.05**	2121.75
Gearing ratio	**0.12%**	14.25%

No changes were made in objectives, policies or process for managing capital during the year ended 31 March, 2023 and 31 March, 2022.

There have been no breaches in the financial covenant of any borrowing.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

49. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 1-04-2022	Cash Inflows / (Outflows)	Effect of reclassification	Reversal of Interest	Finance cost charged during the year	As at 31-03-2023
Non-current financial liabilities - borrowings:						
Secured loans						
Term loans from banks	98.87	(100.00)	-	-	1.13	-
Unsecured loans						
Debentures	200.00	(200.00)	-	-	-	-
Others	3.44	(0.57)	-	-	-	2.87
Non-current other financial liabilities:						
Others*	10.38	-	1.92	(18.86)	6.56	-
Current - other financial liabilities:						
Interest-free sales tax deferral loans from State Government	0.12	-	-	-	-	0.12
Interest accrued but not due on borrowings	2.25	(6.19)	-	-	5.29	1.35
Others*	1.92	-	(1.92)	-	-	-
Total	316.98	(306.76)	-	(18.86)	12.98	4.34

	As at 1-04-2021	Cash Inflows / (Outflows)	Effect of reclassification	One time settlement	Finance cost charged during the year	As at 31-03-2022
Non-current financial liabilities - borrowings:						
Secured loans						
Term loans from banks	612.99	(521.98)	-	(0.35)	8.21	98.87
Unsecured loans						
Debentures	200.00	-	-	-	-	200.00
Others	-	-	3.44	-	-	3.44
Non-current other financial liabilities:						
Others*	2.94	-	-	-	7.44	10.38
Current financial liabilities - borrowings:						
Secured loans						
Banks	127.75	(127.75)	-	-	-	-
Unsecured loans						
Others	3.89	(0.45)	(3.44)	-	-	-
Current - other financial liabilities:						
Interest-free sales tax deferral loans from State Government	0.12	-	-	-	-	0.12
Interest accrued but not due on borrowings	4.58	(46.78)	-	-	44.45	2.25
Others*	-	-	-	-	1.92	1.92
Total	952.27	(696.96)	-	(0.35)	62.02	316.98

Note:

* Represents interest accrued as per amortised cost method of Ind AS.

The above disclosure does not include the cash flow movement for lease liabilities (Refer note 37). The finance cost charged during the year is related to borrowings.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

50. EARNINGS PER SHARE

		2022-23	2021-22
Face value of equity share	₹	2.00	2.00
Weighted average number of Equity Shares			
- Basic	Nos.	1516108906	1358728604
- Diluted	Nos.	1527359578	1438032637
Profit for the year	₹ crores	785.36	627.06
Earnings per share			
- Basic	₹	5.18	4.62
- Diluted	₹	5.14	4.36
Profit used as the numerators in calculating basic and diluted earnings per share		785.36	627.06
Weighted average number of equity shares used as the denominator in calculating basic earnings per share		1516108906	1358728604
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share*		1527359578	1438032637

* The dilutive impact is due to warrants and employee stock option granted.

51. PARTICULARS IN RESPECT OF LOANS AND ADVANCES IN THE NATURE OF LOANS AS REQUIRED BY REGULATION 34(3) READ WITH PARA A OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

	Balance as at		Maximum outstanding during	
	31-03-2023	31-03-2022	2022-23	2021-22
(a) Principal outstanding of loans and advances in the nature of loans given to subsidiaries				
CG International B.V.	2039.78	2758.53	2758.53	2758.53
CG International Holdings Singapore Pte. Limited	19.44	19.44	19.44	19.44
(b) Loans and advances in the nature of loans where repayment schedule is not specified				
CG International B.V.	2039.78	2758.53	2758.53	2758.53

52. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013.

Loans given and investments made are given under the respective heads.

Corporate guarantees given by the Company in respect of loans:

Name of the Company	As at 31-03-2023	As at 31-03-2022
CG International B.V.*	-	917.70
PT Crompton Prima Switchgear Indonesia**	56.58	52.11
	56.58	969.81

Notes:

* Amount includes corporate guarantees of ₹ Nil (as at 31 March, 2022 ₹ 917.70 crores) for which guarantee settlement is agreed by lenders and the Company.

** Guarantee expired on 22 September, 2020.

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

53. RATIOS

The following are analytical ratios for the year ended 31 March, 2023 and 31 March, 2022

Sr. No.	Particulars	Numerator	Denominator	31 March, 2023	31 March, 2022	Variance	Explanation on variance of more than 25%
1	Current Ratio (In times)	Current assets	Current liabilities	1.54	1.26	22.22%	-
2	Debt Equity Ratio (In times)	Total Debt	Shareholder's Equity	0.00	0.17	(99.30)%	The Company has repaid its debt and hence there is an improvement in the ratio.
3	Debt service coverage ratio (In times)	Earnings available for debt service = Net profit after tax + Non cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Scheduled principal repayments (excluding prepayments of debt)	47.46	10.99	331.85%	Reduction in interest cost on account of repayment of loan contributed to improvement in the ratio.
4	Return on Equity Ratio (%)	Net profit after taxes	Average shareholder's equity	36.96%	43.96%	(15.92)%	-
5	Inventory Turnover Ratio (In times)	Cost of goods sold	Average Inventory	9.93	9.01	10.21%	-
6	Trade Receivable Turnover Ratio (In times)	Revenue	Average Trade receivable	6.21	7.31	(15.05)%	-
7	Trade Payable Turnover Ratio (In times)	Net Credit Purchases (Purchase of raw materials and stock-in-trade)	Average Trade payable	3.95	3.58	10.34%	-
8	Net Capital Turnover Ratio (In times)	Revenue	Working Capital	7.07	11.83	(40.24)%	Increase in revenue, settlement of corporate guarantee obligations, reversal of other litigation, better cash generation has contributed to the change in the turnover ratio.
9	Net Profit Ratio (%)	Net Profit (before exceptional items)	Revenue	11.08%	7.51%	47.54%	Increase in margin is mainly on account of higher contribution due to increase in revenue, absorption of fixed cost and lower finance cost due to repayment of debt has contributed to the increase in the net profit ratio .
10	Return on Capital Employed (%)	Earnings before interest and taxes^	Capital Employed (Tangible net worth + Debt)	39.29%	27.23%	44.29%	Return on capital employed has improved on account of increase in operating profit due to increase in revenue and absorption of fixed cost, better working capital management and repayment of debt.
11	Return on Investment (%)	Interest income	Average Investment	5.38%	3.20%	68.13%	Increase in rate of interest on fixed deposits resulted into higher interest income

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

54. OTHER STATUTORY INFORMATION

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(iv) The Company have not advanced or loaned or invested funds to any person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Parties) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Company has not made any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act,1961 (such as search or survey or any other relevant provision of the Income Tax Act, 1961).

(vii) The Company does not have any transactions with companies which has been struck off by ROC under section 248 of the Companies Act, 2013.

55. TRANSFER FROM GENERAL RESERVE TO RETAINED EARNINGS

The Board of Directors of the Company, basis the recommendations of the Audit Committee and Committee of Independent Directors of the Company, at its meeting held on 19 October, 2022 approved the Scheme of Arrangement ("Scheme") between the Company and its shareholders under Section 230 and other applicable provisions of the Companies Act, 2013 ("Act"). The Scheme *inter alia* provides for capital reorganization of the Company, whereby it is proposed to transfer ₹ 400 crores from the General Reserves to the Retained Earnings of the Company with effect from the Appointed Date. The Scheme is subject to receipt of regulatory approvals / clearances from the Hon'ble National Company Law Tribunal, Mumbai Bench, Securities and Exchange Board of India (through BSE Limited and National Stock Exchange of India Limited), BSE Limited and National Stock Exchange of India Limited (collectively referred to as "Stock Exchanges") and such other approval / clearances as may be applicable.

56. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March, 2023 to amend the following Ind AS which are effective from 1 April, 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 April, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments are not expected to have a material impact on the Company's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April, 2023. Consequential amendments have been made in Ind AS 107.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April, 2023.

₹ crores

NOTES ACCOMPANYING THE STANDALONE FINANCIAL STATEMENTS (Contd.)

57. UPDATES ON INVESTIGATION FOR PAST YEARS

The Company is fully co-operating with the ongoing investigation by Serious Fraud Investigation Office ('SFIO') and other regulatory authorities on the affairs of the Company pertaining to past period and against erstwhile promoters and erstwhile key managerial personnel relating to transactions that took place when the Company was under the control of the erstwhile promoters / management. In respect to this there is no impact on current year financials of the Company.

58. The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

59. Amounts shown as ₹ 0.00 represents amount below ₹ 50,000 (Rupees Fifty Thousand).

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

per Bharath N S
Partner
Membership No. 210934
Chennai : 08 May, 2023

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 08 May, 2023

FORM AOC - I

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures
Part 'A' : Subsidiaries

₹ crores

INFORMATION IN RESPECT OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31 MARCH, 2023

Sr. No	Name of Subsidiary	Date of Acquisition / Incorporation	Reporting year of the subsidiary ended on	Reporting Currency	Exchange Rate: Closing	Exchange Rate: Average	Capital: Equity Share Capital	Capital: Preference Share Capital	Reserves	Total Assets	Total Liabilities	Investments (except investments in subsidiaries)	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed Dividend	% of Shareholding	Country of Incorporation
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1	CG Adhesive Products Limited (formerly known as "CG-PPI Adhesive Products Limited)	04-Nov-88	31-Mar-23	INR	1.00	1.00	3.90	-	19.06	27.09	4.13	0.32	23.60	2.90	0.74	2.16	-	82.76%	India
2	CG Power Solutions Limited	14-Mar-12	31-Mar-23	INR	1.00	1.00	0.05	-	(1870.37)	0.03	1870.35	-	-	(0.38)	-	(0.38)	-	100.00%	India
3	CG Power Equipments Limited	19-Sep-14	31-Mar-23	INR	1.00	1.00	3.18	-	(3.18)	0.01	0.01	-	-	(0.01)	-	(0.01)	-	100.00%	India
4	CG Sales Networks Malaysia Sdn. Bhd.	30-Sep-13	31-Mar-23	MYR	18.62	18.58	0.38	-	1.04	1.47	0.05	-	-	(1.88)	-	(1.88)	-	100.00%	Malaysia
5	CG International Holdings Singapore Pte Limited	06-Jun-11	31-Mar-23	EUR	89.38	88.20	206.20	-	(325.79)	47.71	167.30	-	-	(86.36)	-	(86.36)	-	100.00%	Singapore
6	CG International B.V.	01-Apr-05	31-Mar-23	EUR	89.38	88.20	1384.88	-	(2975.27)	431.75	2022.14	-	-	75.21	-	75.21	-	100.00%	The Netherlands
7	CG Power Systems Canada Inc.*	13-May-05	31-Mar-23	CAD	60.66	60.78	-	-	-	-	-	-	-	(3.72)	-	(3.72)	-	100.00%	Canada
8	PT Crompton Prima Switchgear Indonesia	07-May-14	31-Dec-22	IDR	0.0051	0.0050	39.95	-	(64.74)	146.49	171.29	-	-	(0.19)	-	(0.19)	-	51.00%	Indonesia
9	CG Power Solutions UK Limited	01-Apr-10	31-Mar-23	GBP	101.66	100.36	0.00	-	(15.73)	27.64	43.37	-	-	-	-	-	-	100.00%	United Kingdom
10	CG Industrial Holdings Sweden AB	10-Jun-11	31-Mar-23	SEK	7.92	7.89	110.91	-	16.87	235.75	107.97	-	-	20.40	-	20.40	-	100.00%	Sweden
11	CG Drives & Automation Sweden AB	10-Jun-11	31-Mar-23	SEK	7.92	7.89	20.31	-	190.11	264.09	53.67	-	236.57	17.23	3.55	13.68	-	100.00%	Sweden
12	CG Drives & Automation Netherlands B.V.	10-Jun-11	31-Mar-23	EUR	89.38	88.20	5.31	-	29.90	54.60	19.39	-	71.32	5.14	1.00	4.14	-	100.00%	The Netherlands
13	CG Drives & Automation Germany GmbH	10-Jun-11	31-Mar-23	EUR	89.38	88.20	0.23	-	29.44	76.62	46.95	-	196.20	13.40	4.21	9.19	-	100.00%	Germany
14	CG Middle East FZE*	14-Apr-13	31-Mar-23	EUR	89.38	88.20	1.85	-	(1.85)	-	-	-	-	534.42	-	534.42	-	100.00%	UAE
15	CG Power Americas, LLC	08-Jan-16	31-Mar-23	USD	82.19	82.19	-	-	(208.93)	38.21	247.14	-	-	18.71	(1.12)	19.83	-	100.00%	USA
16	QEI, LLC	15-Apr-15	31-Mar-23	USD	82.19	82.19	-	-	30.42	109.01	78.59	-	94.23	11.62	3.16	8.46	-	100.00%	USA
17	CG Power and Industrial Solutions Limited Middle East FZCO*	15-Oct-18	31-Mar-23	EUR	89.38	88.20	-	-	-	-	-	-	-	-	-	-	-	100.00%	UAE

* Entities were deconsolidated / liquidated during the year

FORM AOC - I

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures
Part 'A' : Subsidiaries

INFORMATION IN RESPECT OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)

Notes:

1 **Name of the subsidiaries which are yet to commence the operations**

Nil

2 **Name of the subsidiaries which have been liquidated or sold during the year**

CG Power and Industrial Solutions Limited Middle East FZCO (liquidated)

3 **Name of the subsidiaries which have been demerged during the year**

Nil

4 **Name of the subsidiaries ceased to be subsidiaries on account of loss of control during the year**

CG Power Systems Canada Inc.

CG Middle East FZE

5 **Name of the subsidiaries merged during the year**

Nil

For and on behalf of the Board

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 08 May, 2023

FORM AOC - I

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures
Part 'B' : Associates and Joint Ventures

INFORMATION IN RESPECT OF ASSOCIATE COMPANIES AND JOINT VENTURES FOR THE YEAR ENDED 31 MARCH, 2023

S.No.	Name of Associate / Joint Venture	Date of Acquisition / Incorporation	Latest Audited Balance Sheet Date	Share of Associate / Joint Venture held by company on the year end			Description of How there is significant influence	Reason why the Associate / Joint Venture is not consolidated	Networth attributable to shareholding as per latest audited balance sheet	Profit / (loss) for the year	
				Number of Shares held	Amount of Investment in Associate / Joint Venture	Extent of Holding %				Considered in Consolidation	Not considered in Consolidation
1	2	3	4	5	6	7	8	9	10	11	12
NIL											

Notes:

1. Name of the associates or joint ventures which are yet to commence the operations - NIL
2. Name of the associates which have been liquidated or sold during the year - NIL

For and on behalf of the Board

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

Susheel Todi
Chief Financial Officer
Mumbai : 08 May, 2023

P Varadarajan
Company Secretary

Consolidated Financials 2022-23

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of CG Power and Industrial Solutions Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (as described in Note 28 of the consolidated financial statements)	
The Group has two operating segments, namely, Power and Industrial Segment. The type of customers varies across these segments, ranging from Large Government companies/ corporations to Original Equipment Manufacturers and Industrial Customers etc. Majority of the Group's revenue is from sale of goods which are recognized at a point in time based on the terms of the contract with customers which may vary case to case. Terms of sales arrangements with various customers within each of the operating segments, including Incoterms determine the timing of transfer of control and require judgment in determining timing of revenue recognition. Due to the judgement relating to determination of point of time in satisfaction of performance obligations with respect to sale of products, this matter is considered as Key Audit Matter.	Our audit procedures amongst others included the following: • We read the Group's accounting policy for timing of revenue recognition and assessed compliance in terms of Ind AS 115- Revenue from Contracts with Customers. • We performed walkthroughs of the Holding Company's revenue processes, including design and implementation of controls and tested the design and operating effectiveness of such controls in relation to revenue recognition. • On a sample basis, we tested contracts with customers, purchase orders issued by customers, and sales invoices raised by the Holding Company to determine the timing of transfer of control along with pricing terms and the timing of the revenue recognition in respect of such contracts. • We compared revenue with historical trends and where appropriate, conducted further enquiries and testing. • On a sample basis, we analyzed revenue transactions near the reporting date and tested whether the timing of revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc. for those transactions. • We assessed the disclosures for compliance with applicable accounting standards.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED (Contd.)

Key audit matters	How our audit addressed the key audit matter
Recognition of Deferred Tax Asset (as described in Note 8 of the consolidated financial statements)	
The Group has Deferred Tax Asset (DTA) of ₹ 445.32 crores as at March 31, 2023 on tax losses based on availability of future taxable profits against which DTA will be utilized. The tax losses were primarily on account of write off of receivable balances in relation to various transactions in earlier years, which are under investigations by regulatory authorities. Basis legal opinion, management of Holding Company has considered these written-offs as an allowable expense under the Income tax and recognized deferred tax assets on such losses. The recognition of deferred tax asset is identified as key audit matter considering the significance of amounts and judgements involved.	Our audit procedures amongst others included the following: • We obtained an understanding, assessed and tested the operating effectiveness of internal control relating to the measurement and recognition of deferred tax. • We involved our tax specialists to assess tax computation as per the local fiscal regulations in India. • We tested on a sample basis the identification and quantification of differences between the recognition of assets and liabilities according to tax law and financial reporting in accordance with Indian Accounting Standards. • We have evaluated the Holding Company's assumptions and estimates in relation to the likelihood of generating sufficient future taxable income based on most recent budgets and plans, prepared by management principally by performing sensitivity analyses and evaluated and tested the key assumptions used to determine the amounts recognized. • We assessed the reasonableness of Holding Company's management business plans considering the relevant economic and industry indicators. • We obtained and read the legal opinion considered by the management of the Holding Company for recognition of deferred tax assets on losses. • We assessed the disclosures in the Consolidated Financial Statements in accordance with the requirements of Ind AS 12 "Income Taxes".
Claims and exposures relating to taxation and litigation (as described in Note 37 of the consolidated financial statements)	
The Group has disclosed contingent liabilities in respect of disputed claims/ levies under tax and legal matters. Taxation and litigation exposures have been identified as a key audit matter due to significant outstanding matters with authorities and Holding Company's management assessment towards potential financial impact of these matters will involve significant judgement and assumptions.	Our audit procedures amongst others included the following: • We understood the process and assessed the internal control environment relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities. • We obtained details of legal and tax disputed matters from the Holding Company management and assessed Holding Company management's position through discussions on both the probability of success in significant cases, and the magnitude of any potential loss. • We involved tax specialists to assist us in evaluating tax positions taken by management of Holding Company. • We circulated legal confirmation for material litigations to external legal counsel and reviewed their assessment and had a discussion on their assessment with the senior management of the Holding Company. • We assessed the relevant disclosures made in the Consolidated Financial Statements for compliance with the requirements of Ind AS 37.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED (Contd.)

Other Matters

(a) We did not audit the financial statements and other financial information, in respect of 6 subsidiaries, which are part of continued operations of the Group, whose financial statements include total assets of ₹ 1083.12 crores as at March 31, 2023, and total revenues of ₹ 454.12 crores and net cash inflows of ₹ 2.82 crores for the year ended on that date. We did not audit the financial statements and other financial information, in respect of 4 subsidiaries, which are part of discontinued operations of the Group, whose financial statements include total assets of ₹ 109.01 crores as at March 31, 2023, and total revenues of ₹ 94.27 crores and net cash inflows of ₹ 0.75 crores for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 2 subsidiaries, part of continued operations of the Group, whose financial statements and other financial information reflect total assets of ₹ 83.38 crores as at March 31, 2023, and total revenues of ₹ 71.31 crores and net cash outflows of ₹ 0.18 crores for the year ended on that date. The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 4 subsidiaries, part of discontinued operations of the Group, whose financial statements and other financial information reflect total assets of ₹ 73.25 crores as at March 31, 2023, and total revenues of ₹ Nil and net cash outflows of ₹ 1.64 crores for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matters' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matters' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED (Contd.)

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 37 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2023;

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The interim dividend declared and paid during the year by the Holding Company, its subsidiaries companies incorporated in India, where applicable, and until the date of the respective audit reports of such Holding Company and subsidiaries is in accordance with section 123 of the Act.

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries companies incorporated in India, hence reporting under this clause is not applicable.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Bharath N S
Partner
Membership Number: 210934
UDIN: 23210934BGYJLN5898
Place of Signature: Chennai
Date: May 08, 2023

ANNEXURE 1 REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: CG Power and Industrial Solutions Limited ("the Holding Company")

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief and consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies incorporated in India, we state that:

(xxi) Matters to be reported in respect of the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S. No.	Name	CIN	Relation	Clause number of the CARO report
1	CG Power Solutions Limited	U40300MH2012PLC228170	Subsidiary	(xix)

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Bharath N S
Partner
Membership Number: 210934
UDIN: 23210934BGYJLN5898
Place of Signature: Chennai
Date: May 08, 2023

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of CG Power and Industrial Solutions Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CG POWER AND INDUSTRIAL SOLUTIONS LIMITED (Contd.)

external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 3 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Bharath N S
Partner
Membership Number: 210934
UDIN: 23210934BGYJLN5898
Place of Signature: Chennai
Date: May 08, 2023

₹ crores

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2023

	Note No.	As at 31-03-2023		As at 31-03-2022	
ASSETS					
(1) Non-current assets					
(a) Property, plant and equipment	4	762.50		869.89	
(b) Capital work-in-progress	4	27.27		26.81	
(c) Goodwill	5	162.14		152.37	
(d) Intangible assets	5	45.88		59.18	
(e) Intangible assets under development	5	11.03		8.38	
(f) Financial assets					
(i) Investments	6	0.96		0.63	
(ii) Others	7	13.33		28.04	
(g) Deferred tax assets (net)	8	434.34		625.72	
(h) Other non-current assets	9	7.48		4.96	
			1464.93		1775.98
(2) Current assets					
(a) Inventories	10	541.18		512.35	
(b) Financial assets					
(i) Investments	11	0.01		40.62	
(ii) Trade receivables	12	1297.12		943.66	
(iii) Cash and cash equivalents	13	681.78		395.07	
(iv) Bank balances other than (iii) above	14	32.18		92.95	
(v) Others	15	147.48		139.50	
(c) Current tax assets (net)		83.03		82.93	
(d) Other current assets	16	199.14		234.79	
			2981.92		2441.87
(3) Assets classified as held for sale and discontinued operations	43		182.26		8.06
TOTAL ASSETS			4629.11		4225.91
EQUITY AND LIABILITIES					
EQUITY					
(a) Equity share capital	17	305.43		288.37	
(b) Other equity	18	1485.08		714.59	
			1790.51		1002.96
Non-controlling interest			0.93		0.95
LIABILITIES					
(1) Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	19	-		307.47	
(ii) Lease liabilities	38	12.06		6.86	
(iii) Other financial liabilities	20	1.85		14.16	
			13.91		328.49
(b) Provisions	21		42.89		30.59
(c) Deferred tax liabilities (net)	8		0.83		3.83
(d) Other non-current liabilities	22		0.73		0.67
(2) Current liabilities					
(a) Financial liabilities					
(i) Borrowings	23	-		44.74	
(ii) Lease liabilities	38	4.37		7.87	
(iii) Trade payables					
(A) Total outstanding dues of micro enterprises and small enterprises; and	24	82.69		40.57	
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	1189.97		1108.07	
(iv) Other financial liabilities	25	334.08		659.64	
			1611.11		1860.89
(b) Other current liabilities	26		297.53		817.24
(c) Provisions	27		156.96		171.45
(3) Liabilities associated with group of assets classified as held for sale and discontinued operations	43		713.71		8.84
TOTAL EQUITY AND LIABILITIES			4629.11		4225.91
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	2				

The accompanying notes form an integral part of consolidated financial statements

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

per Bharath N S
Partner
Membership No. 210934
Chennai : 08 May, 2023

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 08 May, 2023

₹ crores

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2023

	Note No.	2022-23		2021-22	
INCOME					
Revenue from operations	28		6972.54		5483.53
Other income	29		67.76		37.57
Total income			7040.30		5521.10
EXPENSES					
Cost of materials consumed	30	4585.00		3778.09	
Purchases of stock-in-trade	31	268.61		164.87	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	2.02		(41.21)	
Employee benefits expense	33	421.70		365.10	
Finance costs	34	16.20		68.15	
Depreciation and amortisation expense	35	94.50		98.58	
Other expenses	36	701.89		583.42	
Total expenses			6089.92		5017.00
Profit before exceptional items and tax			950.38		504.10
Exceptional items (net)	44		51.76		247.77
Profit before tax			1002.14		751.87
Tax expense:					
Current tax	8	13.40		10.33	
Deferred tax (net)	8	192.41		111.93	
			205.81		122.26
Profit from continuing operations after tax			796.33		629.61
Profit from discontinued operations before tax	43	169.80		283.52	
Tax expense on discontinued operations	8	3.16		0.06	
Profit from discontinued operations after tax			166.64		283.46
Profit for the year			962.97		913.07
Attributable to:					
Equity holders of the parent			962.67		912.54
Non-controlling interests			(0.30)		(0.53)
			962.97		913.07
Other comprehensive income:					
A (i) Items that will not be reclassified subsequently to profit or loss					
(a) Remeasurement gain / (loss) on defined benefit plans		(6.93)		(2.62)	
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.38		0.66	
B (i) Items that will be reclassified subsequently to profit or loss		(4.76)		16.69	
Total other comprehensive income for the year			(10.31)		14.73
Attributable to:					
Equity holders of the parent			(10.31)		14.73
Non-controlling interests			0.00		-
			(10.31)		14.73
Total comprehensive income for the year			952.66		927.80
Attributable to:					
Equity holders of the parent			952.36		927.27
Non-controlling interests			(0.30)		(0.53)
			952.66		927.80
Earnings per share for continuing operations	48				
Basic (₹)			5.25		4.63
Diluted (₹)			5.21		4.38
(Face value of ₹ 2 each)					
Earnings per share for discontinued operations	48				
Basic (₹)			1.10		2.09
Diluted (₹)			1.09		1.97
(Face value of ₹ 2 each)					
Earnings per share for total operations	48				
Basic (₹)			6.35		6.72
Diluted (₹)			6.30		6.35
(Face value of ₹ 2 each)					
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	2				

The accompanying notes form an integral part of consolidated financial statements

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

per Bharath N S
Partner
Membership No. 210934
Chennai : 08 May, 2023

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 08 May, 2023

₹ crores

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2023		2022-23	2021-22
[A] CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations		1002.14	751.87
Adjustments for:			
Depreciation and amortisation expense		94.50	98.58
Allowances for doubtful receivables		11.91	3.27
Bad debts written off / (reversal) (net)		(7.64)	(18.78)
Gain arising on financial instruments designated as FVTPL		(0.01)	(0.61)
Finance costs		16.20	68.15
Interest income		(28.92)	(20.16)
Expense on employee stock options outstanding		4.42	1.78
Profit on sale of investments (net)		(1.89)	(0.05)
Unrealised exchange (gain) / loss (net)		1.77	0.14
Unrealised exchange gain / (loss) on consolidation (net)		(0.45)	16.69
(Profit) / loss on sale of property, plant and equipment (net)		(2.41)	4.83
Liabilities no longer required written back		(18.86)	-
Exceptional items (net)		(51.76)	(247.77)
		16.86	(93.93)
Operating profit before working capital changes		1019.00	657.94
Adjustments for:			
(Increase) / Decrease in trade and other receivables		(278.17)	(204.68)
(Increase) / Decrease in inventories		(48.62)	(77.81)
Increase / (Decrease) in trade and other payables		243.35	81.92
Increase / (Decrease) in provisions		12.03	(35.90)
		(71.41)	(236.47)
Cash (used in) / from operations		947.59	421.47
Income tax refund / (paid) (net)		(11.53)	39.65
Non-controlling interest in (profit) / loss		0.30	0.53
Net cash flow (used in) / from continuing operating activities		936.36	461.65
Net cash flow (used in) / from discontinued operating activities		10.50	21.22
Net cash flow (used in) / from continuing and discontinued operating activities	[A]	946.86	482.87
[B] CASH FLOWS FROM INVESTING ACTIVITIES			
Add: Inflows from investing activities			
Proceeds from sale of property, plant and equipment		3.67	3.16
Proceeds from sale of investments		134.50	1.29
Unrealised exchange gain / (loss) on consolidation (net)		-	5.92
Interest received		28.19	20.67
		166.36	31.04
***Less:* Outflows from investing activities**			
Purchase of property, plant and equipment (including capital work-in- progress and capital advances) and intangible assets		(85.46)	(72.71)
Purchase of investments		(92.33)	(98.00)
Unrealised exchange gain / (loss) on consolidation (net)		(8.45)	-
		(186.24)	(170.71)
Net cash flow (used in) / from continuing investing activities		(19.88)	(139.67)
Net cash flow (used in) / from discontinued investing activities		(0.81)	366.53
Net cash flow (used in) / from continuing and discontinued investing activities	[B]	(20.69)	226.86

₹ crores

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2023 (Contd.)		2022-23	2021-22
[C] CASH FLOWS FROM FINANCING ACTIVITIES			
Add: Inflows from financing activities			
Proceeds from issue of equity shares and warrants (net off expenses as per below note 3)		55.58	57.40
Proceeds from long-term borrowings (net off processing fees paid)		-	81.10
Unrealised exchange gain / (loss) on consolidation (net)		-	(2.30)
Changes in non-controlling interest		(0.30)	(0.53)
		55.28	135.67
***Less:* Outflows from financing activities**			
Repayment of long-term borrowings		(315.65)	(603.08)
Repayment of short-term borrowings		-	(134.44)
Payment of lease liabilities		(8.99)	(10.64)
Dividend paid		(229.07)	-
Payment towards corporate guarantee settlement		(100.72)	(138.72)
Finance costs paid		(9.51)	(49.20)
Payment towards purchase of non-controlling interest		(0.35)	-
		(664.29)	(936.08)
Net cash flow (used in) / from continuing financing activities		(609.01)	(800.41)
Net cash flow (used in) / from discontinued financing activities		(2.53)	-
Net cash flow (used in) / from continuing and discontinued financing activities	[C]	(611.54)	(800.41)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		314.63	(90.68)
Cash and cash equivalents at beginning of the year		397.28	487.96
Cash and cash equivalents at end of the year		711.91	397.28
Cash and cash equivalents from continuing operations (Refer note 13)		681.78	354.96
Cash and cash equivalents from discontinued operations		30.13	42.32
Cash and cash equivalents from continuing and discontinued operations		711.91	397.28

1 Refer note 47 in respect of disclosure for changes in liabilities arising from financing activities.

2 Purchase of property, plant and equipment and intangible assets referred above include movements of capital work-in-progress and intangible assets under development respectively during the year.

3 Proceeds from issue of equity shares and warrants is net off expenses related to raising of equity aggregating to ₹ Nil (as at 31 March, 2022 ₹ 0.38 crores).

4 The consolidated statement of cash flows has been prepared under the 'Indirect Method' as set out in Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows.

The accompanying notes form an integral part of consolidated financial statements

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

per Bharath N S
Partner
Membership No. 210934
Chennai : 08 May, 2023

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 08 May, 2023

₹ crores

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2023

(A) EQUITY SHARE CAPITAL

For the year ended 31 March, 2023

Balance as at 01-04-2022	Changes in equity share capital during the year*	Balance as at 31-03-2023
288.37	17.06	305.43

For the year ended 31 March, 2022

Balance as at 01-04-2021	Changes in equity share capital during the year*	Balance as at 31-03-2022
267.60	20.77	288.37

*Refer note 17

(B) OTHER EQUITY

For the year ended 31 March, 2023

	Retained Earnings	Effective Portion of Cash Flow Hedge	Foreign Currency Translation Reserve	General Reserve	Capital Reserve	Capital Reserve on Consolidation	Capital Redemption Reserve	Securities Premium	Share Options Outstanding Account	Share Warrant Money	Total Equity
Balance as at 01 April, 2022	**(1037.47)**	**(0.05)**	**(34.60)**	**418.46**	**671.65**	**3.58**	**12.95**	**660.05**	**1.78**	**18.24**	**714.59**
Profit for the year	962.67	-	-	-	-	-	-	-	-	-	962.67
Employee stock options issued	-	-	-	-	-	-	-	-	4.42	-	4.42
Proceeds against share warrants	-	-	-	-	-	-	-	-	-	54.72	54.72
Shares issued on conversion of warrants	-	-	-	-	-	-	-	56.76	-	(72.96)	(16.20)
Effect of stake acquired from non-controlling interest	(0.05)	-	-	-	-	-	-	-	-	-	(0.05)
Transfer to securities premium from share options outstanding account	-	-	-	-	-	-	-	0.18	(0.18)	-	-
Transferred to statement of profit & loss / retained earning on account of deconsolidation of subsidiaries	-	-	4.31	-	-	-	-	-	-	-	4.31
Other comprehensive income for the year											
- Remeasurement loss on defined benefit plans	(5.55)	-	-	-	-	-	-	-	-	-	(5.55)
- Foreign currency translation differences	-	-	(4.76)	-	-	-	-	-	-	-	(4.76)
Dividend paid during the year	(229.07)	-	-	-	-	-	-	-	-	-	(229.07)
Balance as at 31 March, 2023	**(309.47)**	**(0.05)**	**(35.05)**	**418.46**	**671.65**	**3.58**	**12.95**	**716.99**	**6.02**	**-**	**1485.08**

For the year ended 31 March, 2022

	Retained Earnings	Effective Portion of Cash Flow Hedge	Foreign Currency Translation Reserve	General Reserve	Capital Reserve	Capital Reserve on Consolidation	Capital Redemption Reserve	Securities Premium	Share Options Outstanding Account	Share Warrant Money	Total Equity
Balance as at 01 April, 2021	(1948.05)	(0.05)	(51.29)	418.46	671.65	3.58	12.95	502.95	-	37.50	(352.30)
Profit for the year	912.54	-	-	-	-	-	-	-	-	-	912.54
Employee stock options issued	-	-	-	-	-	-	-	-	1.78	-	1.78
Proceeds against share warrants	-	-	-	-	-	-	-	-	-	57.78	57.78
Shares issued on conversion of warrants	-	-	-	-	-	-	-	59.04	-	(77.04)	(18.00)
Expenses on issue of equity shares and share warrants	-	-	-	-	-	-	-	(0.38)	-	-	(0.38)
Shares issued on settlement of guarantee	-	-	-	-	-	-	-	98.44	-	-	98.44
Other comprehensive income for the year											
- Remeasurement loss on defined benefit plans	(1.96)	-	-	-	-	-	-	-	-	-	(1.96)
- Foreign currency translation differences	-	-	16.69	-	-	-	-	-	-	-	16.69
Balance as at 31 March, 2022	(1037.47)	(0.05)	(34.60)	418.46	671.65	3.58	12.95	660.05	1.78	18.24	714.59

The accompanying notes form an integral part of consolidated financial statements

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
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per Bharath N S
Partner
Membership No. 210934
Chennai : 08 May, 2023

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 08 May, 2023

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION:

CG Power and Industrial Solutions Limited (the 'Company' or 'Parent') with CIN No: L99999MH1937PLC002641 is a limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at 6th Floor, CG house, Dr. Annie Besant Road, Worli, Mumbai – 400 030, India.

The Company and its subsidiaries (collectively the 'Group') is a global enterprise providing end-to-end solutions to utilities, industries and consumers for the management and application of efficient and sustainable electrical energy. It offers products, services and solutions in two main business segments, viz. Power Systems and Industrial Systems for the year ended 31 March, 2023.

The consolidated financial statements of the Group for the year ended 31 March, 2023 were authorised for issue in accordance with a resolution of the directors on 08 May, 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of preparation:

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirements of Division II of Schedule III of the Companies Act, 2013. The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and financial liabilities measured at fair value.

The consolidated financial statements are presented in Indian Rupees ('₹') and all values are rounded to the nearest crores, except when otherwise indicated.

2.2 Basis of consolidation:

The Group consolidates all entities which are controlled by it. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The entities are consolidated from the date control commences until the date control ceases.

The consolidated financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain/loss from such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Profit or loss on each component of other comprehensive income ('OCI') are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance.

The Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31st March. When the end of the reporting period of the Parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the Financial Statements of the Parent to enable the Parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in consolidated statement of profit and loss. Any investment retained is recognised at fair value.

Changes in the Group's holding that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's holding and the non-controlling interests are adjusted to reflect the changes in their relative holding. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the parent.

Joint Ventures are entities over which the Group has joint control. Associates are entities over which the Group has significant influence but not control. Investments in Joint Ventures and Associates are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in Joint Ventures and Associates includes goodwill identified on acquisition.

2.3 Property, plant and equipment:

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, net of trade discounts and rebates, directly attributable costs of bringing the asset to its working condition for its intended use and capitalised borrowing costs. When significant parts of the plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Subsequent expenditure related to an item of property, plant and equipment is capitalised only if it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date and stated at cost, net of accumulated impairment loss, if any.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is recognised in the consolidated statement of profit and loss when the asset is derecognised.

Depreciation is provided on straight-line method over the useful lives of assets. Depreciation commences when an asset is ready for its intended use. The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013, other than the following asset classes, where the useful lives was determined by technical evaluation. Freehold land is not depreciated. Depreciation on additions to / deductions from assets is provided on pro-rata basis with reference to the date of addition / deletion.

The range of useful lives of the property, plant and equipment are as follows:

- Plant and machinery – 1 to 21 years
- Furniture and fittings- 1 to 15 years
- Office equipments - 1 to 15 years
- Buildings – 3 to 60 years
- Vehicles – 1 to 8 years

Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the useful life of the building.

In other cases, buildings constructed on leasehold lands are amortised over the primary lease period of the lands.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year end, with the effect of any changes in estimate accounted for on a prospective basis.

Foreign companies:

Depreciation on property, plant and equipment has been provided at the rates required / permissible by the GAAPs of the respective countries. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

On transition to Ind AS, the Group has elected to continue with the carrying value as per the previous GAAP for Plant and machinery, Furniture and fittings, Office equipments and Vehicles as its deemed cost. Also, the Group has elected to measure Freehold land, Leasehold Land and Building at its fair value and considered it as deemed cost as on the date of transition to Ind AS.

2.4 Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives, if any are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The amortisation expense on intangible assets with finite lives is recognised in statement of profit and loss.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangible assets are amortised as follows:

- Computer software : Over a period of five to six years;
- Technical know-how (including technology) : Over a period of five years (from the date of availability for its use);
- Commercial rights : Over a period of ten years;
- Brand name and customer lists (including trade mark) : Over a period of ten years; and
- Other intangible assets : Over a period of three to fifteen years.

Research and development expenditure:

Revenue expenditure on research activities is expensed under the respective heads of account in the period in which it is incurred.

Development expenditures on an individual project are recognised as intangible asset, if all of the following criteria can be demonstrated:

(i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

(ii) The Group has intention to complete the development of intangible asset and use or sell it;

(iii) The Group has ability to use or sell the intangible asset;

(iv) The manner in which the probable future economic benefit will be generated;

(v) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(vi) The Group has ability to reliably measure the expenditure attributable to the intangible asset during its development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over a period of five years. During the period of development, the asset is tested for impairment annually.

On transition to Ind AS, the Group has elected to continue with the carrying value as per the previous GAAP for all intangible assets as its deemed cost.

2.5 Impairment of non-financial assets:

At least at the end of each reporting period, the Group assesses whether there is an indication that an asset may be impaired and also whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If any indication exists, or when annual impairment testing for an asset is required, if any, the Group determines the recoverable amount and impairment loss is recognised in the consolidated statement of profit and loss, when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of an individual asset, at the higher of the fair value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's (CGU's) fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2.6 Inventories:

Inventories are valued as under:

- Raw materials, packing materials, construction materials, stores and spares, loose tools and traded goods at lower of cost and net realisable value. Cost is determined on weighted average basis.
- Work-in-progress and finished goods (manufacturing) at lower of cost and net realisable value. Cost includes an appropriate share of production overheads based on normal operating capacity. Finished goods cost is determined on weighted average basis.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

The cost of inventories comprises all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Obsolete and slow moving items of inventories are valued at cost or net realisable value, whichever is lower. Goods and Materials in transit are valued at actual cost incurred up to the reporting date. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.7 Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

2.8 Foreign currency transactions:

Initial recognition:

Transactions in foreign currencies entered are accounted at the exchange rates prevailing on the date of the transaction.

Measurement as at Balance Sheet Date:

Foreign currency monetary items that are outstanding at the Balance Sheet date are restated at year end exchange rates.

Non-monetary items carried at historical cost are translated using the exchange rates at the dates of initial transactions.

Treatment of exchange differences:

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities are recognised as income or expense in the statement of profit and loss.

Consolidation of subsidiaries situated in foreign countries:

The translation of financial statements of the foreign subsidiaries from their respective functional currencies to the presentation currency (₹) is performed for assets and liabilities using the exchange rates prevailing at the reporting date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under OCI.

When a subsidiary is disposed of, in full, the relevant amount is transferred to net profit in the consolidated statement of profit and loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Any goodwill arising in the acquisition / business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.9 Revenue recognition:

(a) Revenue from sale of goods and services:

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, which generally coincides with the delivery of goods to customers. Revenue from services is recognised when services are rendered.

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. In contracts where freight is arranged by the Group and recovered from the customers, the same is treated as separate performance obligations and revenue is recognised when such freight services are rendered. Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items in a contract when they are highly probable to be provided. The variable consideration is estimated at contract inception updated thereafter at each reporting date or until crystallisation of the amount. Liquidated damages are recognised as a part of variable consideration.

In revenue arrangements with multiple performance obligations, the Group accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their standalone selling prices.

However, Goods and Services tax ('GST') are not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

(b) Revenue from construction contracts:

Performance obligations with reference to construction contracts are satisfied over the period of time, and accordingly, revenue from such contracts is recognised based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Revenue is adjusted towards liquidated damages, and price variations / escalation, wherever, applicable. Variation in contract work and other claims are included to the extent that the amount can be measured reliably and generally when it is agreed with customer. Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognised in the period in which estimates are revised.

(c) Dividend and interest income:

Dividend income is accounted for when the shareholder's right to receive the same is established, which is generally when shareholders approve the dividend.

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is recognised taking into account the amount outstanding and the effective interest rate.

2.10 Employee benefits:

Short-term employee benefits:

All employee benefits payable wholly within twelve months after the end of the annual reporting period in which the employees render the related services, are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Compensation to employees of certain subsidiaries consist of pension plan, which are either fee or benefit based.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amounts of the benefits expected in exchange for the related services.

Post-employment benefits:

Defined contribution scheme:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions.

Defined benefit plans:

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with the actuarial valuations being carried out at the end of each annual reporting period.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the consolidated statement profit or loss. Past service cost is recognised in the consolidated statement of profit and loss in the period of plan amendment or when the Group recognised related re-structuring costs.

The Group recognises the following changes in the net defined benefit obligation under employee benefit expenses in the consolidated statement of profit or loss:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and settlements;
- net interest expense or income.

Gratuity:

Gratuity is a defined benefit obligation plan operated by the Company and a subsidiary incorporated in India for its employees covered under Group Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. The scheme is funded with CG Gratuity Fund of the Group. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to the consolidated profit and loss subsequently. Some of the overseas subsidiaries operate Gratuity scheme plan for employees as per laws of the respective countries, liability in respect of the same is provided on the accrual basis, estimated at each reporting date.

Leave encashment:

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

The Company and its Indian subsidiaries treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the consolidated statement of profit and loss.

Overseas subsidiaries provide liability in respect of compensated absences for employees as per respective local entity's policies. The same is measured based on the accrual basis as the payment is required to be made within next twelve months.

Provident Fund:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Termination benefits:

Termination benefits are recognised as an expense when the Group can no longer withdraw the offer of the termination benefits or when the Group recognise any related restructuring costs whichever is earlier.

2.11 Share Based Payments (Employee Stock Option Scheme):

Stock options are granted to the employees under the stock option scheme. The costs of stock options granted to the employees (equity-settled awards) of the Group are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Group and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

This cost is recognised, together with a corresponding increase in stock options outstanding account in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

2.12 Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time (generally over twelve months) to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.13 Segment accounting:

Operating segments are those components of the business whose operating results are regularly reviewed by the Chief Operating Decision Maker in the Group to make decisions for performance assessment and resource allocation. Segment performance is evaluated based on the profit or loss of reportable segment and is measured consistently.

The operating segments have been identified on the basis of the nature of products / services.

(i) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

(ii) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.

(iii) Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.

(iv) Segment result includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Group.

(v) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.14 Leases:

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee:

At the date of commencement of the lease, the Group recognizes right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases and low value assets). For these short-term leases and leases of low-value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

A ROU asset is recognised representing its right to use the underlying asset for the lease term. The cost of the ROU asset measured at inception comprises of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The ROU is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses if any, and adjusted for any remeasurement of the lease liability.

The ROU assets are depreciated from the commencement date using the straight-line method over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The range of useful lives of the ROU assets are as follows:

- Leasehold land – 30 to 99 years
- Buildings – 2 to 9 years
- Furniture and fittings – 5 years

Group as a lessor:

Leases for which the Group is a lessor are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.15 Earnings per share:

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of consolidated financial statements by the Board of Directors.

2.16 Income Taxes:

Income tax expense for the period comprises of current and deferred tax. Income tax expense is recognised in the statement of profit and loss except when they are relating to items that are recognised in OCI or directly in equity, in which case, it is also recognised in relating to items recognised directly in OCI or equity respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Current tax:

Current tax comprises the expected income tax payable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. It is determined by using tax rates in accordance with the provisions of Income Tax Act, 1961.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

2.17 Provisions, Contingent liabilities, Contingent assets and Commitments:

General:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet.

Warranty provisions:

Provisions for the expected cost of warranty obligations are recognised at the time of sale of relevant product or service, at the best estimate of the expenditure required to settle the Group's obligation.

Onerous contracts:

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.18 Government grants:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognised as income in the statement of profit and loss over the period and in proportion in which depreciation is charged.

Revenue grants are recognised in the statement of profit and loss in the same period as the related cost which they are intended to compensate are accounted for.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of profit and loss over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.19 Exceptional items:

An item of income or expense which by its size, type or incidence is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed as such in the consolidated financial statements.

2.20 Business combinations and goodwill:

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical costs. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill arising on business combination is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

2.21 Investment in associates and joint ventures:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate or a joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the associate or a joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or a joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

The aggregate of the Group's share of profit and loss of an associate and a joint venture is shown in the consolidated statement of profit and loss outside operating profit and represents profit and loss after tax of the associate and joint venture.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or a joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate or a joint venture' in the consolidated statement of profit and loss.

2.22 Current and non-current classification:

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets / liabilities are classified as non-current.

Operating cycle:

A portion of the Group's activities (primarily long-term project activities) has an operating cycle that exceeds twelve months. Accordingly, assets and liabilities related to these long-term contracts, which will not be realised / paid within twelve months, have been classified as non-current. For all other activities, operating cycle is twelve months.

2.23 Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk. A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

2.24 Non-current assets held for sale and discontinued operations:

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss. Also comparative consolidated statement of profit and loss is re-presented as if the operation had been discontinued from the start of the comparative period.

Assets and liabilities classified as held for disposal are presented separately from other assets and liabilities in the consolidated balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

2.25 Financial instruments:

The Group recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

(i) Financial assets:

Initial recognition and measurement:

Financial assets are measured at fair value on initial recognition, except for trade receivables that do not contain a significant financing component which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement:

All recognised financial assets are subsequently measured in their entirety either at amortised cost or at fair value depending on the classification of the financial assets.

Where financial assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss or 'FVTPL'), or recognised in other comprehensive income (i.e. fair value through other comprehensive income or 'FVTOCI').

A financial asset is measured at amortised cost (net of any write down for impairment) if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

All equity investments are measured at fair value, with fair value changes recognised in the statement of profit and loss, except for those equity investments for which the entity has elected to present fair value changes in 'other comprehensive income'. However, dividend on such equity investments are recognised in consolidated statement of profit and loss when the Group's right to receive payment is established.

Impairment of financial assets:

The Group uses 'Expected Credit Loss' ('ECL') model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss. Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

For trade receivables the Group applies a simplified approach under which loss allowance is recognised based on expected lifetime ECL losses to be recognised on each reporting date. The Company uses a provision matrix that is based on its historical credit loss experience adjusted for relevant forward-looking factors. For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk since initial recognition full lifetime ECL is used.

Derecognition:

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

(ii) Financial liabilities:

Initial recognition and measurement:

Financial liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, which are not at fair value through profit or loss, are deducted from the fair value on initial recognition.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement:

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss ('FVTPL'). A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in consolidated statement of profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial guarantee contracts:

A Financial guarantee contracts is a contract that requires the Group to make specified payment to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of, the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

(iii) Derivative financial instruments and hedge accounting:

The Group uses various derivative financial instruments to hedge foreign currency / price risk on unexecuted firm commitments and highly probable forecast transactions. Such derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to consolidated statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and presented as a separate component of equity which is later reclassified to the consolidated statement of profit and loss when the hedge item affects profit and loss.

Cash flow hedges:

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss as other expenses.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other operating income or expenses.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(iv) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

3(A). SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities within the next financial year.

Judgements:

Lease of assets not in legal form of lease:

Significant judgment is required to apply lease accounting rules under Ind AS 116. In assessing the applicability to arrangements entered into by the Group, management has exercised judgment to evaluate the right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under Ind AS 116.

Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(i) Useful lives of property, plant and equipment:

Management reviews useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors. This reassessment may result in change in depreciation expected in future period.

(ii) Development costs:

Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred. Management assesses and monitors whether the recognition requirements for development costs continue to be met. There is inherent uncertainty in the economic success of any product development. The Group uses judgement in assessment of development cost eligible for capitalisation.

(iii) Impairment of non-financial assets:

In case of non-financial assets Group estimates asset's recoverable amount, which is higher of an asset's or cash generating units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

(iv) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3(A). SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Contd.)

(v) Income taxes

Deferred tax assets for unused tax losses are recognised only when it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

(vi) Defined benefit obligation:

In accounting for post-retirement benefits, actuarial method uses several statistical and other factors to anticipate future events that are used to calculate defined benefit obligation. These factors include expected return on plan assets, discount rate assumptions and rate of future compensation increases. To estimate these factors, actuarial consultants also use estimates such as withdrawal, turnover, and mortality rates which require significant judgment. The actuarial assumptions used by the Group may differ materially from actual results in future periods due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates, or longer or shorter participant life spans.

(vii) Revenue from contract with customers:

The Group estimates variable considerations in the nature of volume rebates, discounts, performance bonuses, penalties and similar items and adjusts the transaction price for the sale of goods and services. These expected variable considerations are analysed either at customer or contracts basis against agreed terms with customers and may differ from actual results.

(viii) Contingencies:

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in notes but are not recognised. The cases which have been determined as remote by the Group are not disclosed.

3(B). NEW AND AMENDED STANDARD

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 01 April, 2022.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23 March, 2022, to amend the following Ind AS which are effective from 01 April, 2022.

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37:

An onerous contract is a contract under which the unavoidable cost of meeting the obligations under the contract costs (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, the Group needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 01 April, 2022. These amendments had no impact on the consolidated financial statements of the Group.

(ii) Property, Plant and Equipment – Proceeds before Intended Use – Amendments to Ind AS 16:

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

The amendments are effective for annual reporting periods beginning on or after 01 April, 2022. These amendments had no impact on the consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

4. PROPERTY, PLANT AND EQUIPMENT

₹ crores

	Freehold land	Buildings	Plant and machinery	Right-of-Use assets	Furniture and fittings	Office equipments	Vehicles	Total	Capital work-in-progress
Cost / deemed cost:									
As at 01-04-2021	**73.18**	**669.88**	**508.03**	**120.34**	**29.52**	**23.09**	**8.11**	**1432.15**	**12.31**
Additions	-	3.58	30.87	5.44	0.23	2.67	2.80	45.59	16.92
Disposals / transfers	-	-	0.92	6.22	0.23	0.21	1.54	9.12	1.71
Less: Exchange differences	-	0.15	2.24	0.00	(0.02)	0.21	0.03	2.61	0.71
As at 31-03-2022	**73.18**	**673.31**	**535.74**	**119.56**	**29.54**	**25.34**	**9.34**	**1466.01**	**26.81**
Additions	-	12.14	38.44	11.11	2.19	8.65	2.31	74.84	18.32
Disposals / transfers	-	0.05	1.96	7.90	0.48	0.29	1.42	12.10	17.60
Transferred to discontinued operation (Refer note 43)	23.75	38.90	63.09	-	0.97	1.54	0.06	128.31	0.65
Less: Exchange differences	-	(0.23)	(1.00)	(0.00)	(0.04)	(0.20)	(0.11)	(1.58)	(0.39)
As at 31-03-2023	**49.43**	**646.73**	**510.13**	**122.77**	**30.32**	**32.36**	**10.28**	**1402.02**	**27.27**
Accumulated depreciation:									
As at 01-04-2021	**-**	**182.30**	**267.02**	**33.44**	**15.87**	**16.75**	**4.63**	**520.01**	
Depreciation charge for the year	-	23.17	32.33	10.40	2.37	1.75	1.20	71.22	
Disposals / transfers	-	-	0.68	0.71	0.15	0.21	1.08	2.83	
Impairment for the year	-	-	9.70	-	-	-	-	9.70	
Less: Exchange differences	-	0.11	2.02	(0.34)	(0.03)	0.20	0.02	1.98	
As at 31-03-2022	**-**	**205.36**	**306.35**	**43.47**	**18.12**	**18.09**	**4.73**	**596.12**	
Depreciation charge for the year	-	24.00	34.22	9.24	2.15	2.58	1.59	73.78	
Disposals / transfers	-	0.04	1.41	6.36	0.32	0.20	0.96	9.29	
Transferred to discontinued operation (Refer note 43)	-	-	21.92	-	0.98	0.15	0.02	23.07	
Less: Exchange differences	-	(0.21)	(0.65)	(0.86)	(0.03)	(0.16)	(0.07)	(1.98)	
As at 31-03-2023	**-**	**229.53**	**317.89**	**47.21**	**19.00**	**20.48**	**5.41**	**639.52**	
Net book value									
As at 31-03-2022	73.18	467.95	229.39	76.09	11.42	7.25	4.61	869.89	26.81
As at 31-03-2023	**49.43**	**417.20**	**192.24**	**75.56**	**11.32**	**11.88**	**4.87**	**762.50**	**27.27**

Note:

The Parent Company's application for renewal of lease in respect of property in Mumbai is considered by local municipal corporation, however documentation formalities in this regards are in progress. The net book value of tangible assets in relation to this property as at 31 March, 2023 is ₹ 182.67 crores (as at 31 March, 2022 ₹ 187.44 crores).

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

4. PROPERTY, PLANT AND EQUIPMENT (Contd.)

Capital work in progress (CWIP) ageing schedule as at 31 March, 2023

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	18.34	7.14	1.26	0.53	27.27
Total	**18.34**	**7.14**	**1.26**	**0.53**	**27.27**

Capital work in progress (CWIP) completion schedule as at 31 March, 2023*

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Variable frequency drives frame	0.90	-	-	-	0.90
Variable frequency drives	1.45	-	-	-	1.45
Softstarter high power range	4.08	-	-	-	4.08
Total	**6.43**	**-**	**-**	**-**	**6.43**

Note : There are no projects which are temporary suspended.

Capital work in progress (CWIP) ageing schedule as at 31 March, 2022

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	21.18	4.77	0.33	0.53	26.81
Total	21.18	4.77	0.33	0.53	26.81

Capital work in progress (CWIP) completion schedule as at 31 March, 2022*

	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Variable frequency drives frame	0.93	-	-	-	0.93
VSI modules	4.58	-	-	-	4.58
Variable frequency drives	1.37	-	-	-	1.37
Emo variable frequency drives	0.20	-	-	-	0.20
Total	7.08	-	-	-	7.08

Note : There were no projects which were temporary suspended.

*Project wise completion schedule where project cost has exceeded or projects are overdue

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

5. INTANGIBLE ASSETS

	Brand names and customer lists	Computer software	Technical know-how	Commercial rights	Development cost	Total	Goodwill	Intangible assets under development
Cost / deemed cost:								
As at 01-04-2021	**233.08**	**70.85**	**98.02**	**31.09**	**242.38**	**675.42**	**155.68**	**7.82**
Additions	-	1.02	-	-	11.56	12.58	-	7.15
Disposals / transfers	-	-	-	-	-	-	-	6.59
Other Adjustment	97.76	-	-	-	-	97.76	-	-
Less: Exchange differences	0.49	0.12	1.82	-	6.98	9.41	3.31	0.00
As at 31-03-2022	**134.83**	**71.75**	**96.20**	**31.09**	**246.96**	**580.83**	**152.37**	**8.38**
Additions	-	2.13	-	-	12.14	14.27	-	9.35
Disposals / transfers	-	-	-	-	-	-	-	6.05
Transferred to discontinued operation (Refer note 43)	55.83	19.76	-	-	25.29	100.88	-	0.65
Less: Exchange differences	(8.23)	0.00	(5.35)	-	4.19	(9.39)	(9.77)	-
As at 31-03-2023	**87.23**	**54.12**	**101.55**	**31.09**	**229.62**	**503.61**	**162.14**	**11.03**
Accumulated amortisation:								
As at 01-04-2021	**225.14**	**65.25**	**97.46**	**31.09**	**178.61**	**597.55**		
Amortisation charge for the year	3.41	3.01	0.41	-	23.16	29.99		
Other Adjustment	97.76	-	-	-	-	97.76		
Less: Exchange differences	0.61	0.10	1.83	-	5.59	8.13		
As at 31-03-2022	**130.18**	**68.16**	**96.04**	**31.09**	**196.18**	**521.65**		
Amortisation charge for the year	-	1.14	0.06	-	19.52	20.72		
Transferred to discontinued operation (Refer note 43)	51.13	19.76	-	-	23.81	94.70		
Less: Exchange differences	(8.18)	0.00	(5.38)	-	3.50	(10.06)		
As at 31-03-2023	**87.23**	**49.54**	**101.48**	**31.09**	**188.39**	**457.73**		
Net book value								
As at 31-03-2022	4.65	3.59	0.16	-	50.78	59.18	152.37	8.38
As at 31-03-2023	**-**	**4.58**	**0.07**	**-**	**41.23**	**45.88**	**162.14**	**11.03**

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

5. INTANGIBLE ASSETS (Contd.)

Impairment testing of goodwill

For the purpose of impairment testing, goodwill relating to continuing business segments has been allocated to the cash generating units (CGUs) as follows:

CGUs /Segments	As at 31-03-2023	As at 31-03-2022
Industrial Systems	162.14	152.37
Total goodwill	**162.14**	152.37

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including business plan, operating results, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value in use and fair value less cost to sell. For the purpose of impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which goodwill is monitored for internal management purposes, and which is not higher than the Group's operating segment.

The Group generally uses discounted cash flow based method to determine the recoverable amount. These discounted cash flow calculations use five-year projections that are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The discount rate calculation is derived from weighted average cost of capital (WACC) of CGU's. Terminal value growth rates take into consideration external macroeconomic sources of data and industry specific trends.

The following table presents the key assumptions used to determine value in use / fair value less costs to sell for impairment test purposes.

	As at 31-03-2023	As at 31-03-2022
Terminal value growth rate	2%	2%
Discount rate	10.00%	10.00%

The pre-tax discount rate (WACC) used 10% (as at 31 March, 2022 10.00%)

An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

Intangible assets under development (IAUD) ageing schedule as at 31 March, 2023

	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	4.92	4.10	-	2.01	11.03
Total	**4.92**	**4.10**	**-**	**2.01**	**11.03**

Notes:

There are no projects where project cost has exceeded or projects are overdue in current year.

There are no projects which are temporary suspended.

Intangible assets under development (IAUD) ageing schedule as at 31 March, 2022

	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3.90	-	3.54	0.94	8.38
Total	3.90	-	3.54	0.94	8.38

Notes:

There were no projects where project cost exceeded or projects were overdue.

There were no projects which were temporary suspended.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

	Face value per unit in ₹ unless otherwise specified	No. of shares / units			
		As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Details of investments:					
A) Quoted investments					
Government and trust securities					
Central Government Securities 10.18% GOI 2026 of ₹ 100 each (Carried at amortised cost)	100	39000	39000	0.39	0.39
Total (A)				0.39	0.39
B) Unquoted investments					
Investments in equity instruments					
Measured at fair value through profit and loss					
1. Dinette Exclusive Club Private Limited	100	500	500	0.01	0.01
2. Radiant Electronics Limited	100	190000	190000	0.00	0.00
				0.01	0.01
Investments in debentures or bonds					
Carried at fair value through profit and loss					
1. Avantha Holdings Limited* (Optionally Convertible, Zero Coupon, Non-marketable, Transferable Debentures)	100	-	800000	-	8.00
Less : Impairment in value of investment				-	(8.00)
				-	-
2. Dinette Exclusive Club Private Limited (0% Unsecured Irredeemable Non-convertible Debentures of ₹ 100 each)	100	5000	5000	0.05	0.05
				0.05	0.05
Other non-current investments					
1. UTI Hybrid Equity Fund - Dividend Plan - Payout	10	60997	55909	0.19	0.18
2. Power Equipment Limited	USD 10	20600	20600	0.00	0.00
3. IL&FS Transportation Networks Limited Tranch-XVI	1000000	45	-	0.09	-
4. IL&FS Transportation Networks Limited Tranch-XX	1000000	20	-	0.04	-
5. Infrastructure Leasing & Financial Services Limited	1000000	19	-	0.19	-
				0.51	0.18
Total (B)				0.57	0.24
Total (A+B)				0.96	0.63
Notes:					
Quoted investments					
Book value				0.39	0.39
Market value				0.39	0.39
Unquoted investments					
Book value				0.57	0.24

* During the year, the Group has written off investment of ₹ 8.00 crores in Avantha Holdings Limited ('AHL').

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

7. NON-CURRENT FINANCIAL ASSETS - OTHERS

	As at 31-03-2023	As at 31-03-2022
Unsecured, considered good, unless otherwise stated:		
Deposits	6.14	5.63
Fixed deposits with banks with maturity period of more than 12 months*	7.19	11.06
Other receivable	-	11.35
	13.33	28.04

* Deposits of ₹ 3.69 crores (as at 31 March, 2022 ₹ 0.01 crore) are held as margin money.

8. TAXATION

Income tax recognised in statement of profit and loss:

	2022-23	2021-22
Consolidated statement of profit and loss:		
Income Tax:		
Current period (continuing operations)	13.40	12.59
Previous period (continuing operations)	-	(2.26)
Current period (discontinued operations)	3.16	0.06
Deferred tax:		
Relating to origination and reversal of temporary differences - continuing operations	192.41	111.93
Income tax recognised in consolidated statement of profit and loss	208.97	122.32
Consolidated statement of other comprehensive income		
Deferred tax related to items recognised in other comprehensive income during the year	(1.38)	(0.66)
Income tax recognised in other comprehensive income	(1.38)	(0.66)

Reconciliation of income tax expense and accounting profit multiplied by applicable income tax rate:

	2022-23	2021-22
Accounting profit before tax from continuing operations	1002.14	751.87
Accounting profit before tax from discontinued operations	169.80	283.52
Accounting profit before income tax	1171.94	1035.39
Applicable tax rate	25.168%	25.168%
Computed tax expense	294.96	260.59
Income exempt from taxation	(43.62)	(65.46)
Income / expense not deductible in determining taxable profits	(39.38)	2.48
Deferred tax assets not recognised on account of lack of convincing evidence in respect of recognition	-	22.24
Impact of deferred tax created at lower tax rate	8.97	(50.50)
Impact of fair valuation of property, plant and equipment	-	(68.73)
Other temporary differences	(11.96)	21.70
Net income tax expense charged to consolidated statement of profit and loss	208.97	122.32
Income tax attributable to continuing operations	205.81	122.26
Income tax attributable to discontinued operations	3.16	0.06
Total	208.97	122.32

Note:

Pursuant to restatement of books of account from financial year 2014-15 to 2018-19 by the Ministry of Corporate Affairs ('MCA') and taken on records by the Hon'ble National Company Law Tribunal, and consequential revision of books of account for financial year 2019-20 and 2020-21, the Parent Company had filed an application with the Central Board of Direct Taxes ('CBDT') seeking its approval to revise the returns of income based on the recasted / revised books of account. The Parent Company's application was rejected by the CBDT. Against this rejection the Parent Company has filed a writ petition before the Hon'ble Bombay High Court. The Hon'ble Bombay High Court has asked the Income tax department to file its affidavit in reply. Next date of hearing before the Hon'ble Bombay High Court is awaited.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

8. TAXATION (Contd.)

Deferred tax relates to the following:

	Balance sheet		Recognised in statement of profit and loss	
	As at 31-03-2023	As at 31-03-2022	2022-23	2021-22
Expenses allowable on payment basis	42.43	43.04	0.61	(9.42)
Other items giving rise to temporary differences	17.05	18.05	1.00	15.13
Accelerated depreciation for tax purposes	(38.08)	(41.94)	(3.86)	(4.38)
Fair valuation of property, plant and equipment	(91.18)	(95.42)	(4.24)	(68.73)
Provision and impairment of loans and receivables	57.97	53.35	(4.62)	31.18
Provision for corporate guarantee obligation settlement	-	31.46	31.46	33.50
Unabsorbed losses and unabsorbed depreciation	445.32	613.35	170.68	113.99
Deferred tax asset / (liabilities)	433.51	621.89		
Net (income) / expense			191.03	111.27
Deferred tax expense / (benefit):				
Relating to origination and reversal of temporary difference - continuing operation			191.03	111.27
Total			191.03	111.27

The net deferred tax assets of ₹ 433.51 crores (as at 31 March, 2022 ₹ 621.89 crores) includes deferred tax assets of ₹ 445.32 crores (as at 31 March, 2022 ₹ 613.28 crores) related to tax losses of Parent Company. Based on the future forecast and current economic conditions in India, there is reasonable certainty that the deferred tax assets on tax losses will be recovered on or before expiry of 8 years period.

Reconciliation of deferred tax assets / (liabilities) net:

	As at 31-03-2023	As at 31-03-2022
Opening balance	621.89	733.27
Tax expense during the year recognised in statement profit and loss from continuing operations	(192.41)	(111.93)
Reduction on account of transferred to discontinued operation	2.79	-
Deferred tax on other comprehensive income	1.38	0.66
Exchange differences	(0.14)	(0.11)
Closing balance	433.51	621.89

9. NON-CURRENT ASSETS-OTHERS

	As at 31-03-2023	As at 31-03-2022
Unsecured, considered good, unless otherwise stated:		
Capital advances	7.48	4.96
Others	-	12.33
Less: Provision for doubtful balances	-	12.33
	-	-
	7.48	4.96

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

10. INVENTORIES

	As at 31-03-2023		As at 31-03-2022	
Raw materials	247.29		202.50	
Add: Goods-in-transit	6.41		6.64	
		253.70		209.14
Work-in-progress		188.75		216.27
Finished goods		79.31		73.80
Stock-in-trade		16.24		10.08
Stores, spares and packing materials		3.18		2.67
Loose tools		0.00		0.39
		541.18		512.35

Note: Mode of valuation of inventories is stated in Note 2.6.

11. CURRENT FINANCIAL ASSETS - INVESTMENTS

	Face value per unit in ₹ unless otherwise specified	No. of shares / units			
		As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Details of investments:					
Unquoted investments					
Investments in equity instruments*					
1 Nicco Corporation Limited	2	330390	330390	0.01	0.01
2 JCT Electronics Limited	1	250000	250000	0.00	0.00
				0.01	0.01
Investments in mutual funds*					
1 SBI Liquid Fund - Direct Growth		-	121831	-	40.61
				-	40.61
				0.01	40.62

* Carried at fair value through profit and loss.

12. TRADE RECEIVABLES

	As at 31-03-2023		As at 31-03-2022	
Unsecured:				
Considered good	1297.12		943.66	
Credit impaired	111.03		157.46	
		1408.15		1101.12
Less: Allowance for credit impaired		111.03		157.46
		1297.12		943.66

Note: Refer note 28 for trade receivable considered as contract balances.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

12. TRADE RECEIVABLES (Contd.)

Trade receivables ageing schedule:

As at 31 March, 2023	Not due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed trade receivables – considered good	668.80	541.85	47.61	26.97	5.95	5.94	1297.12
(ii) Undisputed trade receivable – credit impaired	-	-	0.78	7.52	19.67	83.04	111.01
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed trade receivable – credit impaired	-	-	-	-	-	0.02	0.02
Total	668.80	541.85	48.39	34.49	25.62	89.00	1408.15

As at 31 March, 2022	Not due	Outstanding for following periods from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed trade receivables – considered good	533.28	353.60	23.59	5.49	18.48	9.15	943.59
(ii) Undisputed trade receivable – credit impaired	-	0.01	1.57	57.11	34.84	63.90	157.43
(iii) Disputed trade receivables – considered good	-	0.07	-	-	-	-	0.07
(iv) Disputed trade receivable – credit impaired	-	-	-	-	0.03	-	0.03
Total	533.28	353.68	25.16	62.60	53.35	73.05	1101.12

13. CASH AND CASH EQUIVALENTS

	As at 31-03-2023		As at 31-03-2022	
Balances with banks:				
In current accounts	145.11		159.09	
Fixed deposits with original maturity of less than 3 months	536.66		235.97	
		681.77		395.06
Cash on hand		0.01		0.01
		681.78		395.07

Note:

As at 31 March, 2023, the Parent Company has undrawn fund based committed borrowings facilities of ₹ 500.00 crores (as at 31 March, 2022 ₹ 500.00 crores).

14. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31-03-2023		As at 31-03-2022	
Other balances:				
Earmarked balances with banks for:				
Unpaid dividends (Refer note (a) below)	0.13		0.01	
Others	-		0.33	
		0.13		0.34
Fixed deposits with original maturity of more than 3 months and upto 12 months (Refer note (b) below)		32.05		92.61
		32.18		92.95

Notes:

(a) Amount of unclaimed dividend due to be transferred to Investor Education and Protection Fund ('IEPF') as at 31 March, 2023 ₹ Nil (as at 31 March, 2022 ₹ Nil).

(b) Deposits of ₹ 3.11 crores (as at 31 March, 2022 ₹ 7.83 crores) are held as margin money.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

15. CURRENT FINANCIAL ASSETS - OTHERS

	As at 31-03-2023	As at 31-03-2022
Unsecured, considered good, unless otherwise stated:		
Security deposits:		
Considered good	12.01	10.73
Considered doubtful	0.74	0.74
	12.75	11.47
Less: Allowance for bad and doubtful deposits	0.74	0.74
	12.01	10.73
Receivable on deconsolidation of HBE Group*	132.60	126.70
Derivative instruments	0.07	-
Other financial assets	2.80	2.07
	147.48	139.50

* HBE refers to erstwhile subsidiaries consisting of CG Holdings Belgium NV ('HBE'), CG Power Systems Belgium NV ('PSBE'), CG Sales Networks France SA and CG Power Solutions Saudi Arabia Limited (collectively 'HBE Group'). These subsidiaries are deconsolidated with effect from January 01, 2020 consequent to the HBE and PSBE being declared bankrupt by the local court.

16. OTHER CURRENT ASSETS

	As at 31-03-2023	As at 31-03-2022
Unsecured, considered good, unless otherwise stated:		
Advance to suppliers	52.33	58.39
Statutory and other receivables*	146.81	176.40
Receivable from erstwhile directors	0.16	0.16
Less: Provision for doubtful receivable	0.16	0.16
	199.14	234.79

Note:

* Major items includes statutory receivables of ₹ 73.06 crores (as at 31 March, 2022 ₹ 84.04 crores) and deposits (includes towards disputed tax demands) of ₹ 53.53 crores (as at 31 March, 2022 ₹ 70.91 crores).

17. SHARE CAPITAL

	As at 31-03-2023	As at 31-03-2022
Authorised:		
2,03,80,00,000 equity shares of ₹ 2 each	407.60	407.60
(2,03,80,00,000 equity shares of ₹ 2 each as at 31 March, 2022)		
Issued:		
1,52,71,73,734 equity shares of ₹ 2 each	305.43	288.37
(1,44,18,85,329 equity shares of ₹ 2 each as at 31 March, 2022)		
Subscribed and paid-up:		
1,52,71,31,434 equity shares of ₹ 2 each	305.43	288.37
(1,44,18,43,029 equity shares of ₹ 2 each as at 31 March, 2022)		
Forfeited shares:		
42,300 equity shares of ₹ 2 each (Amount partly paid-up ₹ 32,175)	0.00	0.00
(42,300 equity shares of ₹ 2 each (Amount partly paid-up ₹ 32,175 as at 31 March, 2022)		
	305.43	288.37

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

17. SHARE CAPITAL (Contd.)

Notes:

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

	As at 31-03-2023		As at 31-03-2022	
Authorised share capital	No. of Shares	₹ crores	No. of Shares	₹ crores
Balance at the beginning of the year	2038000000	407.60	2038000000	407.60
Balance at the end of the year	2038000000	407.60	2038000000	407.60

	As at 31-03-2023		As at 31-03-2022	
Issued share capital	No. of Shares	₹ crores	No. of Shares	₹ crores
Balance at the beginning of the year	1441885329	288.37	1338040329	267.60
Add: Issued during the year	85288405	17.06	103845000	20.77
Balance at the end of the year	1527173734	305.43	1441885329	288.37

	As at 31-03-2023		As at 31-03-2022	
Subscribed and paid-up share capital	No. of Shares	₹ crores	No. of Shares	₹ crores
Balance at the beginning of the year	1441843029	288.37	1337998029	267.60
Add: Issued during the year	85288405	17.06	103845000	20.77
Balance at the end of the year	1527131434	305.43	1441843029	288.37

During the year, the Company has issued following equity shares under preferential allotment and employee stock option scheme:

(i) 85233645 equity shares of the face value of ₹ 2 each at a price of ₹ 8.56 (including premium) per equity share, for an aggregate consideration of ₹ 72.96 crores on conversion of 85233645 warrants held by Tube Investments of India Limited ('TII') into equity share.

(ii) 54760 equity shares of the face value ₹ 2 each at a price of ₹ 156.20 (including premium) per equity share, for an aggregate consideration of ₹ 0.86 crores on allotment of 54760 equity shares in lieu of employee stock option.

During the year ended 31 March, 2022, the Company had issued following equity shares under preferential allotment:

(i) 13845000 equity shares of face value of ₹ 2 each issued to a bank towards guarantee settlement consideration on preferential basis at ₹ 73.10 (including premium) per equity share for an aggregate consideration of ₹ 101.21 crores;

(ii) 90000000 equity shares of the face value of ₹ 2 each at a price of ₹ 8.56 (including premium) per equity share, for an aggregate consideration of ₹ 77.04 crores on conversion of 90000000 warrants held by Tube Investments of India Limited ('TII') into equity shares;

(b) Terms / rights attached to equity shares:

The Company has one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(c) Details of shareholders holding more than 5 % shares in the Company:

	As at 31-03-2023		As at 31-03-2022	
	%	No. of Shares	%	No. of Shares
Tube Investments of India Limited	58.05	886485532	55.57	801251887

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

17. SHARE CAPITAL (Contd.)

(d) Details of shares held by promoters:

As on 31 March, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Tube Investments of India Limited	801251887	85233645	886485532	58.05%	10.64%
M A Murugappan Holdings LLP (*Formerly*, M A Murugappan Holdings Private Limited)	367000	-	367000	0.02%	-
M A M Arunachalam	185000	-	185000	0.01%	-
M.A.Alagappan	165000	-	165000	0.01%	-
A M Meyyammai	90000	-	90000	0.01%	-
M A M Arunachalam (M A M A & S Arunachalam hold on behalf of Arun Murugappan Children's Trust)	74000	-	74000	0.00%	-
M A M Arunachalam (In capacity of karta of HUF)	64500	-	64500	0.00%	-
Sigappi Arunachalam (Sigappi Arun, M A M Arunachalam & A M Meyyammai holds shares - Murugappan Arunachalam Children Trust)	46900	-	46900	0.00%	-
A Venkatachalam (In capacity of karta of HUF)	31300	-	31300	0.00%	-
Vedika Meyyammai Arunachalam	71000	-	71000	0.00%	-
Lakshmi Ramaswamy	7490	-	7490	0.00%	-
Uma Ramanathan	2500	-	2500	0.00%	-
Murugappa & Sons (M.V.Subbiah, M A A and M M M hold shares on behalf of the Firm)	5100	-	5100	0.00%	-
A M M Vellayan Sons P Ltd	-	1450	1450	0.00%	100.00%
Valli Annamalai	-	1000	1000	0.00%	100.00%
Total	802361677	85236095	887597772	58.12%	

As on 31 March, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Tube Investments of India Limited	711251887	90000000	801251887	55.57%	12.65%
M A Murugappan Holdings LLP (*Formerly*, M A Murugappan Holdings Private Limited)	350000	17000	367000	0.03%	4.86%
M A M Arunachalam	165000	20000	185000	0.01%	12.12%
M.A.Alagappan	165000	-	165000	0.01%	-
A M Meyyammai	90000	-	90000	0.01%	-
M A M Arunachalam (M A M A & S Arunachalam hold on behalf of Arun Murugappan Children's Trust)	64000	10000	74000	0.00%	15.63%
M A M Arunachalam (In capacity of karta of HUF)	55000	9500	64500	0.01%	17.27%
Sigappi Arunachalam (Sigappi Arun, M A M Arunachalam & A M Meyyammai holds shares - Murugappan Arunachalam Children Trust)	46900	-	46900	0.00%	-
A Venkatachalam (In capacity of karta of HUF)	31300	-	31300	0.00%	-
Vedika Meyyammai Arunachalam	31000	40000	71000	0.01%	129.03%
Lakshmi Ramaswamy	5490	2000	7490	0.00%	36.43%
Uma Ramanathan	2500	-	2500	0.00%	-
Murugappa & Sons (M.V.Subbiah, M A A and M M M hold shares on behalf of the Firm)	-	5100	5100	0.00%	100.00%
Total	712258077	90103600	802361677	55.65%	

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

18. OTHER EQUITY

	As at 31-03-2023	As at 31-03-2022
Retained earnings	(309.47)	(1037.47)
Effective portion of cash flow hedge	(0.05)	(0.05)
Foreign currency translation reserve	(35.05)	(34.60)
General reserve	418.46	418.46
Capital reserve	671.65	671.65
Capital reserve on consolidation	3.58	3.58
Capital redemption reserve	12.95	12.95
Securities premium	716.99	660.05
Share options outstanding account	6.02	1.78
Share warrant money (Refer note 17(a))	-	18.24
	1485.08	714.59

(a) Dividend paid and proposed:

The Company has declared and paid interim dividend of ₹ 1.50 per share for the financial year 2022-23 (previous year ₹ Nil).

(b) Nature and purpose of items in other equity:

(i) Retained Earnings:

Retained earnings are the profits that the Group has earned till date and includes any transfer to general reserve, dividends or other distributions paid to the shareholders.

(ii) Effective portion of cash flow hedge:

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.

(iii) Foreign currency translation reserve:

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

(iv) General reserve:

General reserve comprises of transfer of profits from retained earnings for appropriation purpose, the reserves can be distributed / utilised by the Group in accordance with the Companies Act, 2013.

(v) Capital reserve:

Capital reserve mainly represents the amount recognised on demerger of consumer product business.

(vi) Capital reserve on consolidation:

Capital reserve on consolidation is on account of subsidiaries acquired.

(vii) Capital redemption reserve:

Capital redemption reserve was created on buy back of shares. The Company may issue bonus shares to its members out of the capital redemption reserve account.

(viii) Securities premium:

Securities premium reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

(ix) Share options outstanding account:

Share options outstanding account represents fair value of the options granted which is to be expensed out over the life of the vesting period as employee compensation costs reflecting period of receipt of service.

(x) Share warrant money:

Share warrant money represents amount received against instruments carrying right exercisable by the warrant holder to subscribe to one equity share per warrant at a specific fixed price within specified period from date of allotment.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

19. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31-03-2023	As at 31-03-2022
Secured loans		
Term loans from banks (Refer note (a) below)	-	107.47
Unsecured loans		
Debentures (Refer note (b) below)	-	200.00
	-	307.47

Notes:

Security created to the extent of :

(a) Secured term loans from banks:

(i) During the year, the term loans have been fully repaid (as at 31 March, 2022 ₹ 98.87 crores). The said term loans were drawn at rate of interest of 6 months MCLR plus applicable spread and were secured by first charge on fixed assets except such properties as were specifically excluded. Second charge were by way of hypothecation of inventories and book debts / receivables of the Company. The initial loans amount were additionally secured by corporate guarantee from Tube Investments Of India Limited. As at 31 March, 2022, the bank had released said corporate guarantee considering the financial performance of the Company.

(ii) The term loans of ₹ Nil (as at 31 March, 2022 ₹ 0.11 crores) were repayable in 6-48 equal monthly instalments and were secured by hypothecation of vehicles. Current maturity of the said loan is ₹ Nil (as at 31 March, 2022 ₹ 0.05 crores). Refer note 23.

(iii) The term loan of ₹ 36.56 crores (as at 31 March, 2022 ₹ 36.56 crores) is secured by land, factory, machineries, inventories and receivables of subsidiary. The loan is supported by Corporate Guarantee of Company upto 51% of loan liability. Current maturity of the said loan is ₹ 36.56 crores (as at 31 March, 2022 ₹ 36.56 crores). The said loan is part of liabilities associated with group of assets classified as held for sale and discontinued operation as on 31 March, 2023.

(iv) Term loan of ₹ Nil (as at 31 March, 2022 ₹ 16.67 crores) at 'Stibor 3M + 2.25%' for a period of 4 years. The loan was repayable in quarterly instalment of SEK 2.5 million. The loan was secured by pledging of shares of subsidiary. Current maturity of the said loan is ₹ Nil (as at 31 March 2022 ₹ 8.13 crores). Refer note 23.

(b) Unsecured loans:

Debentures:

During the year, the Company has fully redeemed Non-convertible Debenture (NCDs). The Non-convertible Debentures (NCDs) were unlisted, unsecured, redeemable and non-convertible. NCDs were issued to lenders in terms of Settlement Agreement towards settlement of borrowings. NCDs carried coupon rate of 0.01% for the initial period of 2 years and thereafter 8% p.a. until the maturity date. The Company had the right to redeem the NCDs, in whole or part, on and after initial period of 2 years from date of allotment of the NCDs till the date of maturity.

20. NON-CURRENT OTHER FINANCIAL LIABILITIES

	As at 31-03-2023	As at 31-03-2022
Deposits payable	1.85	3.78
Others*	-	10.38
	1.85	14.16

* Represents interest accrued as per amortised cost method of Ind AS

21. NON-CURRENT PROVISIONS

	As at 31-03-2023	As at 31-03-2022
Provision for employee benefits	20.56	17.70
Other provisions (Refer note 27)	22.33	12.89
	42.89	30.59

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

22. OTHER NON-CURRENT LIABILITIES

	As at 31-03-2023	As at 31-03-2022
Others	0.73	0.67
	0.73	0.67

23. CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31-03-2023	As at 31-03-2022
Secured loans		
Current maturities of long- term loans from banks (Refer note 19)	-	44.74
	-	44.74

24. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at 31-03-2023	As at 31-03-2022
Acceptances	287.37	234.30
Due to micro and small enterprises	82.69	40.57
Due to other than micro and small enterprises	902.60	873.77
	1272.66	1148.64

Note: Refer note 42 for trade payables to related parties.

Trade payables ageing schedule:

As at 31 March, 2023	Not due	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed dues of micro enterprises and small enterprises	78.07	4.38	0.15	0.06	0.03	82.69
(ii) Undisputed dues of creditors other than micro enterprises and small enterprises	915.15	230.48	3.25	2.98	19.03	1170.89
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	19.08	19.08
Total	993.22	234.86	3.40	3.04	38.14	1272.66

As at 31 March, 2022	Not due	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed dues of micro enterprises and small enterprises	33.90	6.51	0.07	0.09	-	40.57
(ii) Undisputed dues of creditors other than micro enterprises and small enterprises	867.64	182.49	4.61	24.32	9.93	1088.99
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	0.66	18.42	19.08
Total	901.54	189.00	4.68	25.07	28.35	1148.64

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

25. CURRENT-OTHER FINANCIAL LIABILITIES

	As at 31-03-2023		As at 31-03-2022	
Interest free sales tax deferral loans from State Government		**0.12**		0.12
Interest accrued but not due on borrowings		**-**		1.72
Investor Education and Protection Fund:				
Unclaimed dividend (Refer note below (a))		**0.13**		0.00
Due to directors (Refer note 42)		**0.63**		-
Liability on deconsolidation of HBE Group*		**187.63**		342.39
Other payables:				
Security deposits	**13.54**		10.27	
Dues to employees	**23.39**		23.60	
Others#	**108.64**		281.54	
		145.57		315.41
		334.08		659.64

Notes :

(a) There is no amount of unclaimed dividend due to be transferred to Investor Education and Protection Fund ('IEPF') as at 31 March, 2023 (as at 31 March, 2022 ₹ Nil).

(b) *HBE refers to erstwhile subsidiaries consisting of CG Holdings Belgium NV ('HBE'), CG Power Systems Belgium NV ('PSBE'), CG Sales Networks France SA and CG Power Solutions Saudi Arabia Limited (collectively 'HBE Group'). These subsidiaries are deconsolidated with effect from January 01, 2020 consequent to the HBE and PSBE being declared bankrupt by the local court.

(c) # Major items includes provision towards guarantee settlement consideration of ₹ 43.28 crores (as at 31 March, 2022 ₹ 165.80 crores) and provision towards disputed claims ₹ Nil (as at 31 March, 2022 ₹ 40.00 crores).

26. OTHER CURRENT LIABILITIES

	As at 31-03-2023		As at 31-03-2022	
Advances from customers (Refer note 28)		**197.64**		196.51
Due to customers (Refer note 28)		**7.14**		10.25
Other payables:				
Statutory liabilities	**66.83**		20.52	
Advance from others (Refer note below)	**-**		566.70	
Others	**25.92**		23.26	
		92.75		610.48
		297.53		817.24

Note:

The Group had received certain advances from unrelated parties in one of the subsidiary aggregating to ₹ 566.70 crores (as at 31 March, 2022 ₹ 566.70 crores). The Group has recognised these advances as current liability and will continue to do so until fulfilment / extinguishment of aforesaid liability. The said advances are now part of liabilities associated with group of assets classified as held for sale and discontinued operation as on 31 March, 2023 as said subsidiary is under Insolvency and Bankruptcy Code 2016 ("IBC") proceedings (refer note 43).

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

26. OTHER CURRENT LIABILITIES (Contd.)

Relationship with Struck off Companies:

Name of struck off company	Nature of transactions	Balance outstanding as at March 31, 2023	Balance outstandng as at March 31, 2022	Relationship with the struck of company, if any, to be disclosed
Kusum Multi Trade Private Limited	Other current liabilities	**0.33**	0.33	No
Blazing Star Infrastructure Private Limited	Other current liabilities	**-**	0.10	No
Bloomburg Multiventures Private Limited	Other current liabilities	**0.25**	0.25	No
Charming Infrastructure Private Limited	Other current liabilities	**0.10**	0.10	No
Converge Tradex Private Limited	Other current liabilities	**0.03**	0.03	No
Kriarj Entertainment Private Limited	Other current liabilities	**0.20**	0.20	No
Krutika Diamond Private Limited	Other current liabilities	**0.15**	0.15	No
Overall Distributors Private Limited	Other current liabilities	**0.30**	0.30	No
Scordite Impex Private Limited	Other current liabilities	**0.33**	0.33	No
Sodha Infrastructure Private Limited	Other current liabilities	**1.60**	1.60	No
Spireon Cargo Private Limited	Other current liabilities	**0.92**	0.92	No
Starleaf Impex India Private Limited	Other current liabilities	**0.29**	0.29	No
Trieye Distributors Private Limited	Other current liabilities	**0.20**	0.20	No
		4.70	4.80	

Note: During year ended 31 March, 2023, there are no transactions entered into with struck off companies. One subsidiary company of the Group has reported outstanding balances with above struck off companies as on 31 March, 2023. The closing balances represents balances carried forward from earlier years. The said subsidiary had entered into transactions with these struck off companies when subsidiary was under the control of the previous management.

27. SHORT-TERM PROVISIONS

	As at 31-03-2023	As at 31-03-2022
Provision for employee benefits	**11.65**	12.78
Other provisions (Refer note below)	**142.13**	134.64
Provision for net assets of subsidiaries	**3.18**	24.03
	156.96	171.45

Notes:

(a) Movement in other provisions:

	Provision for warranties	Provision for tax related litigations	Other litigation claims	Onerous contracts	Total
	2022-23	2022-23	2022-23	2022-23	2022-23
Carrying amount at the beginning of the year	**55.54**	**60.90**	**27.90**	**3.19**	**147.53**
Additional provision made during the year	**39.02**	**-**	**2.74**	**-**	**41.76**
Amounts used during the year	**3.68**	**7.38**	**-**	**-**	**11.06**
Unused amounts reversed during the year	**13.47**	**0.36**	**-**	**-**	**13.83**
Exchange differences	**(0.01)**	**-**	**-**	**0.07**	**0.06**
Carrying amount at the end of the year	**77.40**	**53.16**	**30.64**	**3.26**	**164.46**
Non-current (Refer note 21)	**22.33**	**-**	**-**	**-**	**22.33**
Current (Refer note 27)	**55.07**	**53.16**	**30.64**	**3.26**	**142.13**
Total	**77.40**	**53.16**	**30.64**	**3.26**	**164.46**

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

27. SHORT-TERM PROVISIONS (Contd.)

(b) Nature of provisions:

(i) Product warranties: The Group gives warranties on certain products and services in the nature of repairs / replacement, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of rectification / replacement. The timing of outflows is generally expected to be within a period of two years from the date of Balance Sheet.

(ii) Provision for tax related litigations include liability on account of non-collection of declaration forms and other legal matters related to Sales Tax, Excise Duty, Custom Duty and Service Tax which are in appeal under the relevant Act / Rules.

(iii) Provision for other litigation related obligations represents estimated liabilities that are expected to materialise in respect of other matters under litigation.

(iv) Provision for onerous contracts have been made on contracts when it is probable that the estimated cost will exceed the total contract revenue.

28. REVENUE FROM OPERATIONS

	2022-23		2021-22	
Sale of products	6824.91		5311.97	
Sale of services	34.97		38.74	
Construction contracts	34.72		52.95	
		6894.60		5403.66
Other operating income - scrap sales		77.94		79.87
		6972.54		5483.53

Revenue from Contracts with Customers

	2022-23	2021-22
Revenue reconciliation		
Revenue as per contracted price	7044.90	5523.24
Less: Adjustments		
Discounts	43.44	27.55
Others (includes liquidated damages, price variations, etc.)	28.92	12.16
Revenue recognised as per consolidated statement of profit and loss	6972.54	5483.53

	2022-23	2021-22
Revenue recognised in current year from		
Amount included in contract liability at the beginning of the year	33.79	54.78
Performance obligations satisfied in previous periods	-	-

	2022-23	2021-22
Revenue from contracts with customers		
Power Systems Business	2022.05	1515.32
Industrial Systems Business	4934.40	3952.25
Others	16.09	15.96
Total	6972.54	5483.53

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

28. REVENUE FROM OPERATIONS (Contd.)

	As at 31-03-2023	As at 31-03-2022
Contract balances:		
Trade receivables	1297.12	943.66
Contract assets	0.20	0.63
Contract liabilities:		
Advance from customers	197.64	196.51
Due to customers	7.14	10.25

Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration and are transferred to trade receivables on completion of milestones and its related invoicing.

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group satisfies the performance obligation.

29. OTHER INCOME

	2022-23	2021-22
Interest income from:		
Deposits with banks	24.26	10.68
Others	4.66	9.48
Profit on sale of property, plant and equipment	2.41	-
Gain on sale of investments (net)	1.90	0.05
Fair value gain on financial instruments at fair value through profit or loss (Refer note 45)	0.01	0.63
Other non-operating income:		
Income from business service centers (Refer note 38)	5.48	5.97
Miscellaneous income	29.04	10.76
	67.76	37.57

30. COST OF MATERIALS CONSUMED

	2022-23	2021-22
Opening Inventories	203.18	166.68
Add: Purchases	4635.52	3814.59
Less: Closing Inventories	253.70	203.18
	4585.00	3778.09

Note:

Opening inventories and closing inventories excludes inventories related to discontinued operation.

31. PURCHASES OF STOCK-IN-TRADE

	2022-23	2021-22
Purchases of stock-in-trade	268.61	164.87
	268.61	164.87

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

32. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	2022-23	2021-22
Closing inventories:		
Finished goods	**79.31**	72.63
Work-in-progress	**188.75**	203.61
Stock-in-trade	**16.24**	10.08
	284.30	286.32
Opening inventories:		
Finished goods	**72.63**	85.24
Work-in-progress	**203.61**	152.43
Stock-in-trade	**10.08**	7.44
	286.32	245.11
Net (increase) / decrease in inventories	**2.02**	(41.21)

Note:

Opening inventories and closing inventories excludes inventories related to discontinued operation.

33. EMPLOYEE BENEFITS EXPENSE

	2022-23	2021-22
Salaries, wages and bonus	**343.99**	300.63
Contribution to provident and other funds (Refer note 39)	**43.84**	40.43
Share based payment expense (Refer note 40)	**4.42**	1.78
Staff welfare expenses	**29.45**	22.26
	421.70	365.10

Note on Social Security Code:

The date on which the Code of Social Security, 2020 ('The Code') relating to employee benefits during employment will come into effect is yet to be notified and the related rules are yet to be finalised. The Company will evaluate the code and its rules, assess the impact, if any and account for the same once they become effective.

34. FINANCE COSTS

	2022-23	2021-22
Interest exepenses	**15.08**	66.97
Interest on lease liabilities (Refer note 38)	**1.12**	1.18
	16.20	68.15

35. DEPRECIATION AND AMORTISATION EXPENSE

	2022-23	2021-22
Depreciation of property, plant and equipment (Refer note 4)*	**73.78**	71.20
Amortisation of intangible assets (Refer note 5)	**20.72**	27.38
	94.50	98.58

* Includes depreciation of ROU assets ₹ 9.24 crores (previous year ₹ 10.40 crores)

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

36. OTHER EXPENSES

	2022-23	2021-22
Consumption of stores and spares	**28.06**	20.24
Power and fuel	**38.03**	31.19
Rent	**11.78**	7.38
Repairs - buildings	**7.21**	4.42
Repairs - machinery	**21.98**	19.31
Repairs - others	**13.62**	12.09
Insurance	**6.18**	7.53
Rates and taxes	**5.46**	7.88
Freight and forwarding	**122.07**	106.23
Packing materials	**59.17**	52.83
After sales services including warranties	**49.87**	35.53
Travelling and conveyance	**13.81**	7.60
Sales promotion	**7.87**	4.04
Bank charges	**11.97**	13.39
Sub contracting charges	**119.80**	105.36
Directors' sitting fees	**0.35**	1.03
Allowance for doubtful debts and advances	**11.91**	3.15
Legal and professional charges	**59.01**	58.15
Miscellaneous expenses	**113.74**	86.07
	701.89	583.42

37. CONTINGENT LIABILITIES AND COMMITMENTS

		As at 31-03-2023	As at 31-03-2022
A.	**Contingent liabilities:**		
	(to the extent not provided for)		
(a)	Claims against the Group not acknowledged as debts	**4.69**	4.80
(b)	Sales tax / VAT / Goods and Service tax liability that may arise in respect of matters in appeal	**5.01**	5.57
(c)	Excise duty / custom duty / service tax liability that may arise in respect of matters in appeal	**13.05**	14.08
(d)	Income tax liability that may arise in respect of matters in appeal	**0.87**	0.86
B.	**Commitments:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**24.62**	12.52

Notes:

(i) From time to time, the Group is involved in claims and legal matters arising in the ordinary course of business. Management is not currently aware of any matters that will have a material adverse effect on the financial position, results of operations, or cash flows of the Group.

(ii) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at A(a) to A(d) above, pending resolution of the arbitration / appellate proceedings.

(iii) Sales tax / VAT / Goods and Service tax cases include disputes pertaining to disallowances of Input tax credit and non-submission of various forms with authorities.

(iv) Excise duty / custom duty / service tax cases include disputes pertaining to inadmissibility of cenvat credit, short payment of service tax on work contracts, refund of excise duty on export of transformers, interest payment on provisional assessment cases, etc.

(v) Contingent liabilities for Income tax cases pertains to difference on account of cenvat credit and valuation of closing inventory, disallowance of expenses, etc.

(vi) The Parent Company had received notice of demand under Income Tax Act for ₹ 606.30 crores for financial year 2016-17, and the Hon'ble Bombay High Court has granted the interim stay against the notice of demand until admission of appeal before the High Court. The Parent Company has filed its detailed submissions in response to the notices received for the appeal filed before Commissioner of Income Tax (Appeals). Considering the facts and underlying documents with respect to the demand raised under Section 68 of the Income Tax Act, 1961, the management strongly believes that the demand is not sustainable, bad in law and will be reversed at appellate levels.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

38. LEASES

(i) **Group as a lessee**

The Group has lease contracts for various items of land, building, furniture and vehicles used in its operation. Lease of land generally have lease terms between 30 to 99 years while furniture and building generally have lease terms between 2 to 9 years. The Group's obligation under the lease is secured by the lessor's title to leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts of right of use assets and lease liabilities included under financial liabilities and the movements during the year.

Movement in carrying value of right of use assets

	Land	Building	Fixture and fittings	Office equipments	Vehicles	Total
Opening balances as at 01-04-2021	68.94	13.80	0.18	0.32	3.66	86.90
Addition / modification	-	3.15	-	0.48	1.81	5.44
Less: Deletion	5.43	0.08	-	-	-	5.51
Less: Depreciation	1.42	7.28	0.07	0.16	1.47	10.40
Exchange differences	-	(0.22)	-	(0.02)	(0.10)	(0.34)
Closing balances as at 31-03-2022	**62.09**	**9.37**	**0.11**	**0.62**	**3.90**	**76.09**
Addition	**1.50**	**9.39**	**-**	**-**	**0.22**	**11.11**
Less: Deletion	**-**	**1.54**	**-**	**-**	**-**	**1.54**
Less: Depreciation	**1.36**	**6.44**	**0.11**	**0.16**	**1.17**	**9.24**
Exchange differences	**-**	**0.52**	**-**	**(0.33)**	**(1.05)**	**(0.86)**
Closing balances as at 31-03-2023	**62.23**	**11.30**	**-**	**0.13**	**1.90**	**75.56**

Movement in lease liabilities during the year

	2022-23	2021-22
Opening balance	**14.73**	19.66
Add: Addition	**11.11**	4.99
Add: Accretion of interest	**1.12**	1.18
Less: Payment	**(8.99)**	(10.64)
Less: Removal of assets	**(1.54)**	(0.07)
Less: Gain on removal of assets	**(0.49)**	(0.01)
Exchange differences	**0.49**	(0.38)
Closing balance	**16.43**	14.73

Breakup of lease liabilities

	As at 31-03-2023	As at 31-03-2022
Non-current lease liabilities	**12.06**	6.86
Current lease liabilities	**4.37**	7.87
Total	**16.43**	14.73

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

38. LEASES (Contd.)

Amounts recognized in the consolidated statement of profit and loss

	2022-23	2021-22
Other expenses		
Short-term lease rent expense	**3.61**	4.89
Low value asset lease rent expense	**0.02**	0.04
Variable lease rent expense	**0.16**	0.21
Finance cost		
Interest expense on lease liability	**1.12**	1.18
Depreciation and amortisation expense		
Depreciation of ROU lease assets	**9.24**	10.40

Amounts recognised in the consolidated statement of cash flows

	2022-23	2021-22
Total cash outflow for leases	**8.99**	10.64

Contractual maturities of lease liabilities on an undiscounted basis

	As at 31-03-2023	As at 31-03-2022
Less than 1 year	**6.33**	8.62
1 - 5 years	**11.57**	6.27
More than 5 years	**4.67**	4.24
Total	**22.57**	19.13

(ii) **Group as a lessor**

Amounts recognised in the consolidated statement of profit and loss

	2022-23	2021-22
Other Income		
Non-operating lease income	**5.48**	5.97

Note:

Non-operating lease income is in respect of lease of land and / or building.

Undiscounted future payment to be received

	As at 31-03-2023	As at 31-03-2022
Maturity analysis :		
Less than 1 year	**-**	0.33
1 to 5 years	**-**	-
More than 5 years	**-**	-
Total	**-**	0.33

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

39. EMPLOYEE BENEFITS

(a) Defined contribution plans:

Amount of ₹ 40.70 crores (Previous year ₹ 37.33 crores) is recognised as an expense and included in Employee benefits expense as under:

Benefits (Contribution to)	2022-23	2021-22
Provident fund	11.77	10.99
Superannuation fund	4.14	3.65
Employee state insurance scheme	0.12	0.16
Labour welfare scheme	0.01	0.02
National pension scheme	1.24	0.99
Family pension	23.42	21.52
Total	40.70	37.33

(b) Defined benefit plans:

Gratuity:

Under the Gratuity plan operated by the Group, every employee who has completed at least five years of service gets a Gratuity on departure at 15 days on last drawn salary for each completed year of service as per Payment of Gratuity Act, 1972.

The Group makes annual contributions to the CG Gratuity Fund, which is funded defined benefit plan for qualifying employees. The Board of Trustees of the fund is entrusted with responsibility for the administration of the plan assets and for the investment strategy.

The following table summarizes the components of net benefit expense recognised in the consolidated statement of profit and loss and the funded status and amounts recognised in the Balance Sheet.

		Gratuity (Funded)	
		2022-23	2021-22
I	**Change in present value of defined benefit obligation during the year**		
1	Present value of defined benefit obligation at the beginning of the year	44.68	45.28
2	Interest cost	3.12	3.11
3	Current service cost	2.74	2.63
4	Benefits paid	(5.73)	(8.91)
5	Actuarial changes arising from changes in demographic assumptions	0.87	1.13
6	Actuarial changes arising from changes in financial assumptions	3.28	0.54
7	Actuarial changes arising from changes in experience adjustments	1.91	0.90
8	Present value of defined benefit obligation at the end of the year	50.87	44.68
II	**Change in fair value of plan assets during the year**		
1	Fair value of plan assets at the beginning of the year	38.98	38.45
2	Interest income	2.72	2.64
3	Contributions paid by the employer	5.71	6.85
4	Benefits paid from the fund	(5.73)	(8.91)
5	Return on plan assets excluding interest income	(0.87)	(0.05)
6	Fair value of plan assets at the end of the year	40.81	38.98
III	**Net asset / (liability) recognised in the balance sheet**		
1	Present value of defined benefit obligation at the end of the year	(50.87)	(44.68)
2	Fair value of plan assets at the end of the year	40.81	38.98
3	Amount recognised in the balance sheet	(10.06)	(5.70)
4	Net (liability) / asset- Current	(8.02)	(5.70)
	Net (liability) / asset- Non-current	(2.04)	-

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

39. EMPLOYEE BENEFITS (Contd.)

		Gratuity (Funded)	
		2022-23	2021-22
IV	**Expenses recognised in the statement of profit and loss for the year**		
1	Current service cost	2.74	2.63
2	Interest cost on benefit obligation (net)	0.40	0.47
3	Total expenses included in employee benefits expense	3.14	3.10
V	**Recognised in other comprehensive income for the year**		
1	Actuarial changes arising from changes in demographic assumptions	0.87	1.13
2	Actuarial changes arising from changes in financial assumptions	3.28	0.54
3	Actuarial changes arising from changes in experience adjustments	1.91	0.90
4	Return on plan assets excluding interest income	0.87	0.05
5	Recognised in other comprehensive income	6.93	2.62
VI	**Maturity profile of defined benefit obligation**		
1	Within the next 12 months (next annual reporting period)	9.17	6.78
2	Between 2 and 5 years	22.81	20.63
3	Between 6 and 10 years	20.70	17.50
VII	**Quantitative sensitivity analysis for significant assumption is as below:**		
1	**Increase / (decrease) in present value of defined benefits obligation at the end of the year**		
	(i) One percentage point increase in discount rate	(2.29)	(2.13)
	(ii) One percentage point decrease in discount rate	2.54	2.38
	(i) One percentage point increase in rate of salary increase	2.56	2.43
	(ii) One percentage point decrease in rate of salary increase	(2.34)	(2.21)
	(i) One percentage point increase in employee turnover rate	0.21	0.45
	(ii) One percentage point decrease in employee turnover rate	(0.23)	(0.49)
2	**Sensitivity Analysis Method**		
	Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.		
VIII	**The major categories of plan assets as a percentage of total plan assets**		
	Insurer managed funds	100%	100%
IX	**Weighted average duration of the defined benefit obligation (in years)**	8	8
X	**Actuarial assumptions**		
1	Discount rate	7.15% - 7.57% p.a.	6.98% - 7.15% p.a.
2	Salary escalation	6.00% p.a.	4.00% p.a.
3	Mortality rate during employment	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban
4	Rate of employee turnover	8.00%p.a.	6.00%p.a.

	2022-23	2021-22
Expected contribution to the defined benefit plan for the next annual reporting period	7.98	6.98

Notes :

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at 31 March, 2023 and as at 31 March, 2022. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(iii) The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

39. EMPLOYEE BENEFITS (Contd.)

(c) Provident Fund:

The Parent Company made contribution towards provident fund to CG Provident Fund which was administered by the trustees till 31 March, 2022. During the year, the Parent Company has surrendered its Provident Fund to Government administered Employee's Provident Fund Organisation ('EPFO'). Accordingly, the assets held by trust were sold based on best prevailing market price and amount received on sale of assets was transferred to EPFO. However, there was some shortfall towards employees provident fund liability which has been paid by the Parent Company (the employer) to EPFO.

40. STOCK OPTIONS

During the year, 453140 (previous year 1834100) stock options were granted to eligible employees at the rate of one stock option of the Parent Company for every stock option held and outstanding in the Parent Company.

In this regard, the Parent Company has recognised expense amounting to ₹ 4.42 crores (previous year ₹ 1.78 crores) for employees services received during the year, shown under employee benefits expenses (Refer note 33).

The movement of stock options are given below :

Particulars	Date of grant	Options outstanding as at 01-04-2022	During the year 2022-23			Options outstanding as at 31-03-2023	Options vested but not exercised as at 31-03-2023
			Options granted	Options cancelled/ lapsed	Options exercised and allotted		
Grant 1	18-Nov-21	838020	-	-	54760	783260	783260
Grant 2	18-Nov-21	317120	-	-	-	317120	-
Grant 3	18-Nov-21	339480	-	-	-	339480	-
Grant 4	18-Nov-21	339480	-	-	-	339480	-
Grant 5	26-Dec-22	-	453140	-	-	453140	-

Particulars	Date of grant	Options outstanding as at 01-04-2022	During the year 2021-22			Options outstanding as at 31-03-2023	Options vested but not exercised as at 31-03-2023
			Options granted	Options cancelled/ lapsed	Options exercised and allotted		
Grant 1	18-Nov-21	-	838020	-	-	838020	-
Grant 2	18-Nov-21	-	317120	-	-	317120	-
Grant 3	18-Nov-21	-	339480	-	-	339480	-
Grant 4	18-Nov-21	-	339480	-	-	339480	-

Details of stock options granted to certain employees for the financial year 2022-23 are given below:

Particulars	Date of grant	Weighted average exercise price (₹)	Options granted	Options cancelled/ lapsed	Options exercised and allotted	Options vested and outstanding at the end of the year	Options unvested and outstanding at the end of the year	Vested date	Weighted average remaining contractual life (in years)
Grant 1	18-Nov-21	156.20	838020	-	54760	783260	-	18-Nov-22	-
Grant 2	18-Nov-21	156.20	317120	-	-	-	317120	-	0.64
Grant 3	18-Nov-21	156.20	339480	-	-	-	339480	-	1.64
Grant 4	18-Nov-21	156.20	339480	-	-	-	339480	-	2.64
Grant 5	26-Dec-22	251.65	453140	-	-	-	453140	-	0.74

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

40. STOCK OPTIONS (Contd.)

Details of stock options granted to certain employees for the financial year 2021-22 are given below:

Particulars	Date of grant	Weighted average exercise price (₹)	Options granted	Options cancelled/ lapsed	Options exercised and allotted	Options vested and outstanding at the end of the year	Options unvested and outstanding at the end of the year	Vested date	Weighted average remaining contractual life (in years)
Grant 1	18-Nov-21	156.20	838020	-	-	-	838020	-	0.64
Grant 2	18-Nov-21	156.20	317120	-	-	-	317120	-	1.64
Grant 3	18-Nov-21	156.20	339480	-	-	-	339480	-	2.64
Grant 4	18-Nov-21	156.20	339480	-	-	-	339480	-	3.64

The following tables list the input to the Black Scholes model used for the plans for the year ended 31 March, 2023:

Particulars	Date of grant	Risk free rate (%) p.a.	Expected life (in years)	Expected volatility of share price (%)	Dividend yield
Grant 1	18-Nov-21	3.81	1	47.82	-
Grant 2	18-Nov-21	4.46	2	55.99	-
Grant 3	18-Nov-21	4.96	3	56.02	-
Grant 4	18-Nov-21	5.36	4	53.10	-
Grant 5	26-Dec-22	6.60	1	35.99	-

41. SEGMENT REPORTING

The Group has the following reportable segments:

Power Systems	:	Transformer, Switchgear, Automation and Turnkey Projects
Industrial Systems	:	Electric Motors, Alternators, Drives, Traction Electronics and SCADA

Identifications of segments:

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segments have been identified on the basis of the nature of products / services and have been identified as per the quantitative criteria specified in the Ind AS.

Segment revenue and results:

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

Segment assets and liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets / liabilities.

Inter segment transfer:

Inter segment prices are normally negotiated amongst segments with reference to the costs, market price and business risks. Profit or loss on inter segment transfers are eliminated at the Group level.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

41. SEGMENT REPORTING (Contd.)

Summary of the segmental information as at and for the year ended 31 March, 2023 is as follows:

	Power Systems	Industrial Systems	Others	Discontinued Operations	Eliminations/ Unallocable Expenditure /Assets*	Total
Revenue						
External sales	2022.05	4934.40	16.09	-	-	6972.54
Add: Inter segment sales	0.87	0.07	-	-	(0.94)	-
Total revenue	2022.92	4934.47	16.09	-	(0.94)	6972.54
Segment results	224.80	787.08	2.55	-	-	1014.43
Less: Finance costs						16.20
Less: Other unallocable expenditure net of unallocable income						47.85
Profit after finance cost but before exceptional items and tax						950.38
Exceptional items (net)						51.76
Tax expense						205.81
Profit from continuing operations after tax						796.33
Profit from discontinued operations after tax						166.64
Profit for the year						962.97
Other Information:						
Segment assets	1356.90	1539.54	21.71	182.26	1528.70	4629.11
Segment liabilities	1064.17	869.46	4.13	713.71	186.20	2837.67
Capital expenditure #	26.59	52.61	0.64	-	5.62	85.46
Depreciation and amortisation #	34.72	51.43	0.57	-	7.78	94.50
Non-cash expenses / (reversal) other than depreciation and amortisation #	7.03	(1.71)	0.02	-	(1.07)	4.27

Summary of the Segmental Information as at and for the year ended 31 March, 2022 is as follows:

	Power Systems	Industrial Systems	Others	Discontinued Operations	Eliminations/ Unallocable Expenditure /Assets*	Total
Revenue						
External sales	1515.32	3952.25	15.96	-	-	5483.53
Add: Inter segment sales	0.34	0.28	-	-	(0.62)	-
Total revenue	1515.66	3952.53	15.96	-	(0.62)	5483.53
Segment results	137.59	482.43	3.36	-	-	623.38
Less: Finance costs						68.15
Less: Other unallocable expenditure net of unallocable income						51.13
Profit after finance cost but before exceptional items and tax						504.10
Exceptional items (net)						247.77
Tax expense						122.26
Profit from continuing operations after tax						629.61
Profit from discontinued operations after tax						283.46
Profit for the year						913.07
Other Information:						
Segment assets	1352.74	1319.81	18.78	8.06	1526.52	4225.91
Segment liabilities	1775.80	760.64	4.42	8.84	672.30	3222.00
Capital expenditure #	17.06	51.15	0.59	-	3.91	72.71
Depreciation and amortisation #	36.09	52.41	0.55	-	9.53	98.58
Non-cash expenses / (reversal) other than depreciation and amortisation #	4.59	(12.11)	0.02	-	(8.01)	(15.51)

* Unallocable assets comprise assets and liabilities which cannot be allocated to the segments.

\# The disclosure pertains to continuing business segments.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

41. SEGMENT REPORTING (Contd.)

Geographical Information:

	2022-23			2021-22		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Revenue from contracts with customers	6278.07	694.47	6972.54	4858.39	625.14	5483.53

Note:

During the year ended 31 March, 2023 and 31 March, 2022 revenues from transactions with a single external customer did not amount to 10% or more of the Group's revenues from external customers.

	As at 31-03-2023			As at 31-03-2022		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Non-current assets	811.18	205.12	1016.30	801.28	320.31	1121.59

Non-current assets for this purpose consist of property, plant and equipment, capital work-in-progress, goodwill, intangible assets, intangible assets under development and other non-current assets.

42. RELATED PARTY DISCLOSURES

(a) List of related parties

(i) Holding company:

1 Tube Investments of India Limited

(ii) Subsidiaries:

Details of the Group's subsidiaries at the end of the reporting period considered in the preparation of the consolidated financial statements are as follows:

Sr. No	Name of the Related Parties	Country of Incorporation	% Equity Interest As at 31-03-2023	% Equity Interest As at 31-03-2022
1	CG Power Solutions Limited	India	100.00	100.00
2	CG Adhesive Products Limited *(formerly known as* "CG-PPI Adhesive Products Limited")	India	82.76	81.42
3	CG Power Equipments Limited	India	100.00	100.00
4	CG International Holdings Singapore Pte. Limited	Singapore	100.00	100.00
5	CG Sales Network Malaysia Sdn. Bhd.	Malaysia	100.00	100.00
6	CG International B.V.	The Netherlands	100.00	100.00
7	CG Power Solutions UK Limited	United Kingdom	100.00	100.00
8	CG Power Systems Canada Inc.*	Canada	-	100.00
9	CG- Ganz Generator and Motor Limited Liability Company (ceased to be subsidiary w.e.f. 15 December, 2021)	Hungary	-	-
10	CG Industrial Holdings Sweden AB	Sweden	100.00	100.00
11	CG Drives & Automation Sweden AB	Sweden	100.00	100.00
12	CG Drives & Automations Germany GmbH	Germany	100.00	100.00
13	CG Drives & Automation Netherlands B.V.	The Netherlands	100.00	100.00
14	CG Middle East FZE*	UAE	-	100.00
15	QEI, LLC	USA	100.00	100.00
16	CG Power Americas, LLC	USA	100.00	100.00
17	PT Crompton Prima Switchgear Indonesia	Indonesia	51.00	51.00
18	CG Power and Industrial Solutions Limited Middle East FZCO*	UAE	-	100.00

* Entities were deconsolidated / liquidated during the year

(iii) Key Management Personnel:

1	Natarajan Srinivasan	- Managing Director (Re-appointed for one year till 25 November, 2023)
2	Susheel Todi	- Chief Financial Officer
3	P Varadarajan	- Company Secretary and Compliance Officer (Appointed w.e.f. 01 April, 2021)

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

42. RELATED PARTY DISCLOSURES (Contd.)

Non Executive Directors

1	Vellayan Subbiah	- Chairman, Non-Independent Non-Executive Director
2	M A M Arunachalam	- Non-Independent Non-Executive Director
3	P S Jayakumar	- Independent Non-Executive Director
4	Shailendra Narain Roy	- Independent Non-Executive Director (Ceased w.e.f. 18 September, 2022)
5	Sasikala Varadachari	- Independent Non-Executive Director
6	Kalyan Kumar Paul	- Non-Independent Non-Executive Director (Appointed w.e.f. 11 June, 2021)
7	Sriram Sivaram	- Independent Non-Executive Director (Appointed w.e.f. 11 June, 2021)
8	Vijayalakshmi R Iyer	- Independent Non-Executive Director (Appointed w.e.f. 24 September, 2022)

(iv) Other Related Parties:

1	Shanthi Gears Limited	
2	Clean Max Enviro Energy Solutions Private Limited	(Ceased to be a related party w.e.f. 02 September, 2021)
3	Parry Enterprises India Limited	
4	Cellestial E-Trac Private Limited	
5	Carborundum Universal Limited	
6	Coromandel International Limited	
7	Zetwerk Manufacturing Businesses Private Limited	
8	E.I.D. Parry (India) Limited	
9	Net Access India Limited	
10	Cholamandalam MS General Insurance Company Limited	
11	Murugappa Management Services Private Limited	

(v) Post Employment Benefit Entity:

1 CG Provident Fund (Refer note 39(c))

2 CG Gratuity Fund

(b) The following transactions were carried out with the related parties (Refer Note 1 below):

Sr. No.	Nature of transaction / relationship	2022-23	2021-22
1	**Purchase of goods and services**		
	Holding company		
	Tube Investments of India Limited	0.04	-
		0.04	-
	Other related parties		
	Shanthi Gears Limited	3.10	4.61
	Carborundum Universal Limited	6.02	-
		9.12	4.61
	Total	9.16	4.61
2	**Sales of goods and services**		
	Holding company		
	Tube Investments of India Limited	1.03	1.20
		1.03	1.20
	Other related parties		
	Shanthi Gears Limited	0.47	0.43
	Coromandel International Limited	1.72	-
	Carborundum Universal Limited	0.01	-
	Zetwerk Manufacturing Businesses Private Limited	14.91	-
	E.I.D. Parry (India) Limited	2.43	-
	Cellestial E-Trac Private Limited	0.01	-
		19.55	0.43
	Total	20.58	1.63

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

42. RELATED PARTY DISCLOSURES (Contd.)

Sr. No.	Nature of transaction / relationship	2022-23	2021-22
3	**Dividend paid**		
	Holding company		
	Tube Investments of India Limited	132.97	-
		132.97	-
	Other related party		
	Promotor's Group	0.17	-
		0.17	-
	Total	133.14	-
4	**Proceeds against warrants issued**		
	Holding company		
	Tube Investments of India Limited	54.72	57.78
	Total	54.72	57.78
5	**Issue of equity shares on conversion of warrants**		
	Holding company		
	Tube Investments of India Limited	72.96	77.04
	Total	72.96	77.04
6	**Purchase of fixed assets**		
	Holding company		
	Tube Investments of India Limited	0.30	0.10
	Total	0.30	0.10
7	**Payment to Key Management Personnel**		
	Salaries, commission and perquisites*	17.55	6.58
	Non-executive Director's commission	0.70	-
	Dividend paid	0.02	-
	Total	18.27	6.58
8	**Other expenses**		
	Other related parties		
	Clean Max Enviro Energy Solutions Private Limited	-	0.38
	Parry Enterprises India Limited	2.95	1.19
	Net Access India Limited	0.34	-
	Murugappa Management Services Private Limited	4.17	-
	Cholamandalam MS General Insurance Company Limited	0.08	-
	Total	7.54	1.57
9	**Other income**		
	Other related party		
	Zetwerk Manufacturing Businesses Private Limited	0.16	-
	Total	0.16	-
10	**Purchase of investment**		
	Post employment benefit entity		
	CG Provident Fund	0.33	-
	Total	0.33	-

*Remuneration does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Company as a whole.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

42. RELATED PARTY DISCLOSURES (Contd.)

(c) Amount due to / from related parties:

Sr. No.	Nature of balances / relationship		As at 31-03-2023	As at 31-03-2022
1	**Trade payable**			
	Holding company			
	Tube Investments of India Limited		0.05	-
		(A)	0.05	-
	Non-current		-	-
	Current		0.05	-
			0.05	-
	Other related parties			
	Shanthi Gears Limited		0.47	0.93
	Parry Enterprises India Limited		0.08	0.07
	Carborundum Universal Limited		2.60	-
		(B)	3.15	1.00
	Non-current		-	-
	Current		3.15	1.00
			3.15	1.00
		Total (A+B)	3.20	1.00
2	**Trade receivable**			
	Holding company			
	Tube Investments of India Limited		0.09	0.62
		(A)	0.09	0.62
	Non-current		-	-
	Current		0.09	0.62
			0.09	0.62
	Other related parties			
	Shanthi Gears Limited		0.22	0.29
	E.I.D. Parry (India) Limited		0.03	-
	Coromandel International Limited		0.13	-
	Zetwerk Manufacturing Businesses Private Limited		10.98	-
	Cellestial E-Trac Private Limited		0.01	-
		(B)	11.37	0.29
	Non-current		-	-
	Current		11.37	0.29
			11.37	0.29
		Total (A+B)	11.46	0.91
3	**Other current Assets**			
	Other related parties			
	Parry Enterprises India Limited		0.12	0.75
	Cholamandalam MS General Insurance Company Limited		0.03	-
	Carborundum Universal Limited		0.23	-
		Total	0.38	0.75
4	**Loans and advances payable**			
	Other related parties			
	E.I.D. Parry (India) Limited		0.03	-
	Carborundum Universal Limited		0.05	-
	Zetwerk Manufacturing Businesses Private Limited		1.05	-
	Parry Enterprises India Limited		-	0.00
			1.13	0.00
	Non-current		-	-
	Current		1.13	0.00
		Total	1.13	0.00

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

42. RELATED PARTY DISCLOSURES (Contd.)

Sr. No.	Nature of balances / relationship		As at 31-03-2023	As at 31-03-2022
5	**Due to Key Management Personnel**			
	Non-executive Director's commission		0.63	-
			0.63	-
	Non-current		-	-
	Current		0.63	-
		Total	0.63	-

(d) **Compensation of Key Management Personnel of the Group:**

Nature of transaction	2022-23	2021-22
Short-term employee benefits	14.82	5.50
Post-employment benefits	0.33	0.26
Fair value cost of stock option granted	2.40	0.82
Non-executive Director's commission	0.70	-
Dividend paid	0.02	-
Total compensation paid to Key Management Personnel	18.27	6.58

Notes:

1 The sales to and purchases from Related Parties are made on terms equivalent to those that prevail in arm's length transactions.

2 During the year, the Parent Company has transferred the provident fund to government administered Employee's Provident Fund Organisation ('EPFO') which was earlier managed by "CG Provident Fund". The Parent Company contributed to "CG Provident Fund" as at 31 March 2023 ₹ Nil (previous year ₹ 10.91 crores).

3 The Parent Company maintains gratuity trust for the purpose of administering the gratuity payment to employees of Parent Company (CG Gratuity Fund). During the year, the Parent Company contributed ₹ 5.67 crores (previous year ₹ 6.69 crores).

43. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

(a) **Following subsidiaries / business units are considered as discontinued operations as at 31 March, 2023:**

(i) CG Power Solutions Limited

(ii) CG Power Equipments Limited

(iii) PT Crompton Prima Switchgear Indonesia

(iv) CG Sales Network Malaysia Sdn. Bhd.

(v) QEI, LLC

(b) **Transformer Division - Kanjurmarg**

In previous year 2021-22, the Parent Company had completed the sale transaction of remaining portion of land at Kanjurmarg and received net sale consideration ₹ 367.18 crores and accounted profit of ₹ 123.62 crores of this transaction.

Hence, provision made towards delay in completion of contractual obligation and land sale aggregating to ₹ 156.90 crores had been reversed in financial year 2021-22 and formed part of the exceptional items in the consolidated financial statements.

(c) During the year, subsidiary CG Power and Industrial Solutions Limited Middle East FZCO has been liquidated and CG Power Systems Canada Inc. has been deconsolidated as per IND AS 105.

(d) Liquidation of subsidiary CG Sales Networks Malaysia Sdn. Bhd. is under process. Consequently, as on 31 March, 2023, business of said subsidiary has been classified as discontinued operation.

(e) The Group during the year has decided to divest its investment in a wholly owned subsidiary QEI LLC and has engaged a third party to find suitable buyers and presently expects to complete the divestment in FY 2023-24. In accordance with IND AS 105 "Non-Current Assets Held For Sale And Discontinued Operations" the operations of the subsidiary including its assets, liabilities and net results are disclosed as discontinuing operations.

(f) The Group has de-consolidated one of its subsidiaries i.e. CG Middle East FZE in respect of receipt of a liquidation order. As a consequence, an amount of ₹ 173.31 crores has been credited to profit and loss account as discontinuation operations.

(g) During the year, one of the subsidiary of the Group i.e. CG Power Solutions Limited ('CGPSOL') admitted to Insolvency and Bankruptcy Code 2016 ('IBC') and Corporate Insolvency Resolution Process ('CIRP') was initiated as per National Company Law Tribunal ("NCLT") order dated 27 April, 2022 ('effective date'). As per order, Interim Resolution Professional ('IRP') was appointed and subsequently IRP was confirmed to continue as the Resolution Professional ('RP') by

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

43. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Contd.)

Committee of Creditors ('CoC') on 30 July, 2022 to manage the affairs of the CGPSOL. As per provisions of IBC, RP has invited claims from concern parties. In absence of having any resolution plan after publishing the expression of interest, the RP has filed for liquidation / dissolution of CGPSOL with NCLT as on 24 December, 2022 after receiving due approval from CoC. As on 31 March, 2023, said application is with NCLT, Mumbai Bench and hearing is scheduled on 5 June, 2023. In view of the same, operation of CGPSOL has been considered under discontinuing operation.

Statement of profit and loss of the discontinued operations is as under :

	2022-23			2021-22		
	Power Systems	Others	Total	Power Systems	Others	Total
Revenue from operations	94.23	-	94.23	77.87	-	77.87
Expenses (net of other income)	(75.58)	0.01	(75.57)	(205.65)	-	(205.65)
Profit / (loss) before tax	169.81	(0.01)	169.80	283.52	-	283.52
Tax expense	3.16	-	3.16	0.06	-	0.06
Profit / (loss) after tax from discontinued operations	166.65	(0.01)	166.64	283.46	-	283.46

The major classes of assets and liabilities of the discontinued operation are as under:

	As at 31-03-2023		As at 31-03-2022	
	Power Systems	Others	Power Systems	Others
Assets				
Non-current assets				
Property, plant and equipment	85.28	-	-	-
Intangible assets	4.20	-	-	-
Intangible assets under development	1.43	-	-	-
Financial assets - Others	8.22	-	-	-
Current assets				
Inventories	30.25	-	-	-
Financial assets				
Trade receivables	20.05	-	0.35	-
Cash and cash equivalents	30.12	0.01	2.19	0.02
Others	0.80	-	-	-
Current tax assets (net)	0.90	-	0.87	-
Other current assets	1.00	-	4.63	-
Assets classified as held for sale (A)	182.25	0.01	8.04	0.02
Liabilities				
Non-current liabilities				
Financial liabilities				
Lease liabilities	11.56	-	-	-
Provision	0.22	-	-	-
Deferred tax liabilities (net)	2.79	-	-	-
Current liabilities				
Financial liabilities				
Borrowings	36.56	-	-	-
Lease liabilities	2.15	-	-	-
Trade payables	17.20	-	1.44	-
Other financial liabilities	13.94	-	-	-
Other current liabilities	627.45	0.01	0.05	-
Provisions	1.83	-	7.35	-
Liabilities directly associated with assets classified as held for sale (B)	713.70	0.01	8.84	-
Net assets directly associated with disposal group (A-B)	(531.45)	-	(0.80)	0.02

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

43. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Contd.)

Net cash flows attributable to the operating, investing and financing activities of discontinued operations:

	2022-23	2021-22
Operating	10.50	21.22
Investing	(0.81)	366.53
Financing	(2.53)	-

44. EXCEPTIONAL ITEMS

	2022-23	2021-22
Cessation of liability arising on settlement and restructuring of borrowings including interest thereon as per resolution plan (Refer note (a) below)	-	47.67
Reversal of provision made towards delay in completing contractual obligation towards completion of land sale and expected restructuring cost (Refer note 43)	-	156.90
Gain on sale of land at Kanjur Marg (Refer note 43)	-	123.62
Reversal / (provision) related to claims under dispute / litigation (Refer note (b) below)	31.77	(80.42)
Reversal of excess provision towards settlement of corporate guarantee obligation including net foreign exchange gain / (loss) (Refer note (c) below)	24.30	-
Foreign currency translation reserve transferred to statement of profit or loss on deconsolidation of subsidiaries (Refer note (d) below)	(4.31)	-
Total	51.76	247.77

Details of exceptional items:

(a) In previous year, the Group had discharged and settled the borrowings facilities. Consequent to settlement, the gain on extinguishment of liability on account of reduction of certain portion of agreed debt including interest thereon as per resolution plan aggregating to ₹ 47.67 crores were recognised in statement of profit and loss as an exceptional item.

(b) During the year, the Group has reversed excess provision related to claims under dispute / litigation of ₹ 31.77 crores (provision made in previous year of ₹ 80.42 crores).

(c) During the year, Group has reversed excess provision of ₹ 24.30 crores towards settlement of corporate guarantee obligation including net foreign exchange gain / (loss).

(d) During the year, subsidiaries have been deconsolidated from the Group. In view of such deconsolidation, accumulated foreign currency translation reserve (loss) of ₹ 4.31 has been transferred to statement of profit and loss account.

45. FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. The Group has not disclosed the fair value of financial instruments such as trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, current financial assets - loans, current financial assets - others (except derivative instruments), current financial liabilities borrowings, trade payables and other financial liabilities (except derivative instruments and current maturities of long term borrowings) because their carrying amounts are a reasonable approximation of fair value and hence these have not been categorised in any level in the table given below. Further, for financial assets, the Group has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.

2. The fair values of the quoted investments / units of mutual fund schemes are based on market price / net asset value at the reporting date.

3. The fair values for loans given are calculated based on discounted cash flows using current lending rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these loans given. Accordingly, fair value of such instruments are not materially different from their carrying values. They are classified as level 2 fair values in the fair value hierarchy.

4. Fair values of the Group's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values, accordingly non-current borrowings are classified as level 2 fair values in the fair value hierarchy.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

45. FAIR VALUE MEASUREMENTS (Contd.)

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.

	Note No.	Carrying amount As at 31-03-2023	Fair value Level 1	Fair value Level 2	Fair value Level 3
Financial assets at amortised cost:					
Non-current investments	6	0.39	0.39	-	-
Non-current financial assets others	7	13.33	-	13.33	-
Total		13.72	0.39	13.33	-
Financial assets at fair value through profit and loss:					
Non-current investments	6	0.57	-	0.57	-
Current investments	11	0.01	0.01	-	-
Total		0.58	0.01	0.57	-
Financial liabilities at amortised cost:					
Non- current other financial liabilities	20	1.85	-	1.85	-
Total		1.85	-	1.85	-

	Note No.	Carrying amount As at 31-03-2022	Fair value Level 1	Fair value Level 2	Fair value Level 3
Financial assets at amortised cost:					
Non-current investments	6	0.39	0.39	-	-
Non-current financial assets others	7	28.04	-	28.04	-
Total		28.43	0.39	28.04	-
Financial assets at fair value through profit and loss:					
Non-current investments	6	0.24	-	0.24	-
Current investments	11	40.62	40.62	-	-
Total		40.86	40.62	0.24	-
Financial liabilities at amortised cost:					
Long-term loans from bank	19	107.47	-	107.47	-
Long-term loans - debentures	19	200.00	-	200.00	-
Non- current other financial liabilities	20	14.16	-	14.16	-
Current maturities of long term borrowings	23	44.74	-	44.74	-
Total		366.37	-	366.37	-

During the reporting period ending 31 March, 2023 and 31 March, 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES AND CAPITAL MANAGEMENT

The Group's activities expose it to certain financial risks namely credit risk, market risk and liquidity risk. The financial risks are managed in accordance with the Group's risk management policy which has been approved by its Board of Directors.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and equity price risk. Financial instruments affected by market risk include foreign currency receivables, payables, loans and borrowings, derivative financial instruments and FVTOCI investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group has managed its interest rate risk by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest risk

	As at 31-03-2023	As at 31-03-2022
Floating Rate borrowings	-	152.21

Interest Rate sensitivity

	2022-23	2021-22
25 bp increase - Decrease in profit	-	(0.38)
25 bp decrease - Increase in profit	-	0.38

Foreign currency risk

The Group's functional currency is Indian Rupee. The Group undertakes transactions denominated in foreign currencies and consequently the Group is exposed to foreign exchange risk. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies.

Unhedged foreign currency exposure as at 31 March, 2023

	USD	Euro	GBP	Others	Total
Trade receivables	112.44	122.37	3.49	0.92	239.22
Bank balances in current accounts and term deposit accounts	0.26	3.90	-	-	4.16
Trade payables	(85.75)	(37.16)	(0.04)	(2.94)	(125.89)
Commission payable	(23.60)	(3.87)	(0.12)	-	(27.59)
Other short-term financial liabilities	-	(50.30)	-	(0.14)	(50.44)

Unhedged foreign currency exposure as at 31 March, 2022

	USD	Euro	GBP	Others	Total
Trade receivables	63.00	48.56	-	6.84	118.40
Bank balances in current accounts and term deposit accounts	0.20	4.37	-	-	4.57
Trade payables	(66.89)	(17.83)	(0.02)	(1.10)	(85.84)
Commission payable	(26.05)	(3.85)	-	(0.12)	(30.02)
Other short-term financial liabilities	-	(47.68)	-	-	(47.68)

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES AND CAPITAL MANAGEMENT (Contd.)

Foreign currency sensitivity

1 % increase or decrease in foreign exchange rates will have the following impact on profit before tax.

	2022-23		2021-22	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD	(0.11)	0.11	0.70	(0.70)
Euro	(0.27)	0.27	(0.01)	0.01
GBP	0.04	(0.04)	(0.00)	0.00
Others	(0.03)	0.03	0.05	(0.05)
Increase / (decrease) in profit or loss	(0.37)	0.37	0.74	(0.74)

1 % increase or decrease in foreign exchange rates will have the following impact on equity

	2022-23		2021-22	
	1 % Increase	1 % decrease	1 % Increase	1 % decrease
USD	0.00	(0.00)	0.00	(0.00)
Euro	(0.40)	0.40	(0.35)	0.35
GBP	0.01	(0.01)	(0.00)	0.00
Others	(0.01)	0.01	-	-
Increase / (decrease) in equity	(0.40)	0.40	(0.35)	0.35

Credit risk

Credit risk refers to the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including loans, foreign exchange transactions and other financial instruments. Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are generally set to manage credit risk. General payment terms include credit period ranging from 45 to 90 days and where applicable, mobilisation advance, progress payments and certain retention money to be released at the end of the project.

Where the loans or receivables are impaired, the Group continues to engage in enforcement activity to attempt to recover the receivable due.

The Group is exposed to credit risk for trade receivables, cash and cash equivalents, investments, other bank balances, loans given, other financial assets, financial guarantees.

In respect of financial guarantees provided by the Group to banks and financial institutions, the maximum exposure which the Group is exposed to is the maximum amount which the Group would have to pay if the guarantee is called upon or in case where settlement is agreed, the settlement amount. Based on the expectation at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided except as otherwise stated in respect of guarantees where settlement is agreed.

Exposure to credit risk

	As at 31-03-2023	As at 31-03-2022
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Investments in government or trust securities	0.39	0.39
Investments in debentures or bonds	0.05	0.05
Other non-current investments	0.51	0.18
Non-current financial assets - others	13.33	28.04
Cash and cash equivalents and other bank balances	713.96	488.02
Current financials assets - others	147.48	139.50
Financial assets for which loss allowance is measured using life time Expected Credit Losses (ECL)		
Trade receivables	1408.15	1101.12

Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES AND CAPITAL MANAGEMENT (Contd.)

The ageing analysis of the trade receivables (gross of provision) (current as well as non-current) has been considered from the date the invoice falls due.

	Amount
As at 31-03-2023	
Up to 3 months	1133.10
3 to 6 months	77.55
More than 6 months	197.50
	1408.15
As at 31-03-2022	
Up to 3 months	843.77
3 to 6 months	43.19
More than 6 months	214.16
	1101.12

The following table summarizes the change in the loss allowances for trade receivables measured using life-time expected credit loss model:

	Amount
As at 01-04-2021	168.14
Provided during the year	34.69
Amounts written off	(32.95)
Reversals of provision	(13.04)
Exchange differences	0.62
As at 31-03-2022	157.46
Provided during the year	15.05
Amounts written off	(44.90)
Reversals of provision	(2.75)
Transfer to discontinued operations	(13.83)
Exchange differences	0.00
As at 31-03-2023	111.03

No significant changes in estimation techniques or assumptions were made during the reporting period.

Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturity profile of financial liabilities:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at 31 March, 2023	Less than 1 year	1 to 5 years	Over 5 years	Total
Interest-free sales tax deferral loans from State Government	0.12	-	-	0.12
Deposits payable	0.53	0.64	0.68	1.85
Trade payables#	1272.66	-	-	1272.66
Other financial liabilities	333.96	-	-	333.96
Lease liabilities	6.33	11.57	4.67	22.57

Includes disputed Trade payable of ₹19.08 crores. Refer note 24.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES AND CAPITAL MANAGEMENT (Contd.)

As at 31 March, 2022	Less than 1 year	1 to 5 years	Over 5 years	Total
Interest-free sales tax deferral loans from State Government	0.12	-	-	0.12
Deposits payable	-	3.09	0.69	3.78
Long term borrowings (excluding unamortised upfront fees of ₹ 1.13 crores)	-	208.60	100.00	308.60
Short-term borrowings	44.74	-	-	44.74
Trade payables#	1148.64	-	-	1148.64
Other financial liabilities	657.60	-	-	657.60
Lease liabilities	8.62	6.27	4.24	19.13

Includes disputed Trade payable of ₹19.08 crores. Refer note 24.

General credit terms for the trade payables are in the range of 30 to 180 days. The Group has access to credit facilities to mitigate any short-term liquidity risk.

Collaterals:

The Group has hypothecated its trade receivables, other current assets and cash and cash equivalents, entire movable assets and mortgaged the specific immovable properties in order to fulfil collateral requirements for the banking facilities extended to the Group.

Capital management

For the purposes of the Group's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Group's capital management is to maximise shareholder value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Group monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

	As at 31-03-2023	As at 31-03-2022
Total debt	0.12	352.33
Equity	1790.51	1002.96
Total debt and equity	1790.63	1355.29
Gearing ratio	0.01%	26.00%

No changes were made in objectives, policies or process for managing capital during the year ended 31 March, 2023 and 31 March, 2022.

There have been no breaches in the financial covenant of any borrowings.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

47. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 01-04-2022	Cash Inflows / (Outflows)	Effect of reclassi-fication	Reversal of interest	Transferred to dis-continued operation	Foreign exchange movement impact	Changes in fair values	Finance cost charged during the year	Others	As at 31-03-2023
Non-current financial liabilities - borrowings:										
Secured loans										
Term loans from banks	107.47	(108.96)	-	-	-	0.36	-	1.13	-	-
Unsecured loans										
Debentures	200.00	(200.00)	-	-	-	-	-	-	-	-
Non-current other financial liabilities										
Others*	10.38	-	1.92	(18.86)	-	-	-	6.56	-	-
Current financial liabilities - borrowings:										
Secured loans										
Current maturities of long- term loans from banks	44.74	(10.05)	-	-	(36.56)	-	-	1.87	-	-
Current - other financial liabilities:										
Interest-free sales tax deferral loans from State Government	0.12	-	-	-	-	-	-	-	-	0.12
Interest accrued but not due on borrowings	1.72	(6.15)	-	-	(0.50)	-	-	4.93	-	-
Others*	1.92	-	(1.92)	-	-	-	-	-	-	-
Payment towards corporate guarantee	-	(100.72)	-	-	-	-	-	-	100.72	-
Non controlling interest	0.95	(0.35)	-	-	-	-	0.30	-	0.03	0.93
Total	367.30	(426.23)	-	(18.86)	(37.06)	0.36	0.30	14.49	100.75	1.05

	As at 01-04-2021	Cash Inflows / (Outflows)	Effect of reclassi-fication	Liabilities no longer required written back	One time settle-ment	Foreign exchange movement impact	Changes in fair values	Finance cost charged during the year	Others	As at 31-03-2022
Non-current financial liabilities - borrowings:										
Secured loans										
Term loans from banks	631.91	(521.99)	(10.33)	-	(0.35)	-	-	8.23	-	107.47
Unsecured loans										
Term loans from banks	4.02	-	-	(4.02)	-	-	-	-	-	-
Debentures	200.00	-	-	-	-	-	-	-	-	200.00
Non-current other financial liabilities										
Others*	2.94	-	-	-	-	-	-	7.44	-	10.38
Current financial liabilities - borrowings:										
Secured loans										
Banks	127.99	(127.99)	-	-	-	-	-	-	-	-
Current maturities of long- term loans from banks	279.49	(8.84)	10.33	-	(237.19)	(0.93)	-	1.88	-	44.74
Unsecured loans										
Current maturities of long- term loans from banks	221.09	-	-	-	(221.09)	-	-	-	-	-
Current - other financial liabilities:										
Interest-free sales tax deferral loans from State Government	0.12	-	-	-	-	-	-	-	-	0.12
Interest accrued but not due on borrowings	36.85	(46.80)	-	-	(32.21)	(0.43)	-	44.31	-	1.72
Others*	-	-	-	-	-	-	-	1.92	-	1.92
Payment towards corporate guarantee	-	(138.72)	-	-	-	-	-	-	138.72	-
Non controlling interest	0.41	-	-	-	-	0.01	0.53	-	-	0.95
Total	1504.82	(844.34)	-	(4.02)	(490.84)	(1.35)	0.53	63.78	138.72	367.30

Note:

* Represents interest accrued as per amortised cost method of Ind AS.

The above disclosure does not include the cash flow movement for lease obligations (Refer note 38). The finance cost charged during the year is related to borrowings.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

48. EARNINGS PER SHARE

		2022-23	2021-22
Face value of equity share	₹	**2.00**	2.00
Weighted average number of Equity Shares			
- Basic	Nos.	**1516108906**	1358728604
- Diluted	Nos.	**1527359578**	1438032637
Profit for the year (continuing operations)	₹ crores	**796.03**	629.08
Earnings per share (for continuing operations)			
- Basic	₹	**5.25**	4.63
- Diluted	₹	**5.21**	4.38
Profit for the year (discontinued operations)	₹ crores	**166.64**	283.46
Earnings per share (for discontinued operations)			
- Basic	₹	**1.10**	2.09
- Diluted	₹	**1.09**	1.97
Profit for the year (total operations)	₹ crores	**962.67**	912.54
Earnings per share			
- Basic	₹	**6.35**	6.72
- Diluted	₹	**6.30**	6.35
Profit used as the numerators in calculating basic and diluted earnings per share (total operation)		**962.67**	912.54
Weighted average number of equity shares used as the denominator in calculating basic earnings per share		**1516108906**	1358728604
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share*		**1527359578**	1438032637

* The dilutive impact is due to warrants and employee stock option granted.

49. DISCLOSURE OF INTEREST IN OTHER ENTITIES

Material non-controlling interest for continuing operations

	Principal place of business / Country of incorporation	Proportion of interest held by Non-controlling entities as at	
		31-03-2023 %	31-03-2022 %
CG Adhesive Products Limited	India	17.24	18.58
PT Crompton Prima Switchgear Indonesia	Indonesia	49.00	49.00

The proportion of voting rights held by non controlling interest does not differ from the proportion of ownership interest.

Summarised statement of profit and loss:

	CG Adhesive Products Limited		PT Crompton Prima Switchgear Indonesia	
	2022-23	2021-22	2022-23	2021-22
Revenue	**23.60**	23.24	**-**	-
Other income	**1.26**	1.30	**-**	-
Cost of materials consumed	**(13.53)**	(12.77)	**-**	-
Other expenses	**(8.42)**	(7.99)	**(0.19)**	-
Finance costs	**(0.01)**	-	**-**	-
Pre-tax profit / (loss)	**2.90**	3.78	**(0.19)**	-
Income tax expense	**0.74**	0.95	**-**	-
Post-tax profit / (loss) (A)	**2.16**	2.83	**(0.19)**	-
Other comprehensive income (B)	**0.00**	-	**-**	-
Total comprehensive income (A+B) = C	**2.16**	2.83	**(0.19)**	-
Attributable to non-controlling interest	**0.39**	0.53	**(0.09)**	-
Dividend paid to non-controlling interest	**-**	-	**-**	-

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

49. DISCLOSURE OF INTEREST IN OTHER ENTITIES (Contd.)

Summarised balance sheet:

	CG Adhesive Products Limited		PT Crompton Prima Switchgear Indonesia	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
Current assets	**22.71**	12.01	**19.33**	19.33
Non-current assets	**4.39**	13.22	**127.16**	127.16
Current liabilities	**(3.80)**	(4.11)	**(105.71)**	(105.52)
Non-current liabilities	**(0.33)**	(0.32)	**(65.57)**	(65.57)
Total equity	**22.97**	20.80	**(24.79)**	(24.60)
Attributable to:				
Equity holders of parent	**19.01**	16.94	**(12.64)**	(12.55)
Non-controlling interest	**3.96**	3.86	**(12.15)**	(12.05)

Summarised cash flow information:

	CG Adhesive Products Limited		PT Crompton Prima Switchgear Indonesia	
	2022-23	2021-22	2022-23	2021-22
Cash flows from:				
Operating activities	**2.09**	3.37	**-**	-
Investing activities	**(5.37)**	0.07	**-**	-
Financing activities	**(0.01)**	(0.24)	**-**	-
Net increase / (decrease) in cash and cash equivalents	**(3.29)**	3.20	**-**	-

50. UPDATES ON INVESTIGATIONS FOR PAST YEARS

The Company is fully co-operating with the ongoing investigation by Serious Fraud Investigation Office ('SFIO') and other regulatory authorities on the affairs of the Company pertaining to past period and against erstwhile promoters and erstwhile key managerial personnel relating to transactions that took place when the Company was under the control of the erstwhile promoters / management. In respect to this, there is no impact on current year financials of the Group.

51. OTHER STATUTORY INFORMATION

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(iii) The Group has not advanced or loaned or invested funds to any person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iv) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Parties) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act,1961 (such as search or survey or any other relevant provision of the Income Tax Act, 1961).

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

52. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective from 01 April, 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 01 April, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments are not expected to have a material impact on the Group's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to Ind AS 1 are applicable for annual periods beginning on or after 01 April, 2023. Consequential amendments have been made in Ind AS 107.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 01 April, 2023.

53. TRANSFER FROM GENERAL RESERVE TO RETAINED EARNINGS

The Board of Directors of the Parent Company, basis the recommendations of the Audit Committee and Committee of Independent Directors of the Parent Company, at its meeting held on 19 October, 2022 approved the Scheme of Arrangement ("Scheme") between the Parent Company and its shareholders under Section 230 and other applicable provisions of the Companies Act, 2013 ("Act"). The Scheme inter alia provides for capital reorganization of the Parent Company, whereby it is proposed to transfer ₹ 400 crores from the General Reserves to the Retained Earnings of the Parent Company with effect from the Appointed Date. The Scheme is subject to receipt of regulatory approvals / clearances from the Hon'ble National Company Law Tribunal, Mumbai Bench, Securities and Exchange Board of India (through BSE Limited and National Stock Exchange of India Limited), BSE Limited and National Stock Exchange of India Limited (collectively referred to as "Stock Exchanges") and such other approval / clearances as may be applicable.

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

54. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023 AND 31 MARCH, 2022

Year Ended 31 March 2023

Name of the entity in the Group	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ crores	As % of consolidated profit or loss	Amount ₹ crores	As % of consolidated other comprehensive income	Amount ₹ crores	As % of consolidated total comprehensive income	Amount ₹ crores
I. Parent								
CG Power and Industrial Solutions Limited	135.65	2430.06	81.56	785.36	53.83	(5.55)	81.86	779.81
II. Subsidiaries								
a) Indian								
CG Adhesive Products Limited (formerly known as" CG-PPI Adhesive Products Limited")	1.28	22.96	0.22	2.16	(0.01)	0.00	0.23	2.16
CG Power Solutions Limited	(104.40)	(1870.32)	(0.04)	(0.38)	-	-	(0.04)	(0.38)
CG Power Equipments Limited	0.00	0.00	0.00	(0.01)	-	-	-	(0.01)
b) Foreign								
CG International B.V.	(88.78)	(1590.39)	7.81	75.21	-	-	7.89	75.21
CG Power Systems Canada Inc.*	-	-	(0.39)	(3.72)	-	-	(0.39)	(3.72)
CG Power Americas, LLC	(11.66)	(208.93)	2.06	19.83	-	-	2.08	19.83
QEI, LLC	1.70	30.42	0.88	8.46	-	-	0.89	8.46
CG Power Solutions UK Limited	(0.88)	(15.73)	-	-	-	-	-	-
CG Industrial Holdings Sweden AB	7.13	127.78	2.12	20.40	-	-	2.14	20.40
CG Drives & Automation Sweden AB	11.75	210.42	1.42	13.68	-	-	1.44	13.68
CG Drives & Automation Netherlands B.V.	1.97	35.21	0.43	4.14	-	-	0.43	4.14
CG Drives & Automation Germany GmbH	1.66	29.67	0.95	9.19	-	-	0.96	9.19
CG Middle East FZE*	-	-	55.50	534.42	-	-	56.10	534.42
CG International Holdings Singapore Pte. Limited	(6.68)	(119.59)	(8.97)	(86.36)	-	-	(9.07)	(86.36)
CG Sales Network Malaysia Sdn. Bhd.	0.08	1.42	(0.20)	(1.88)	-	-	(0.20)	(1.88)
PT Crompton Prima Switchgear Indonesia	(1.38)	(24.79)	(0.02)	(0.19)	-	-	(0.02)	(0.19)
CG Power and Industrial Solutions Limited Middle East FZCO*	-	-	-	-	-	-	-	-
Consolidation adjustment and elimination	152.56	2733.25	(43.33)	(417.34)	46.18	(4.76)	(44.30)	(422.10)
Total	100.00	1791.44	100.00	962.97	100.00	(10.31)	100.00	952.66

* Entities were deconsolidated / liquidated during the year

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

54. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 AS AT AND FOR THE YEAR ENDED 31 MARCH, 2023 AND 31 MARCH, 2022 (Contd.)

Year Ended 31 March 2022

Name of the entity in the Group	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ crores	As % of consolidated profit or loss	Amount ₹ crores	As % of consolidated other comprehensive income	Amount ₹ crores	As % of consolidated total comprehensive income	Amount ₹ crores
I. Parent								
CG Power and Industrial Solutions Limited	181.22	1819.32	68.68	627.06	(13.33)	(1.96)	67.37	625.10
II. Subsidiaries								
a) Indian								
CG Adhesive Products Limited (formerly known as" CG-PPI Adhesive Products Limited")	2.07	20.81	0.31	2.83	-	-	0.31	2.83
CG Power Solutions Limited	(186.27)	(1869.94)	-	-	-	-	-	-
CG Power Equipments Limited	0.00	0.02	-	-	-	-	-	-
b) Foreign								
CG International B.V.	(154.86)	(1554.64)	(11.29)	(103.12)	-	-	(11.11)	(103.12)
CG Power Systems Canada Inc.	0.37	3.70	0.00	0.00	-	-	0.00	0.00
CG-Granz Generator and Motor LLC (ceased to be subsidiary w.e.f. 15 December, 2021)	-	-	(0.00)	(0.01)	-	-	(0.00)	(0.01)
CG Power Americas, LLC	(20.99)	(210.77)	(0.23)	(2.10)	-	-	(0.23)	(2.10)
QEI, LLC	10.98	110.18	2.62	23.96	-	-	2.58	23.96
CG Power Solutions UK Limited	(1.53)	(15.37)	-	-	-	-	-	-
CG Industrial Holdings Sweden AB	10.97	110.08	0.01	0.09	-	-	0.01	0.09
CG Drives & Automation Sweden AB	22.17	222.60	0.48	4.35	-	-	0.47	4.35
CG Drives & Automation Netherlands B.V.	3.33	33.39	0.44	3.98	-	-	0.43	3.98
CG Drives & Automation Germany GmbH	1.90	19.12	0.50	4.59	-	-	0.49	4.59
CG Middle East FZE	(50.70)	(508.96)	28.49	260.09	-	-	28.03	260.09
CG International Holdings Singapore Pte. Limited	(7.82)	(78.52)	24.66	225.13	-	-	24.26	225.13
CG Sales Network Malaysia Sdn. Bhd.	0.32	3.20	(0.04)	(0.33)	-	-	(0.04)	(0.33)
PT Crompton Prima Switchgear Indonesia	(2.45)	(24.61)	-	-	-	-	-	-
CG Power and Industrial Solutions Limited Middle East FZCO	-	-	-	-	-	-	-	-
Consolidation adjustment and elimination	291.29	2924.30	(14.63)	(133.45)	113.33	16.69	(12.57)	(116.76)
Total	100.00	1003.91	100.00	913.07	100.00	14.73	100.00	927.80

₹ crores

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

55. The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

56. Amounts shown as ₹ 0.00 represents amount below ₹ 50,000 (Rupees Fifty Thousand).

For and on behalf of the Board

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Natarajan Srinivasan
Managing Director
(DIN: 00123338)

Vellayan Subbiah
Chairman
(DIN : 01138759)

per Bharath N S
Partner
Membership No. 210934
Chennai : 08 May, 2023

Susheel Todi
Chief Financial Officer

P Varadarajan
Company Secretary

Mumbai : 08 May, 2023

Products & Services

Additional Infomation

Industrial Systems

MV MOTORS & GENERATORS

- MV Induction Motor including safe area and all type of hazardous area machines up to 12MW, Polarity up to 24 poles, Voltage up to 13.2kV and in frame Size 315 to 1250 (both horizontal and vertical frame), Squirrel Cage and Slip Ring Induction motors in enclosure type TEFC, CACA, CACW, SPDP & TETV
- Synchronous Generators from up to 25MVA in frame size up to 1250, upto13.2kV in enclosures type CACA, CACW & SPDP.
- Industrial duty DC machines up to 2000kW, in frame size up to 630, Voltage up to 800V, in enclosures type CACA, CACW & SPDP

LT MOTORS

- AC Motors, Frame 63 to 450LX (0.18kW to 710kW)
- Super Premium Efficiency Motors IE4 80 to 355 frame sizes
- TEFC Motors available in Squirrel cage & Slipring constructions, suitable for Safe Area & Hazardous Area
- AC Motors Apex Series, Frame 80 to 450LX (0.75 to 710kW) IE 2 Efficiency and Frame 80 to 450LX (0.75 to 630KW) IE 3 Efficiency
- AC Motor NEMA Range 143 to 504 (0.75 to 150 KW) EPACT & OWP and AC Motor NEMA Range 143 to 405 (0.75 to 75KW) Premium
- AC Motor Kibosh Series Brake Motors, Frame 80 to 200L (0.37kW to 30kW)
- Laminated Yoke DC Motors Frame 100 to 500 (2.2kW to 750kW) || Solid Yoke DC motors Frame 180 to 315 (1.1KW to 75KW)
- Mill duty motors DC motors Frame 802 to 816 (7.5KW to 200KW)
- Alternators Brushless Series Frame 132 to 450 (5kVA to 2500kVA) || Alternator Ustad Series: Slipring Alternators from 5kVA to 82.5kVA
- Crane Duty Motors (SQ Cage and Slip Ring) Frame 80 to 355 frame
- Agnita range of Flame Proof Motors from 80 to 400 frame in Gas Group IIA, IIB and IIC. Efficiency Class IE2/ IE3/ IE4
- Fire Fighting Range of Motors from 9.3 kW to 250 kW
- Hazardous Area Motors- Increased Safety motors up to 400 frame and Non-Sparking Motors up to 450 frames
- Roller Table Motors up to 355 frame size

FHP MOTORS

- NEMA B42, B48 Frame: 30 to 370W, 2/4/6/8 Pole Sheet Metal Body Motors
- M50 Frame (NEMA B56/143T/184): 187 to 2250W, 2/4/6/8 Pole Sheet Metal Body Motors
- 100S Frame: 1100 to 2250W, 4/6 Pole Sheet Metal Body Motors
- IEC 80–160 - Cast Iron Frame : 370 to 5500W, 4 Pole Single Phase Motors
- IEC 63–112 - Aluminium Frame 187 to 2250W, 2/4 Pole Single Phase Motors
- Flame Proof Enclosure: 370 to 750W, 4 Pole Motors
- Customized frames: 20 to 1500W, 2/4/6/8 Pole Motors for Appliance/Equipment's
- BLDC (Brushless DC) Motors – 40, 100 & 160 Watts – 500 RPM

CONSUMER PRODUCT RANGE

Residential, Commercial and Agriculture Pumps

- Slow speed self-priming pumps: 0.5 and 1.0HP - Open Well Submersible Pump: 0.5 to 2.0HP (1 ph); 2 to 10 HP (3 Ph)
- High Speed Self Priming Pumps: 0.5, 1.0 and 1.5HP
- High Speed Super Suction Pumps: 0.5 and 1.0HP
- Bore well Submersible Pumps: V3 & V4 (0.5-2HP 1 Ph, 1-5 HP 3 Ph)
- Bore well Submersible Pumps : V5, V6, V7, V8 (3-20 HP 1/3 Ph)
- Shallow well Jet Pumps: 0.5 and 1.0HP
- Centrifugal Mono Block Pumps: 0.5 to 3.0 HP (1 Ph) and 2-10 HP (3 Ph)
- Self Priming Pressure Booster Pumps : 0.5 to 1.0 HP
- Horizontal Multistage Pressure Booster Pump : 0.5 to 1.5 HP
- Sewage Submersible Pump : 0.5 to 0.75 HP
- End suction Pump (Fire-fighting) : up to 150 metres head

DOL/Star Delta Starters

- Single Phase Mini Starters : 0.75- 2.20 Kw
- Single Phase DOL Starters : 0.75- 3.70Kw
- Three Phase DOL Starters : 0.75- 15kw
- Three Phase Star Delta Starters : 7.5-15Kw

Fans

- Standard ceiling fans : 24/36/48/56 Inches sweep size - Energy efficient with 1 Star BEE Rating

- Decorative ceiling fans : 36/48 Inches sweep size - Energy efficient with 1 Star BEE Rating
- BLDC ceiling fans : 48 Inches sweep size – Energy Efficient with 5 Star BEE Rating.
- Table fans : 9/12/16 Inches sweep size
- Wall fans : 12/16 Inches sweep size
- Pedestal fans : 16/20 Inches sweep size
- Domestic Exhaust fans : 4/6/8/9/10/12 Inches sweep size
- Heavy Duty Exhaust Fans: 12 inches to 24 inches

Geysers :

- Instant Water Heaters : 1 Ltr / 3 Ltrs capacity – ISI Mark
- Storage Water Heater : 6 Ltrs / 10 Ltrs / 15 Ltrs / 25 Ltrs – with 5 Star BEE rating.

INDUSTRIAL DRIVES AND AUTOMATION (INDIA)

- LV Drives Systems up to 3MW, Voltage up to 690VAC
- DC Drives System up to 980 kW, Voltage up to 1000VDC
- Offering automation product PLC & HMI (New Product)
- CG is into solution business for Sector wise application specific solutions & projects, including Inverter Duty Transformer, Variable Frequency Drives, Switchgear Panels and Rotating Machines as complete package

INDUSTRIAL DRIVES AND AUTOMATION (SWEDEN)

- Constant torque and variable speed drives for many application (Emotron FDU/VFX 2,0), power range 0,55 to 4,000 kW , Voltage 230-690VAC with protection class IP20 , IP21 and IP54
- Soft starters power range 5,5 to 1,000 kW, up to 960V
- Active front end Drive (AFE) -55kW to 4,000 kW voltage up to 690Volt (Slim LC)
- Shaft Power Monitors (Emotron M20)
- Cost efficient motor mounted Drives (Emotron CDU/CDX)
- Compact machinery drives with high functionality (Emotron DSV15/35)
- Drives solution via dedicated Emotron project team– Cabinet , Engineering and customisation
- Customization and co-branding for OEM:s and system integrators.
- Service and spared parts including installation, training, preventative and annual maintenance etc.

Railway Business

TRACTION MACHINES & SYSTEM DIVISION

- AC Traction Motors (Electric Loco, Diesel Loco, EMU/MEMU and DEMU)
- DC Traction Motors (Electric Loco, Diesel Loco, DEMU, DETC and SPIC)
- Traction Alternators (Diesel Electric Loco, DEMU, DETC and SPIC)
- Complete Electrics including integrated power pack with traction alternator, Traction motors, Control equipment, Rectifier, Auxiliary alternator for Diesel Electrics Tower Car (DETC) with on board and underslung electrics, Self-Propelled Inspection car (SPIC) & Diesel Electric Multiple Units (DEMU)

RAIL TRANSPORTATION-TRACTION ELECTRONICS DIVISION

- IGBT Based Traction and Auxiliary Converters for Electric Locomotive.
- IGBT Based Composite Converter/Hotel load converter for 3 phase Electric Locomotive.
- Vehicle Control Unit (VCU) and Control Panels for Locomotive.
- Propulsion System and electrics for EMU/ MEMU/ Train set.
- Auxiliary converters for Diesel / Electric Locomotives, DEMUs & EMUs.
- Train Control and Management System (TCMS).
- Propulsion system for 6000 HP, 9000 HP Electric Locomotive.

RAILWAY SIGNALLING DIVISION

Signalling Products

- Q-Type Signalling Relays
- Electric Point Machines – Operating Voltage - 110 V DC & 380 V AC
  - Non-trailable - 143 mm throw / 220 mm throw
  - Trailable – 175 mm throw / 220 mm throw
- DC Series Motor for Electric Point Machines
- DC Series Motors IP67 with 160 V & 400 V ACI for Electric Point machines
- Secondary drive for Electric Point Machines

Traction SCADA for Railways

Coach Applications Products

- BLDC Carriage Fans
- Universal Carriage Fan (AC, DC)

Control Panels for Loco and Coaches

- Switch Board Panels for Locomotives – SB1, SB2, HB1, HB2, Cubicle F
- Filter Cubical Panels for Locomotive
- Panels, EDTS 355 for LHB EOG Non-AC Coaches
- Switch Board Cabinet for LHB EOG/HOG AC COACHES- SBC 184, SBC192, SBC195, SBC 200

STAMPING AND LAMINATION

- Lamination of 0.5 mm, 0.65 mm thick, from 65 mm (2.6 inches) to 1300 mm (51 inches) diameter in CRNGO and CRCA material in all grades & coatings for guaranteed watt loss & permeability as per customer requirement
- Auto stacked stators and stacked & skew rotors, High speed up to 425 mm diameter with additional features like air gap cutting
- Notching operation up to 1300 mm (51 inches) diameter

Power Systems

CG INDIA

TRANSFORMERS & REACTORS

- Auto Transformers (up to 1200kV)
- Generator Transformers (up to 800kV)
- Power Transformers (up to 800kV)
- Furnace Transformers
- Locomotive Transformers
- Trackside Transformers
- Distribution Transformers
- Energy Efficient Transformers (BIS Level, IS:1180)
- Green Transformers
- Dry Type Transformers (Cast Resin)
- Traction Transformers
- BIO Transformers (Filled with Natural/Synthetic Ester Oil)
- Solar Inverter Application Transformers
- Shunt Reactors (up to 800kV)
- Series Reactors (up to 800kV)
- Variable Shunt Reactors (up to 420kV)

SWITCHGEAR

- Current Transformers upto 800kV (with Porcelain and Composite Insulators)
- Capacitive Voltage Transformer upto 1200kV (with Porcelain and Composite Insulators)
- Inductive Voltage Transformers up to 420kV
- Dry type Primary Voltage Transformer 25kV
- Condenser Bushings upto 800kV
- Coupling/Grading Capacitors up to 420kV
- Indoor Vacuum Circuit Breakers up to 40.5kV
- Outdoor Vacuum Circuit Breakers up to 36kV
- Indoor Gas Insulated Switchgear GIS up to 36kV
- Indoor and Outdoor Ring Main Units upto 36kV
- Gas Circuit Breakers up to 800kV
- Gas Insulated Switchgear (GIS) 66 to 245kV
- Hybrid Gas Insulated Switchgear (GIS) 245kV
- Dead Tank Circuit Breaker (DTB) 72.5kV
- Disconnectors up to 245kV
- Lightning Arresters up to 1200kV along with allied accessories (Porcelain Arresters up to 420 kV & Polymer Arresters up to 1200 kV)
- Numerical Protection Relays,
- Control and Relay Panels
- Substation Automation
- Vacuum Interrupters up to 72.5kV
- LV and MV Vacuum Contactors up to 36kV,
- Forward / Reverse Vacuum Contactor Panels up to 36kV
- MV Electrical soft starters upto 12kV/100KW–20MW
- Gas Insulated Sectionalizer up to 36kV
- Automatic Circuit Reclosers up to 38kV
- Load Break Switch up to 38kV
- Automatic Indoor and Outdoor Vacuum Capacitor Switches Up to 36kV
- HT Automatic Power Factor Correction Systems up to 36kV
- Fixed Capacitor Bank and Capacitor Switch up to 36kV
- Static VAR Compensator (STATCOM) up to 440V, 500KVAr

ENGINEERING PROJECTS

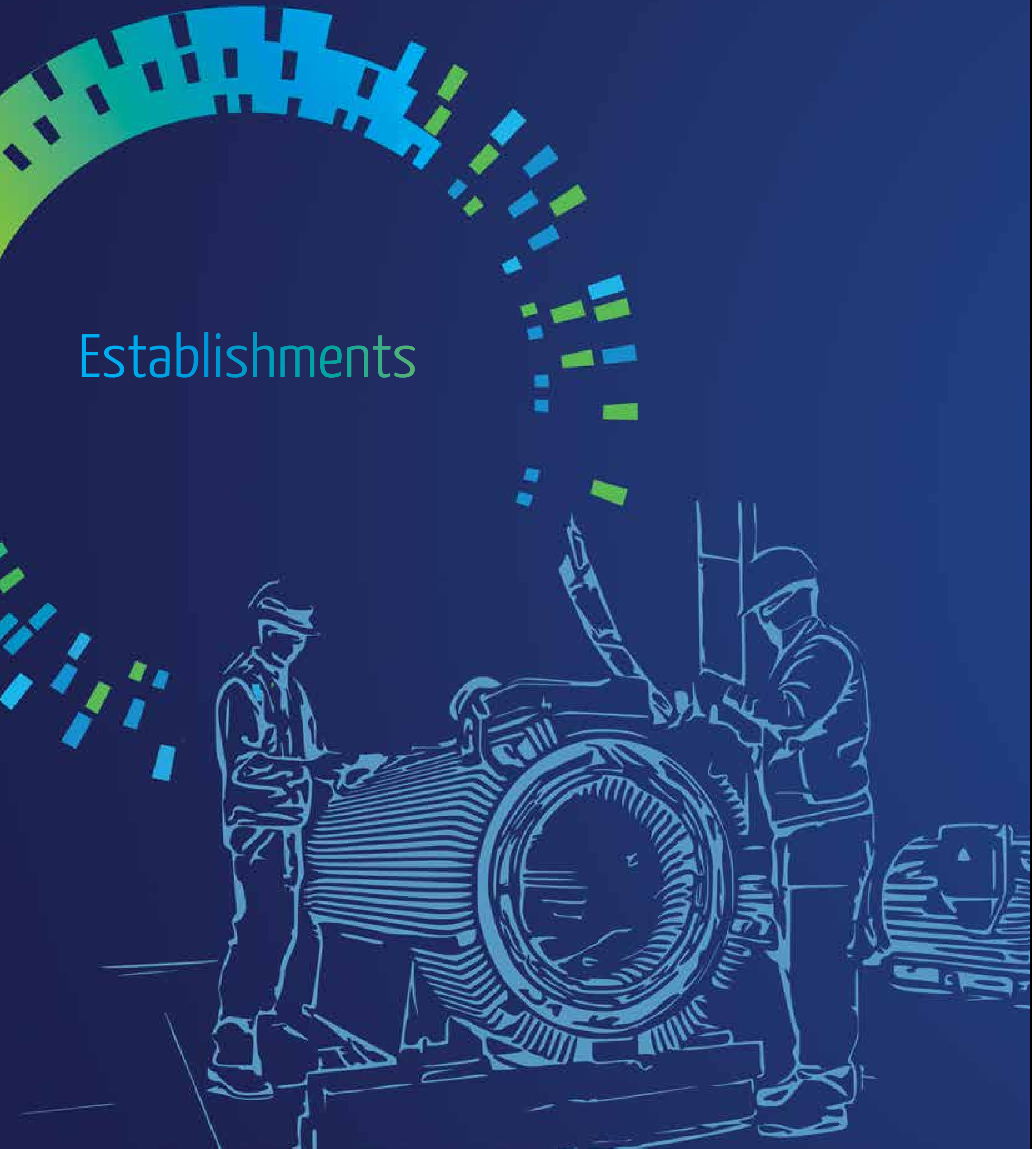
Projects on turnkey basis from concept to commissioning:

- Turnkey Air Insulated Substation upto 765kV
- Turnkey Gas Insulated Substation upto 400kV
- Engineered Packages
- Construction Packages for own EHV Equipments

CG POWER SYSTEM SERVICE

- Installation and commissioning
- Onsite Services and Inspection
- Repairs, Upgrading and Retrofitting
- Condition monitoring and diagnosis
- Power Quality Audits
- Service Contracts
- Supply of Spare Parts
- Training

Establishments



REGISTERED OFFICE

CG House, 6th Floor
Dr. Annie Besant Road,
Worli, Mumbai 400 030
Maharashtra, India
Tel +91 (0)22 2423 7777, 2423 7764, 2423 7765
Fax +91 (0)22 2423 7733

POWER SYSTEMS

TRANSFORMER DIVISION

Plot No. T1-T5 MPAKVN Industrial Area,
District Bhind, Malanpur 477 116
Madhya Pradesh, India
Tel +91 (0)7539 826 900 1751
Email: anand.bhanpurkar@cgglobal.com

Plot No. 29, 31& 32
New Industrial Area No.1
AKVN, District Raisen,
Mandideep 462 046,
Madhya Pradesh, India
Tel +91 (0)7480 408200, 408201
Email: anirban.saha@cgglobal.com

SWITCHGEAR DIVISION

A-3, M.I.D.C., Ambad,
Nashik 422 010,
Maharashtra, India
Tel +91 (0)253 230 1401
Email: mangesh.sonak@cgglobal.com

S6 & POWER QUALITY

Vacuum Interrupters & Instrument Transformer Division

D2 & D1/2, MIDC, Waluj
Aurangabad 431 136,
Maharashtra, India
Tel +91 (0) 240 255 8000
Fax +91 (0)240 255 4697
Email: delip.wakode@cgglobal.com

ENGINEERING PROJECTS DIVISION

AIHP Signature Tower, 1st Floor,
Wing "B", Plot no 418 & 419
Udhyog Vihar, Phase – IV,
Gurgaon – 122015, HARYANA
Tel +91 (0)124 462 7700
Fax +91 (0)124 462 7777
Email: sanjay.sahni@cgglobal.com

INDUSTRIAL SYSTEMS

Traction Machines & System Division

D5, Industrial Area, MPAKVN
Mandideep 462 046, Madhya Pradesh, India
Tel +91 (0)7480 400 0102, 400 103,400 181/2
Email: dinesh.nimje@cgglobal.com

LARGE INDUSTRIAL MACHINES

Plot No. 9, MPAKVN, Phase 2
New Industrial Area, Mandideep 462 046
Madhya Pradesh, India
Tel +91 (0)7480 427 107, 427 102, 427 110
Email: tejas.mehta@cgglobal.com

LT MOTORS (UNIT I)

Plot No. A-6/2, MIDC Industrial Area,
Ahmednagar 414 111, Maharashtra, India
Tel +91 (0)241 662 6102, 277 7500
Email: gautam.suvarnpathaki@cgglobal.com

LT MOTORS (UNIT II)

B-108/109, MIDC Industrial Area,
Ahmednagar 414 111
Maharashtra, India
Tel +91 (0)241 662 4121
Email: vinay.joshi@cgglobal.com

LT MOTORS (UNIT III)

S/14-15, Colvale Industrial Estate,
Colvale, Bardez 403 513, Goa, India
Tel +91 (0)832 240 4001
Email: harish.savaikar@cgglobal.com

COMMERCIAL MOTORS

Plot No. 196-198,
Kundaim Industrial Estate,
Ponda 403 115, Goa, India
Tel +91 (0)832 398 3205
Email: pradip.arote@cgglobal.com

COMMERCIAL PRODUCTS

Plot No. 196-198,
Kundaim Industrial Estate,
Ponda 403 115, Goa, India
Tel +91 (0)832 398 3228
Email: anand.anurag@cgglobal.com

DRIVES & AUTOMATION

Plot No. 9, MPAKVN, Phase 2
New Industrial Area, Mandideep 462046
Madhya Pradesh, India
Tel +91 (0)7480 426 400, 426 403
Email: ashish.raval@cgglobal.com

RAIL TRANSPORTATION & TRACTION ELECTRONICS

Plot No 9, MPAKVN Phase II,
New Industrial Area Mandideep 462 046
Madhya Pradesh, India
Tel +91 (0)7480 426 450, 8821092628
Email: ranjan.singh@cgglobal.com

RAILWAY SIGNALLING DIVISION

11 B, Industrial Area No. 1
Pithampur 454 775, District Dhar
Madhya Pradesh, India
Tel +91 (0)7292 410 121, 410 107
Email: sunil.kelkar@cgglobal.com

STAMPINGS DIVISION

B-110, B-111/B, B-112/2
MIDC Industrial Area,
Ahmednagar 414 111, Maharashtra, India
Tel +91 (0)241 661 0512/31
Email: avin.patil@cgglobal.com

BRANCH & MARKETING OFFICES

NORTHERN REGION

REGIONAL HEAD OFFICE: NOIDA

4th Floor, Discovery Tower
Plot No. A17, Sector 62, Noida
Uttar Pradesh 201 309, India
Tel +91 (0) 120-4229478
Email: ritesh.tandon@cgglobal.com

JAIPUR

Shanti Sadan, Church Road, PO BOX 173
Jaipur 302 001, Rajasthan, India
Email: deepak.raghav@cgglobal.com

JALANDHAR

SCO No. 18, 3rd Floor, Puda Complex
Near Dainik Bhaskar, Ladowali Road,
Jalandhar 144 001, Punjab, India
Email: rajinderjit.singh@cgglobal.com

LUCKNOW

Saran Chambers II, 3rd floor
5 Park Road, Lucknow 226 001
Uttar Pradesh, India
Tel +91 (0) 522 4238971
Email: prateek.dikshit@cgglobal.com

RAIL TRANSPORTATION SYSTEMS

8-D, 8th Floor,
Vandana Building, 11, Tolstoy Marg,
New Delhi - 110 001.
T: +91 11 47011653
Email: salil.kumar@cgglobal.com

EASTERN REGION

REGIONAL HEAD OFFICE: KOLKATA

7th Floor, Block B, 50 Chowringhee Road
Kolkata 700 071, West Bengal, India
Tel +91 (0)33 2282 9681/85
Email: shiv.kaushish@cgglobal.com

BHUBANESHWAR

Janpath Tower, 3rd Floor, Ashok Nagar
Unit II, Bhubaneshwar 751 009
Orissa, India
Email: siladitya.khuntia@cgglobal.com

PATNA

501, 5th Floor, Luvkush Tower, Exhibition Road
Patna 800 001 Bihar, India
Email: ajay.kumar@cgglobal.com

GUWAHATI

3rd Floor, 304, Swagota Envision,
G.S.Road, Khanapara, Guwahati,
Kamrup Metropolitan ,
Assam : 781022
Assam, India
Email: mayur.goswami@cgglobal.com

WESTERN REGION

REGIONAL HEAD OFFICE: MUMBAI

Western Region

CG House, 8th Floor, Dr. Annie Besant Road,
Worli, Mumbai 400030
Maharashtra, India
Tel +91 (0)22 24238989
Email: gajanan.wandhare@cgglobal.com

AHMEDABAD

909-916, Sakar II, Near Ellis Bridge
Ahmedabad 380 006,
Gujarat, India
Tel +91 (0)79-2658 7481
Email: varun.pareek@cgglobal.com

BARODA (SATELLITE OFFICE)

10-A, Vrundavan Colony,
Behind Harinagar Water Tank, Gotri Road,
Baroda 390 007, Gujarat, India
Tel +91 (0)265 233 2460, 233 4447
Email: jitendra.rawat@cgglobal.com

INDORE

108-110 Apollo Trade centre, Geeta Bhavan
Square Road, A B Road, Indore-452 001
Madhya Pradesh, India
Email: ravindra.aundhkar@cgglobal.com

PUNE

5th Floor, Bhalerao Towers,
Plot no. 36,Behind Hotel Pride,
Shivajinagar, Pune-411 005, Maharashtra, India
Email: rohan.prabhu@cgglobal.com

NAGPUR

2nd Floor, Sai Nivas, Plot No. U16/A,
Ujjawal Co-operative Housing Society,
Opposite to Sri Nagar MSEB office,
Ring Road, Narendra Nagar,
Nagpur-440 015, Maharashtra, India
Email: suyog.deshpande@cgglobal.com

RAIPUR

A 207, Crystal Arcade,
Near Lodhi Para Square
Shankar Nagar Road, Raipur 492 007
Chhattisgarh, India
Email: suyog.deshpande@cgglobal.com

SOUTHERN REGION

REGIONAL HEAD OFFICE: CHENNAI

Crompton House-3, Dr MGR Salai
(Kodambakkam High Road),
Nungambakkam, Chennai 600 034,
Tamil Nadu, India
Tel +91 (0)44 4224 7502
Email: ajoy.prasad@cgglobal.com

COIMBATORE

1st Floor, No.- 42, D. P. F Street,
Pappanaicken Palayam
Coimbatore- 641037 Tamil Nadu
Email: srinivasan.s@cgglobal.com

BANGALORE

J P Square, 3rd Floor
No:17, 3rd Cross, 5th Main
Chamrajpet, Bangalore 560 018
Karnataka, India
Tel +91 (0) 80 4664 2828
Email: shaffi.syed@cgglobal.com

SECUNDERABAD

Minerva Complex, 4th floor,
94 Sarojni Devi Road,
Secunderabad – 500003,
Hyderabad, India
Tel +91 (0)40 4000 2345
Email: prashant.reddy@cgglobal.com

SERVICE CENTRES

NORTHERN REGION: NOIDA

4th Floor, Discovery Tower
Plot No. A17, Sector 62, Noida
Uttar Pradesh 201 309, India
Tel +91 (0) 120-4229478
Email: ritesh.tandon@cgglobal.com

JAIPUR

Shanti Sadan, Church Road, PO BOX 173
Jaipur 302 001, Rajasthan, India
Tel +91 (0) NO LANDLINE
Email: deepak.raghav@cgglobal.com

JALANDHAR

SCO No. 18, 3rd Floor, Puda Complex
Near Dainik Bhaskar, Ladowali Road,
Jalandhar 144 001, Punjab, India
Tel +91 NO LANDLINE
Email: rajinderjit.singh@cgglobal.com

LUCKNOW

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Uttar Pradesh, India
Tel +91 (0) 522 4238971
Email: prateek.dikshit@cgglobal.com

WESTERN REGION

MUMBAI

Western Region, CG House, 8th Floor
Dr. Annie Besant Road, Worli,
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Email: amul.chhajed@cgglobal.com
prashant.anpan@cgglobal.com

AHMEDABAD

909-916, Sakar II, Near Ellis Bridge
Ahmedabad 380 006, Gujarat, India
Tel +91 (0)79-2658 7481
Email: vipul.mistry@cgglobal.com

INDORE

108-110, Apollo Trade centre
Geeta Bhavan, Square Road
A B Road, Indore-452 001. Madhya Pradesh, India
Email: ravindra.aundhkar@cgglobal.com

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5th Floor, Bhalerao Towers,
Plot no. 36,Behind Hotel Pride,
Shivajinagar, Pune-411 005,
Maharashtra, India
Email: rohan.prabhu@cgglobal.com

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2nd Floor, Sai Nivas, Plot No. U16/A,
Ujjawal Co-operative Housing Society,
Opposite to Sri Nagar MSEB office,
Ring Road, Narendra Nagar,
Nagpur – 440 015, Maharashtra, India
Email suyog.deshpande@cgglobal.com /
rohit.talwalkar@cgglobal.com

RAIPUR

A 207, Crystal Arcade,
Near Lodhi Para Square,
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Chhattisgarh, India
Tel +91 (0)771 401 9201, 401 9202
Email: suyog.deshpande@cgglobal.com /
rohit.talwalkar@cgglobal.com

SOUTHERN REGION

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(Kodambakkam High Road)
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Chennai 600 034,
Tamil Nadu, India
Tel +91 (0)44 4224 7500, 4224 7597
Email: prakash.j@cgglobal.com

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J P Square, 3rd Floor No:17,
3rd Cross, 5th Main Chamrajpet,
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Karnataka, India
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Email: srinivasulu.murthy@cgglobal.com

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94 Sarojni Devi Road
Secunderabad-500 003,
Hyderabad, India
Tel +91 (0)40 4000 2342
Email: aravind.kammari@cgglobal.com

REGION EMEA

CORPORATE & REGISTERED OFFICES

CG DRIVES & AUTOMATION SWEDEN AB

Mörsaregatan 12, Box 222 25
SE-250 24 Helsingborg, Sweden
Tel +46 42 16 99 00
Fax +46 42 16 99 49

CG INTERNATIONAL BV

Polakkers 5, 5531NX Bladel,
The Netherlands

BUSINESS UNITS

CG DRIVES & AUTOMATION NETHERLANDS BV

Polakkers 5, 5531 NX BLADEL
Postbus 132, 5530 AC BLADEL
The Netherlands
Tel +31 (0)497 389 222
Fax +31 (0)497 386 275

CG DRIVES & AUTOMATION GERMANY GMBH

Gießerweg 3, D-38855 Wernigerode
Germany
Tel +49 (0)3943 92050
Fax +49 (0)3943 92055

REGION AMERICAS

BUSINESS UNITS

QEI, LLC

45 Fadem Road
Springfield, NJ 07081, USA
Tel +1 908 379 7400

SERVICES

QEI, LLC

45 Fadem Road
Springfield, NJ 07081, USA
Tel +1 908 379 7400

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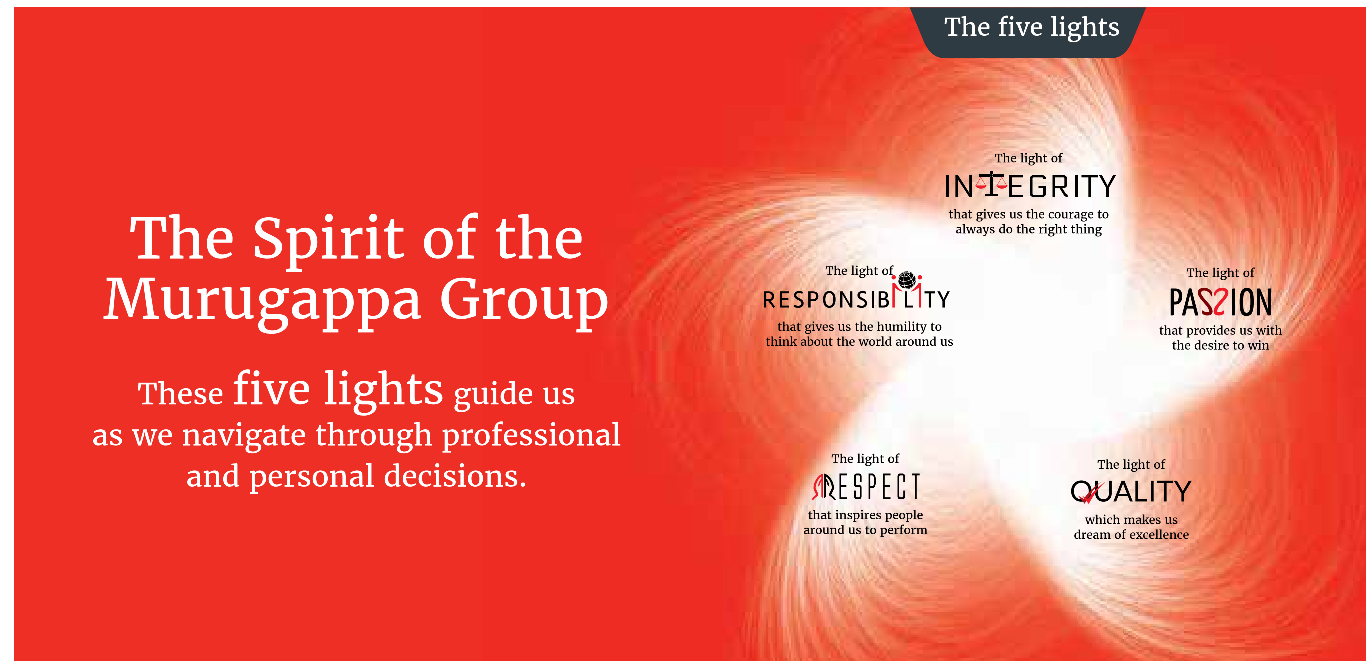

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CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

Registered Ofiice:
CG House, 6th Floor, Dr Annie Besant Road, Worli,
Mumbai 400030, India.

Designed by SAP Print Solutions Pvt. Ltd.

CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

(CIN: L99999MH1937PLC002641)
Registered Office: 6th Floor, CG House, Dr. Annie Besant Road, Worli, Mumbai 400 030
Email: investorservices@cgglobal.com **Website**: www.cgglobal.com
Phone: +91 22 2423 7777 **Fax**: +91 22 2423 7733

NOTICE

NOTICE is hereby given that the Eighty Sixth Annual General Meeting of the Members of **CG POWER AND INDUSTRIAL SOLUTIONS LIMITED ('the Company')** will be held on **Thursday, 27 July 2023 at 03:00 pm (IST)** through Video Conferencing ('**VC**')/ Other Audio-Visual Means ('**OAVM**') to transact the following business:

ORDINARY BUSINESS:

Adoption of Standalone Financial Statements for the Financial Year ended 31 March 2023

1. To consider and if deemed fit, to pass the following Resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 March 2023, the Reports of the Board of Directors and the Auditors thereon, be and are hereby received and adopted."

Adoption of Consolidated Financial Statements for the Financial Year ended 31 March 2023

2. To consider and if deemed fit, to pass the following Resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31 March 2023 and the Report of the Auditors thereon, be and are hereby received and adopted."

Confirmation of Interim Dividend

3. To confirm the payment of the interim dividend of ₹ 1.50/- per Equity Share of ₹ 2/- each as dividend for the Financial Year 2022-23 and pass the following Resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** the interim dividend of ₹ 1.50/- per Equity Share i.e. 75% on face value of ₹ 2/- per share, declared by the Board of Directors on 2 March 2023 and paid by the Company on 29 March 2023 for the Financial Year 2022-23, be and is hereby confirmed."

Re-appointment of Director retiring by rotation

4. To consider and if deemed fit, to pass the following Resolution as an **Ordinary Resolution**:

   To re-appoint Mr. Kalyan Kumar Paul (DIN: 08935145), who retires by rotation and being eligible, offers himself for re-appointment.

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Kalyan Kumar Paul (DIN: 08935145), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

Re-appointment of Statutory Auditors

5. To consider and if deemed fit, to pass the following Resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendation of the Audit Committee and Board of Directors of the Company, M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) be and are hereby re-appointed as Statutory Auditors of the Company, to hold office for a term of five years, from the conclusion of the ensuing 86th Annual General Meeting of the Company till the conclusion of the 91st Annual General Meeting of the Company, at such remuneration as may be mutually agreed between the Board of Directors of the Company and M/s. S R B C & CO LLP, Chartered Accountants."

SPECIAL BUSINESS:

Ratification of remuneration payable to Cost Auditor

6. To consider and, if deemed fit, to pass the following Resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 148 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹ 8,30,000/- (Rupees Eight Lakh Thirty Thousand only) plus taxes as applicable and reimbursement of out-of-pocket expenses, to conduct the audit of cost records of the Company for the Financial Year ending 31 March 2024, to be paid to M/s. R. Nanabhoy & Co., Cost Accountants (Firm Registration No.000010), as approved by the Board of Directors of the Company, be and is hereby ratified and confirmed."

Re-appointment of Mr. Natarajan Srinivasan (DIN: 00123338) as a Managing Director with effect from 26 November 2023 up to 30 April 2025

7. To consider and, if deemed fit, to pass the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 **('the Act')**, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules under the Act and as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of Members of the Company be and is hereby accorded for re-appointment of Mr. Natarajan Srinivasan as the Managing Director of the Company with effect from 26 November 2023 up to 30 April 2025 (both days inclusive), not liable to retire by rotation except to the extent necessary to comply with the provisions of the Act, on the following terms and conditions including remuneration:

Salary (Basic)	₹ 17,16,250/- per month in the existing pay scale of ₹ 11,00,000/- to ₹ 25,00,000/-. The increments within the scale would be decided by the Nomination and Remuneration Committee.
Allowances/ Perquisites/ Incentive	(a) Allowances like Leave Travel Allowance, Personal Allowance, Special Allowance, Grade Allowance and/ or any other allowance; (b) Perquisites such as furnished/ unfurnished accommodation to be provided by the Company or house rent allowance in lieu thereof, reimbursement of medical expenses incurred for self and family, club fees, provision of car(s) and any other perquisites, benefits or amenities; (c) Incentives: As may be approved by the Nomination and Remuneration Committee from time to time. Incentive (at 100% level) not exceeding 50% of annual pay (Annual pay includes salary, perquisites, allowances, incentives and retiral benefits); and High Performance bonus: As may be approved by the Nomination and Remuneration Committee from time to time. High Performance bonus (at 100% level) not exceeding 50% of annual pay (Annual pay includes salary, perquisites, allowances, incentives and retiral benefits); (d) The allowances and perquisites shall not exceed 150% of the salary. (e) Employee Stock Options in accordance with the Company's Employee Stock Option Plan 2021.
Retirement benefits	(a) Contribution to Provident Fund, Superannuation Fund and Gratuity as per rules of the Fund/ Scheme in force from time to time. (b) Encashment of leave as per rules of the Company in force from time to time.
General	(a) In the event of absence or inadequacy of profits in any financial year, Mr. Srinivasan shall be entitled to such remuneration as may be determined by the Board, which shall not, except with the approval of the Shareholders, exceed the limits prescribed under the Companies Act, 2013 and the Rules made thereunder or any statutory modification(s) or re-enactment(s) thereof. (b) Perquisites shall be valued in terms of Income-Tax Rules or actual expenditure incurred by the Company in providing the benefit or generally accepted practice as is relevant. Provision of telephone (including at residence) shall not be reckoned as perquisite. (c) The aggregate remuneration (including salary, allowances, perquisites, incentives/ commission and retirement benefits) for any financial year shall be subject to an overall ceiling of 5% of the Net Profits of the Company for that financial year computed in the manner prescribed under the Companies Act, 2013. (d) Mr. Srinivasan will not be entitled to any Sitting Fees for attending Meetings of the Board or any Committee thereof.

Mr. Srinivasan will be subject to all other service conditions as applicable to any other employee of the Company. He will not be entitled for severance fee or other compensation for any loss of office.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to finalize and execute any document(s)/ deed(s)/ writing(s)/ paper(s)/ agreement(s) and generally to do all such acts, deeds, matters and things, including but not limited to delegation of all or any of the above powers to any Committee of the Board of Directors or any Director(s) / Official(s) of the Company that may be deemed necessary, proper, expedient or incidental, in its absolute discretion for the purpose of giving effect to this Resolution."

By Order of the Board
For **CG Power and Industrial Solutions Limited**

P Varadarajan
Company Secretary
Membership No. ACS 8237

Mumbai, 8 May 2023

NOTES:

(a) Convening of Annual General Meeting through Video Conferencing / Other Audio Visual Means facility:

Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 22/2020, 33/2020, 02/2021, 19/2021, 21/2021, 2/2022, 10/2022 and 11/2022 dated 8 April 2020, 13 April 2020, 5 May 2020, 15 June 2020, 28 September 2020,13 January 2021, 8 December 2021, 14 December 2021, 5 May 2022 and 28 December 2022 respectively, issued by the Ministry of Corporate Affairs (hereinafter collectively referred as '**MCA Circulars**') and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May 2022 and Circular No. SEBI/HO/CFD/PoD-2/CIR/P/2023/4 dated 5 January 2023 issued by the Securities and Exchange Board of India ('**SEBI Circulars**') and in compliance with the provisions of the Companies Act, 2013 ('**the Act**') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI LODR**'), the 86th Annual General Meeting of the Company (**'AGM'** or **'Meeting'**) is being conducted through Video Conferencing ('**VC**') / Other Audio Visual Means ('**OAVM**') facility, which does not require physical presence of the Members at a common venue. Hence, the Members are requested to attend and participate at the ensuing AGM through VC / OAVM facility being provided by the Company through National Securities Depository Limited ('**NSDL**').

The deemed venue for the AGM shall be the Registered Office of the Company.

(b) Quorum:

The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the AGM. The Company may close the window for joining the VC/OAVM facility 15 minutes after the scheduled time of start of the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee and Auditors, who are allowed to attend the AGM without restriction as provided in the MCA Circulars.

The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

(c) Proxy(ies):

Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

(d) Explanatory Statement:

An Explanatory Statement as per Section 102 of the Act in respect of the special business under Item No. 6 and 7 of this Notice, proposed to be transacted at the AGM and relevant information with respect to Directors seeking appointment/re-appointment at the Meeting under Item No. 4 and 7 of this Notice respectively, as required under Regulation 36 of the SEBI LODR and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ('**SS-2**'), are annexed to this Notice.

(e) Corporate Representations:

Pursuant to the provisions of Section 113 of the Act, Body Corporate Members, who intend their authorized representative(s) to attend the AGM are requested to send, to the Company, a certified copy of the Resolution of its Board of Directors or other governing body, authorizing such representative(s) along with the respective specimen signature(s) of those representative(s) authorized to attend the AGM through VC/OAVM facility and participate thereat and cast their votes through e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to acs.pmehta@gmail.com with a copy marked to investorservices@cgglobal.com.

(f) Queries:

Members who would like to express their views/ have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at investorservices@cgglobal.com. Questions/ queries received by the Company till Saturday, 22 July 2023 shall only be considered and responded during the AGM.

Members who would like to express their views or ask questions during the AGM may register themselves as a Speaker by sending an email to investorservices@cgglobal.com any time before 05:00 p.m. (IST) on Saturday, 22 July 2023, mentioning their name, demat account number/folio number, email id and mobile number. Those Members who have registered themselves as a Speaker will only be allowed to express their views/ask questions during the Meeting.

The Company reserves the right to restrict the number of questions and number of Speakers, as appropriate for smooth conduct of the AGM, depending on availability of time.

The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the Meeting.

(g) Unclaimed/Unpaid Dividends and Shares:

During the Financial Year 2022-23, there were no unclaimed/unpaid dividend(s) which were required to be transferred to the Investor Education and Protection Fund **('IEPF')** in terms of the provisions of Sections 124 and 125 of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time **('IEPF Rules')**,

(h) Dispatch of Notice and Annual Report through electronic means and inspection of documents:

In terms of Section 101 and 136 of the Act, read with Rules made thereunder and Regulation 36 of the SEBI LODR, as amended from time to time, the listed companies may send the Annual Report and the Notice of AGM by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars and SEBI Circular, electronic copy of the Notice of 86th AGM along with the Annual Report for the Financial Year 2022-23 is being sent to all the Members whose e-mail addresses are registered with the Company/ RTA/ Depository Participant(s).

The Members may also note that the Annual Report and the Notice of the AGM will also be made available on the Company's website www.cgglobal.com and on the website of Stock Exchanges (where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited) and also on the website of NSDL at www.evoting.nsdl.com for download. Members may note that relevant documents referred to in the Notice and other documents as required under applicable laws shall be made available for inspection in accordance with applicable statutory requirement based on request received by the Company at investorservices@cgglobal.com.

For Members who have not received the Notice of 86th AGM along with the Annual Report for Financial Year 2022-23 due to change/ non-registration of their e-mail address with the Company / RTA / Depository Participants, they may request for the said Notice and Annual Report, by sending an email at cginvestors@datamaticsbpm.com or investorservices@cgglobal.com. Post receipt of such request and verification of details of the Shareholder, the Shareholder would be provided a soft copy of the said Notice and Annual Report. It is clarified that for registration of email address, the Shareholders are however requested to follow due procedure for registering their e-mail address with the Company/ RTA in respect of physical holdings and with the Depository Participants in respect of electronic holdings. Those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses valid with their Depository Participants/ RTA / Company to enable servicing of notices/ documents/ Annual Reports electronically to their email address.

The Members who have not received any communication regarding this AGM for any reason whatsoever, and are eligible to vote, are also entitled to vote, and may obtain the User ID and password or instructions for remote e-voting by contacting the Company's Registrar & Share Transfer Agent, Datamatics Business Solutions Limited (**'RTA'**) at Tel No.022-6671 2001 to 6671 2006 or e-mail at cginvestors@datamaticsbpm.com between 09:00 a.m. to 5:00 p.m. IST on all working days, except Saturday and Sunday or contact the Company at investorservices@cgglobal.com or NSDL at evoting@nsdl.co.in.

Any person becoming Member of the Company after the dispatch of Notice of the AGM and holding shares as on the cut-off date i.e. Thursday, 20 July 2023 may obtain the user ID and password by referring to the e-voting instructions attached to this Notice and also available on the Company's website www.cgglobal.com and the website of NSDL www.evoting.nsdl.com. Alternatively, Member may send a request providing their email address, mobile number and self-attested PAN copy via email to cginvestors@datamaticsbpm.com for obtaining the Notice of 86th AGM and Annual Report.

(i) Scrutinizer:

The Board of Directors, at its Meeting held on Monday, 8 May 2023, has appointed Mr. Prashant S. Mehta (Membership No ACS 5814), Partner of M/s. KDA & Associates, Practicing Company Secretaries (C.P. No. 17341), as the Scrutinizer to scrutinize the remote e-voting and e-voting at the AGM in a fair and transparent manner.

The Scrutinizer will submit his report to the Chairman/ Managing Director/ Company Secretary of the Company after completion of the scrutiny of the remote e-voting and e-voting at the AGM. The results will be announced by the Chairman/ Managing Director/ Company Secretary of the Company within 2 (two) working days from the conclusion of the AGM and will be posted on the Company's website viz. www.cgglobal.com and will also be posted on the website of NSDL at www.evoting.nsdl.com. The results shall also be intimated to the Stock Exchanges where the securities of the Company are listed.

(j) Electronic voting:

In compliance with provisions of Sections 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 ('**Rules**'), Regulation 44 of the SEBI LODR, and SS-2, the Company is providing remote e-voting facility to enable the Members to cast their votes electronically on the matters included in this Notice. For this purpose, the Company has engaged the services of NSDL to provide e-voting facility to enable the Members to cast their votes electronically. The facility of casting votes by a Member using remote e-voting system as well as e-voting at the AGM will be provided by NSDL.

Members are requested to follow the procedure stated in the "Instructions for E-voting Section" of this Notice for casting of votes electronically.

The cut-off date for determining the Members eligible to vote on Resolutions proposed to be considered at the Meeting is Thursday, 20 July 2023. The remote e-voting period will commence on **Sunday, 23 July 2023 at 9:00 a.m. (IST) and end on Wednesday, 26 July 2023 at 5:00 p.m. (IST)**. The remote e-voting will not be allowed beyond the aforesaid date and time. The remote e-voting module shall be disabled thereafter.

The Resolutions set out in this Notice shall be deemed to have been passed on the date of the AGM, if approved by the requisite majority.

Only those Members whose names are appearing on the Register of Members / List of Beneficial Owners as on the cut-off date i.e. Thursday, 20 July 2023, shall be entitled to cast their vote through remote e-voting or voting through VC /OAVM at the AGM, as the case may be. A person who is not a Member on the cut-off date should treat this Notice for information purpose only.

The Members who have cast their vote by remote e-voting prior to the AGM, may also attend and participate in the proceedings of the AGM through VC/OAVM but shall not be entitled to cast their votes again. The Members can opt for only one mode of voting i.e. remote e-voting or e-voting through VC/OAVM at the AGM. In case of voting by both the modes, vote cast through remote e-voting will be considered as final and e-voting through VC/OAVM at AGM will not be considered. Members must note that voting by show of hands will not be available at the Meeting in terms of the aforesaid provisions.

(k) Voting Rights:

Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Member as on the cut-off date i.e. Thursday, 20 July 2023.

(l) Registrar and Share Transfer Agent and Investor Services Department:

The Company's Registrar and Share Transfer ('**RTA**') is Datamatics Business Solutions Limited ('**DBSL**'). In addition to the RTA, our Corporate Secretarial Department is happy to assist in case of any difficulties being experienced by the Members in their interaction with DBSL. For any communication, the Shareholders may send an e-mail to the Company's Secretarial Department at investorservices@cgglobal.com.

Address and details for correspondence with DBSL and the Secretarial Department are provided in the section titled 'Report on Corporate Governance' in the 86th Annual Report for Financial Year 2022-23 accompanying this Notice.

(m) Route Map:

As the AGM is being held through VC/OAVM, without the physical presence of the Members in terms of MCA Circulars, the route map is not annexed to this Notice.

(n) Shares related:

a. Members may please note that as per the SEBI Circular dated 16 March 2023, SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by 1 October 2023, and linking PAN with Aadhaar by 30 June 2023. Member are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR Code, IFSC Code, etc.:

   i. For shares held in electronic form: to their Depository Participants **(DPs)**; and

   ii. For shares held in physical form: to the Company/ Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular. Further, in case a holder of physical securities fails to furnish PAN and KYC details before 1 October 2023 or link their PAN with Aadhaar before 30 June 2023, in accordance with the SEBI circular dated 16 March 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on 31 December 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

b. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/8 dated 25 January 2022, as amended, has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's website at https://www.cgglobal.com/shares_related and on the website of the Company's Registrar and Transfer Agents, Datamatics Business Solutions Limited **("RTA")** at https://www.datamaticsbpm.com/registrar-and-transfer-agent/information-to-shareholders/

   It may be noted that any service request can be processed only after the folio is KYC Compliant.

c. SEBI vide its Notification dated 24 January 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

d. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

e. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website https://www.cgglobal.com/shares_related. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form

Members are therefore requested to dematerialize their physical holdings. For any clarification, assistance or information relating to dematerialization of Company's shares, please contact the Company's RTA, DBSL at Tel No.022 - 6671 2001 to 6671 2006 or e-mail at cginvestors@datamaticsbpm.com

By Order of the Board
For **CG Power and Industrial Solutions Limited**

P Varadarajan
Company Secretary
Membership No. ACS 8237

Mumbai, 8 May 2023

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

In conformity with the provisions of Section 102 of the Companies Act, 2013 ('**the Act**') and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ('**SS-2**'), the following Explanatory Statement and annexure thereto should be taken as forming part of this Notice.

Item No. 5
Re-appointment of Statutory Auditors

The Members of the Company at its 81st Annual General Meeting **("AGM")** held on 28 September 2018 had approved the appointment of M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) **("SRBC")** and M/s. K.K. Mankeshwar & Co., Chartered Accountants, as the Joint Statutory Auditors of the Company for a period of five years commencing from the conclusion of the 81st AGM until the conclusion of the 86th AGM. MM/s. K.K. Mankeshwar & Co., Chartered Accountants, resigned as the Joint Statutory Auditors of the Company on 25 January 2020. As the term of the SRBC as the Statutory Auditor is valid till the 86th AGM, it is proposed to re-appoint them as Statutory Auditors of the Company for a second term of five years, to which they are eligible under the Act.

Based on the recommendation of the Audit Committee and considering the satisfactory services provided by M/s. S R B C & CO LLP, the Board of Directors at its Meeting held on 8 May 2023 approved the recommendation to the Shareholders of the Company the re-appointment of SRBC for the second term of five years to hold office from the conclusion of the 86th AGM until the conclusion of the 91st AGM, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and M/s. S R B C & CO LLP, Chartered Accountants. Besides the audit services, the Company would also obtain certifications which are to be mandatorily received from the Statutory Auditors under various regulations.

The Board of Directors based on the recommendation of the Audit Committee shall approve the revision in the remuneration of the Statutory Auditor, based on the performance review and any additional efforts on account of changes in regulations or management processes, business acquisitions, internal restructurings or other considerations.

M/s. S R B C & CO LLP have provided their consent for re-appointment as Statutory Auditors of the Company along with their eligibility certificate, inter-alia stating that they are not disqualified for appointment as the Statutory Auditors of the Company under the Companies Act, 2013, the Chartered Accountants Act, 1949 and the Rules and Regulations made thereunder. SRBC has also confirmed that they have subjected themselves to the peer-review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board of ICAI'.

None of the Directors, Key Managerial Personnel, or their relatives are, in any way, concerned or interested, financially or otherwise, in the said Ordinary Resolution set out at Item No. 5 of the accompanying Notice.

Item No. 6
Ratification of remuneration payable to Cost Auditor

The Board of Directors of the Company, on the recommendation of the Audit Committee, have at their Meeting held on 8 May 2023, approved the appointment of M/s. R. Nanabhoy & Associates, Cost Accountants (Firm Registration No.000010), for conducting the audit of the cost records of the Company for the Financial Year ending 31 March 2024 at a remuneration of ₹ 8,30,000/- (Rupees Eight Lakhs Thirty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board is required to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 6 of this Notice for ratification of the remuneration payable to the Cost Auditors of the Company for the Financial Year ending 31 March 2024.

The Board of Directors recommends the Ordinary Resolution at Item No. 6 for approval of the Members.

None of the Directors, Key Managerial Personnel or their relatives are in any way, financially or otherwise, concerned or interested in the said Ordinary Resolution set out at Item No. 6 of the accompanying Notice.

Item No. 7
Re-appointment of Mr. Natarajan Srinivasan (DIN: 00123338) as Managing Director with effect from 26 November 2023 up to 30 April 2025

Mr. Natarajan Srinivasan has been the Managing Director of the Company since 26 November 2020. He was appointed as Managing Director of the Company, for a period of two years i.e. from 26 November 2020 upto 25 November 2022. He was further re-appointed as Managing Director of the Company, for a period of one year i.e. from 26 November 2022 upto 25 November 2023. The said re-appointment was approved by the Shareholders of the Company vide Postal Ballot on 14 December 2022.

On the recommendation of the Nomination and Remuneration Committee and subject to approval of the Members of the Company, the Board of Directors of the Company, at its Meeting held on 8 May 2023, has approved the extension of the tenure of Mr. Natarajan Srinivasan by re-appointing him as Managing Director of the Company with effect from 26 November 2023 upto 30 April 2025 (both days inclusive) on the terms and conditions as set out in the Resolution at Item No. 7 of the accompanying Notice.

Mr. Natarajan Srinivasan is a Commerce Graduate, a Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has more than 38 years of Corporate work experience spanning across Finance, Legal, Projects and General Management functions. He started his career with BHEL. Before joining the Company, he has served the Murugappa Group for 15 years, where he held several senior positions - Director in Murugappa Corporate Board, Group Finance Director, Lead Director - Financial Services Business, Executive Vice Chairman and MD of Cholamandalam Investment and Finance Company Limited.

He also served the Boards of Tube Investments of India Limited, Cholamandalam MS General Insurance Company Limited and TI Financial Holdings Limited.

In December 2018, the Government of India appointed Mr. Srinivasan on the Board of Infrastructure Leasing and Financial Services Ltd. And he held the directorship till 28 February 2023. He is currently on the Boards of Godrej Agrovet Limited and Computer Age Management Services Limited as an Independent Director.

Under the able leadership of Mr. Srinivasan, the Company has made a swift comeback within last two years and has produced yet another solid performance in the Financial Year 2022-23. The Company has become debt free and has resumed payment of dividend after a gap of 7 years. Market capitalization of the Company which was ₹ 27,316 crores as on 31 March 2022 rose to ₹ 45,821 Crores as on 31 March 2023 which reflects the progress made by the Company on several fronts. Further, the Company is in expansion mode and is making all efforts to build/ develop the requisite infrastructure for supporting the growth of the businesses.

In view of the above, it is desirable and in the interests of the Company to extend the tenure of Mr. Natarajan Srinivasan by re-appointing him as Managing Director with effect from 26 November 2023 up to 30 April 2025 (both days inclusive).

In terms of the applicable provisions of the Act, Mr. Natarajan Srinivasan is proposed to be re-appointed as the Managing Director of the Company not liable to retire by rotation, except to the extent necessary to comply with the provisions of the Companies Act, 2013 with effect from 26 November 2023 up to 30 April 2025 (both days inclusive) on the terms and conditions set out in the Resolution at Item No. 7 of the accompanying Notice.

Other details of Mr. Natarajan Srinivasan as stipulated under Regulation 36 of the SEBI LODR and SS-2 are provided in the Annexure to this Explanatory Statement.

The Board recommends to the Members the re-appointment of Mr. Natarajan Srinivasan as the Managing Director of the Company with effect from 26 November 2023 up to 30 April 2025, by passing the Ordinary Resolution as mentioned in Item No. 7 of the accompanying Notice.

Except Mr. Natarajan Srinivasan, being an appointee, none of the other Directors and Key Managerial Personnel of the Company or their relatives, are in any way, financially or otherwise, concerned or interested in the said Ordinary Resolution as set out at Item No. 7 of the accompanying Notice. Mr. Natarajan Srinivasan is not related to any Director or Key Managerial Personnel of the Company.

By Order of the Board
For **CG Power and Industrial Solutions Limited**

P Varadarajan
Company Secretary
Membership No. ACS 8237

Mumbai, 8 May 2023

ANNEXURE TO ITEM NO. 4 AND 7 OF THE NOTICE CONVENING THE 86TH ANNUAL GENERAL MEETING OF THE COMPANY

Details of Directors seeking re-appointment at the 86th Annual General Meeting of the Company pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India

Name of the Director	Mr. Kalyan Kumar Paul	Mr. Natarajan Srinivasan
DIN	08935145	00123338
Nationality	Indian	Indian
Date of First Appointment on the Board of Directors	11 June 2021	Appointed as Managing Director of the Company for two years from 26 November 2020 upto 25 November 2022 (both days inclusive). Re-appointed as Managing Director for a period of one year from 26 November 2022 upto 25 November 2023 (both days inclusive).
Age	66 years	65 years
Qualifications	Bachelor of Science with Honors from Presidency College, Kolkata, and MBA in Sales & Marketing from Indian Institute of Social Welfare and Business Management, Kolkata.	Chartered Accountant from the Institute of Chartered Accountants of India and Company Secretary from the Institute of Company Secretaries of India
Capacity	Non-Executive Non-Independent Director	Managing Director
Experience and expertise in Specific Functional Areas	He has around 40 years of rich experience in managing domestic and international operations, sales and marketing across diverse industries.	He has more than 38 years of Corporate work experience spanning across Finance, Legal, Projects and General Management functions.
List of Directorships held in other companies including the companies from which he has resigned in the past three years	**Directorship in other companies** - Great Cycles (Private) Limited - Creative Cycles (Private) Limited - Cellestial E-Trac Private Limited - TI Clean Mobility Private Limited - Cellestial E-Mobility Private Limited - IPLTech Electric Private Limited **Names of listed entities from which the Director has resigned in the past 3 (three) years:** Nil	**Directorship in other companies** - Godrej Agrovet Limited - Computer Age Management Services Limited **Names of listed entities from which the Director has demitted office in the past 3 (three) years:** - IL&FS Financial Services Limited - 31 December 2020 - Indiafirst Life Insurance Company Limited - 7 May 2021 - IL&FS Tamil Nadu Power Company Limited - 23 December 2020 - Infrastructure Leasing and Financial Services Limited - 28 February 2023
Membership/ Chairmanship in the Committees of the Boards of companies in which he is a Director	Nil	**(a) Computer Age Management Services Limited** • Audit Committee - Chairman • Stakeholders' Relationship Committee - Chairman • Risk Management Committee - Member **(b) Godrej Agrovet Limited** • Audit Committee - Chairman • Stakeholders' Relationship Committee - Member • Risk Management Committee - Member
Terms and Conditions of appointment/ re-appointment	Appointment as a Non-Executive Non-Independent Director subject to retirement by rotation.	Kindly refer to the terms mentioned in the Ordinary Resolution at Item No. 7.
Details of remuneration sought to be paid	Entitled to sitting fees for attending Meetings of the Board and commission as per the limits set out in the Act.	Kindly refer to Ordinary Resolution of this Notice at Item No. 7.

Last drawn remuneration	Kindly refer the section titled 'Report on Corporate Governance' of the 86th Annual Report of the Company accompanying this Notice.	Kindly refer the section titled 'Report on Corporate Governance' of the 86th Annual Report of the Company accompanying this Notice.
Number of Meetings of Board attended during the year	Attended all the 5 Board Meetings that were held during the Financial Year 2022-23.	Attended 4 out of 5 Board Meetings that were held during the Financial Year 2022-23.
Number of shares held in the Company including shareholding as a Beneficial Owner	Holds 30,000 equity shares of the Company	Nil
Justification for choosing the individual for appointment as an Independent Director	Not Applicable	Not Applicable
Relationship with other Directors/ KMPs	Not related to any Director / Key Managerial Personnel of the Company.	Not related to any Director / Key Managerial Personnel of the Company.

By Order of the Board
For **CG Power and Industrial Solutions Limited**

P Varadarajan
Company Secretary
Membership No. ACS 8237

Mumbai, 8 May 2023

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Sunday, 23 July 2023 at 9:00 a.m. (IST) and ends on Wednesday, 26 July 2023 at 5:00 p.m. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, 20 July 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 20 July 2023.

How do I vote electronically using NSDL e-voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9 December 2020, as amended from time to time, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with NSDL	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "**Login**" which is available under '**Shareholder/Member**' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on options available against company name or **e-voting service provider - NSDL** and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

Type of shareholders	Login Method
	3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on the company name or **e-voting service provider-NSDL** and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in **Demat mode with NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in **Demat mode with CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at \ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password,’ you need to enter the ‘initial password’ and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password.'

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "**Forgot User Details/Password**?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Click on "**Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, your PAN, your name and your registered address, etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

How to cast your vote electronically and join General Meeting on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the Resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to acs.pmehta@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the Resolutions set out in this Notice:

1. In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the Share Certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cginvestors@datamaticsbpm.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, Client Master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investorservices@cgglobal.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **Step 1 (A**) i.e. **Login method for e-voting and joining virtual meeting for Individual Shareholders holding securities in demat mode**.

3. Alternatively, Shareholder/ Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI Circular dated 9 December 2020, as amended from time to time on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

The instructions for Members for e-voting on the day of the AGM are as under:

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

3. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions for Members for attending the AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for **Access to NSDL e-voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join Meeting"** menu against company name. You are requested to click on VC/OAVM link placed under "Join General Meeting" menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at investorservices@cgglobal.com. The same will be replied by the company suitably.

Smart solutions.
Strong relationships.

CG POWER AND INDUSTRIAL SOLUTIONS LIMITED

(CIN: L99999MH1937PLC002641)
Registered Office: 6th Floor, CG House, Dr. Annie Besant Road, Worli, Mumbai 400 030
Email: investorservices@cgglobal.com **Website**: www.cgglobal.com
Phone: +91 22 2423 7777 **Fax**: +91 22 2423 7733

Date:

Dear Shareholder(s),

Sub: Registration of e-mail address

In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, we request you to kindly register your e-mail ID in order to receive the Notices of future Annual General Meetings, Annual Report and other correspondences of the Company in electronic form, by sending a duly filled in and signed copy of the below Registration Form to the Company's Registrar and Share Transfer Agent 'Datamatics Business Solutions Limited' at Plot No. B-5, Part B Cross Lane, MIDC, Andheri (East), Mumbai 400 093 or through email at cginvestors@datamaticsbpm.com.

Shareholders who hold shares in dematerialized form are requested to approach the concerned Depository Participant for updating/modifying their e-mail id(s) as the case may be.

For **CG Power and Industrial Solutions Limited**

P Varadarajan
Company Secretary and Compliance Officer
Membership No. ACS 8237

E-MAIL REGISTRATION FORM

To* :

The Company (for Shareholders holding shares in physical mode)

The Depository Participants (for Shareholders holding shares in dematerialised form)

Sub: Registration of e-mail address - CG Power and Industrial Solutions Limited

I/We would like to receive Notices, Annual Reports and other communications/documents from the Company in electronic mode. I/We request you to register my/our e-mail address for receiving communications/documents electronically as per the following details:

Name of the Shareholder(s)	
Folio/DP ID/Client ID	
E-mail address	
Mobile No	

Date:

Place:

Signature of the Shareholder(s)#

* Please tick as applicable.

\# Please ensure that the form is signed by the registered Shareholder along with Joint Shareholder(s), if any.